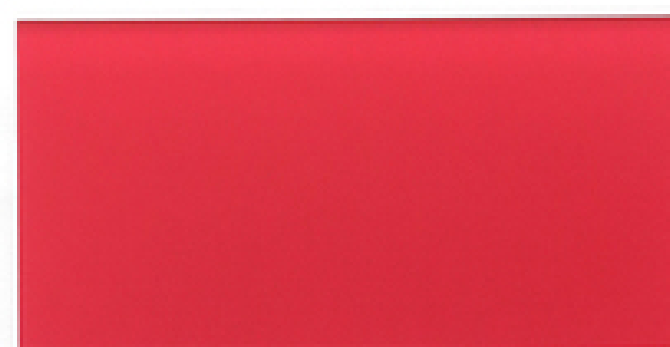


2020

ANNUAL REPORT

Corruption Prevention and
Combating Bureau of Latvia



Korupcijas novēršanas un
apkarošanas birojs

Address by the Management



Jēkabs Straume
Director

Looking back at 2020, I can note with satisfaction that the Corruption Prevention and Combating Bureau of Latvia has had an active, focused and fruitful year.

The field of anti-corruption in 2020 is highlighted by the Bureau sending for prosecution its first ever criminal case on the bribery of a foreign public official. This proves that the Bureau is capable of successfully investigating not only local, but also cross-border bribery cases.

With the beginning of the Covid-19 pandemic, the Bureau immediately reacted by implementing security measures and providing teleworking opportunities. It was therefore possible to avoid the spread of Covid-19 within the Bureau.

In 2020 the Bureau laid the foundation for strengthening its capacity. As of 2021, the Bureau has been granted additional positions as well as increased its remuneration in order to attract highly qualified specialists.

I highly value the public participation, actively reporting possible violations by public officials. In order to facilitate more proactive public participation in reducing corruption, the Bureau has begun implementing the project “Support for the establishment of a whistle-blowing system in Latvia”, financed by the European Economic Area Financial Mechanism.

I thank all the employees of the Bureau for the intense and selfless efforts in 2020, and their ability to adapt to new circumstances. Achieving goals is a never-ending process, so I wish us all to continue working as a unified team, moving towards a common goal – Latvia without corruption.

I thank our partners and the public for cooperation in 2020, and call for continued productive cooperation in 2021.



Ineta Cīrule
Deputy Director
for Investigation
Matters

The results of 2020 are evidence of the professionalism of the Bureau. Of the 23 criminal cases sent for prosecution, two were against legal persons registered in Latvia for the alleged bribery of foreign public officials. In one of the aforementioned cases, the amount of the bribe exceeded 2 million euro. The work of the Bureau is also evidenced by the 440 000 euro fines paid by the convicted persons, and 21 000 euro paid by the administratively sanctioned persons.



Jānis Roze
Deputy Director for
Criminal Intelligence

In 2020, carrying out criminal intelligence activities was a great challenge. However, in line with all epidemiological requirements, we did our utmost to ensure that gathering of criminal intelligence continued as usual. Bureau criminal intelligence officers contributed significantly to criminal investigations, not only by performing special investigative measures, but also by providing analytical support. I would like to emphasize the excellent cooperation with partner agencies both in Latvia and abroad, which facilitated the exchange of information during the emergency situation.

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About the Bureau



The Corruption Prevention and Combating Bureau of Latvia

(hereinafter – Bureau) is a direct administration authority under the supervision of the Cabinet of Ministers that performs the functions prescribed in the Law on Corruption Prevention and Combating Bureau in the field of corruption prevention and combating, as well as controls fulfilment of financing regulations of political organisations (parties) and associations thereof, and inspects how the restrictions laid down for pre-election campaigns, campaigns before referendum, campaigns for the initiation of a law and campaigns for initiation of recalling of the Saeima are complied with.

Mission

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

Priorities

The Bureau plans its operations according to the priorities defined in its Operational Strategy for 2020–2022:

- reduce the possibility of unlawful actions by public officials with the property and finances of a public person, including the identification and elimination of corruptive criminal offences in institutions of a public person, by performing targeted activities in the following priority areas:



financial sector



judicial authorities



health care



public procurements

Structure of the Bureau

There are two deputies subordinated to the Director of the Bureau. The Deputy Director for Investigation Matters oversees the Criminal Investigation Department (comprising two investigation divisions) and the Administrative Investigation Department (comprising the Division for Investigation of Violations of Political Organisations and the Division for Investigation of Administrative Violations).

The Deputy Director for Criminal Intelligence oversees the Criminal Intelligence Department and the Criminal Intelligence Support Department (comprising two criminal intelligence divisions and two divisions of criminal intelligence support respectively).

The Director of the Bureau oversees the Department of Strategy, which includes strategic analysis, information analysis and strategic communication. The Director of the Bureau also oversee five separate divisions responsible for record-keeping, legal and financial matters, internal security and human resources.

- to conduct, to the extent possible, parallel financial investigations in each criminal proceeding investigated by the Bureau in order to identify, seize and confiscate proceeds of crime;
- to improve the supervision of financing of political organizations (parties) by applying the new financing model of political organizations (parties);
- to strengthen the capacity of human and material resources by improving the Bureau's analytical, criminal intelligence and investigative capacities, preventing and combating corruptive criminal offences and controlling compliance with the Regulations for Financing of Political Parties.

Corruption Prevention and Combating Results in 2020

39

criminal
proceedings
initiated

21,21 mil. euro

and 13 real estate seized in
criminal investigations

23

criminal
proceedings
sent for
prosecution

41

person against whom
criminal prosecution initiated

222

administrative
proceedings
initiated

232 457 euro

requested to reimburse to the
State for damages caused in
administrative proceedings

22 505 euro

finances imposed in
administrative offence cases

61

educational
events

6 060

participants in
educational events

5 952

calls received

1 513

applications
received

53

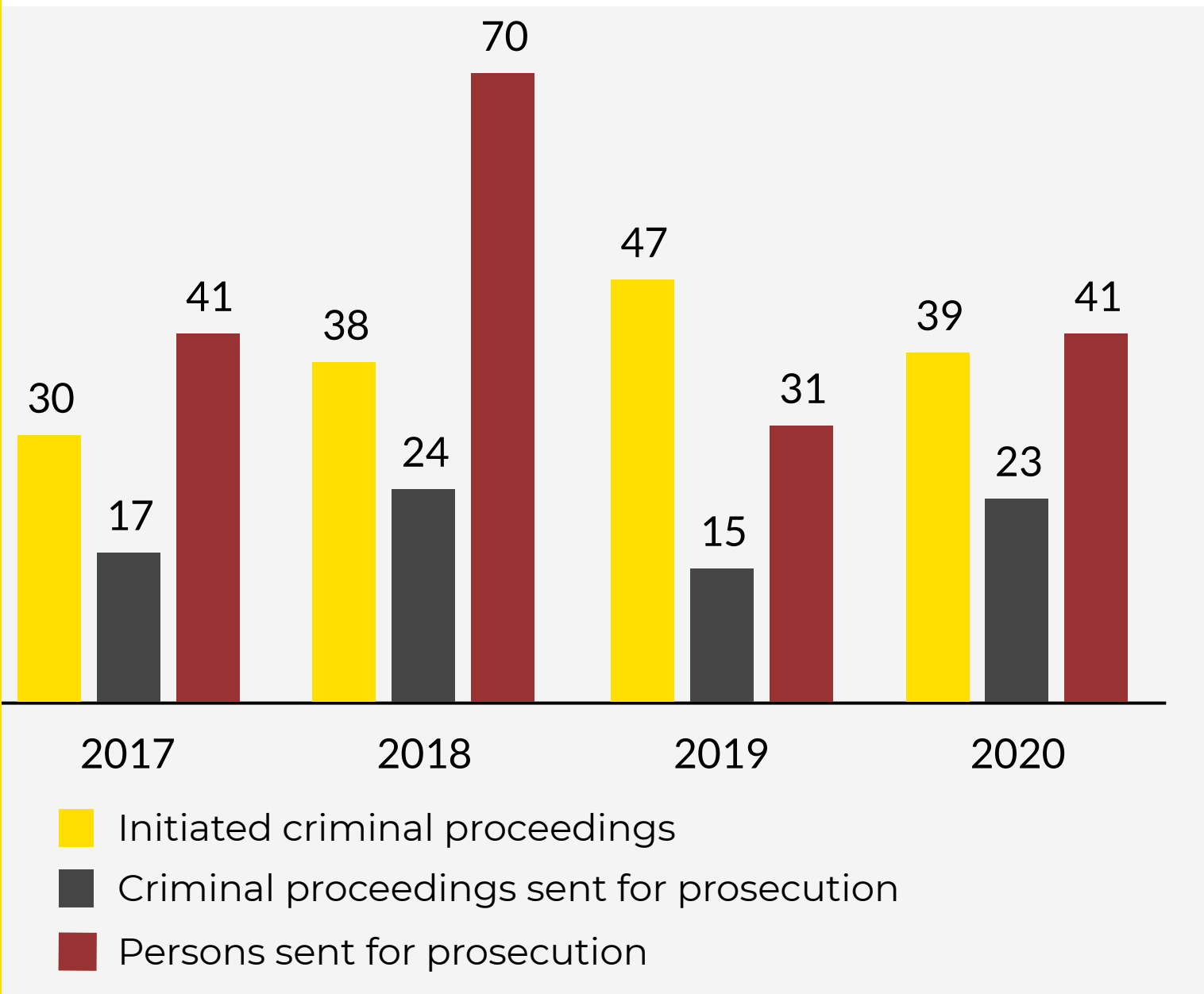
whistleblower
reports
received

Criminal Investigation

In 2020, the Bureau **initiated 39 criminal proceedings**, of which 10 were initiated based on information provided by the Criminal Intelligence Department, whereas 4 were isolated from pending criminal proceedings. The remaining criminal proceedings were initiated based on information from other sources.

Most criminal proceedings during the reporting period were **initiated for unlawful actions in state and local government authorities**.

Compared to 2019, high risks in relation to unlawful use of financial resources and property of a public person by public officials has retained in the reporting period. Compared to the previous reporting periods, 2020 saw a significant increase in criminal proceedings initiated based on information provided by the Financial Intelligence Unit on money-laundering by foreign public officials. Corruption risks also remain high in public procurements. Risks are also high in institutions that have been delegated control, supervision and punitive functions.



Number of initiated criminal proceedings, and criminal proceedings and persons sent for prosecution



15 Activities of public person institutions



9 Financial sector



7 Activities of law enforcement authorities



6 Public procurements



2 General security and public order

Distribution of initiated criminal proceedings by fields (number of criminal proceedings)



23 % Accepting bribes



15 % Money-laundering



15 % Use of official position in bad faith



9 % Forging official documents



6 % Giving bribes



6 % Disclosure of non-disclosable information



6 % Fraud



5 % Intermediation in bribery

Most commonly investigated offences in the initiated criminal proceedings (%)

Criminal Investigation

| | | |
|---|---|---|
| Activities of law enforcement authorities | 7 |  |
| Activities of a public person | 6 |  |
| General security and public order | 4 |  |
| Public procurements | 3 |  |
| Commercial activities | 2 |  |
| Attracting EU funding | 1 |  |

Distribution of criminal proceedings sent for prosecution by fields (number)

In 2020, the Bureau sent for prosecution **23 criminal proceedings against 39 natural persons and 2 legal persons**. 26 criminal proceedings were terminated.

An average of two persons were proposed to be held criminally liable in every criminal proceeding investigated by the Bureau in 2020, indicating that more than one person is commonly involved and cooperate in planning and committing criminal offences.

During the reporting period, 30 % of the criminal proceedings sent for prosecution were initiated in 2019, and 48 % were initiated in 2020, which demonstrates the ability of the Bureau to investigate alleged corruptive criminal offences efficiently and within reasonable timeframes.

One of the cases, initiated in 2019 and sent for prosecution in 2020 against a legal person for the bribery of a foreign public official, has already been tried. The person has been fined 180 minimum monthly salaries, i.e. 77 400 euro.

Most persons in 2020 were held criminally liable for forging official documents, giving and accepting bribes, as well as disclosing non-disclosable information.

Out of the 39 criminal proceedings initiated in 2020, eleven were sent for prosecution. Of these, six criminal proceedings were sent for trial. **The average investigation duration of criminal proceedings initiated in the Bureau during the reporting period was five months.**

| | | |
|---|------|---|
| Forging official documents | 18 % |  |
| Giving bribes | 17 % |  |
| Accepting bribes | 12 % |  |
| disclosure of non-disclosable information | 8 % |  |
| Fraud | 7 % |  |
| Movement of goods of strategic importance | 7 % |  |
| Use of official position in bad faith | 5 % |  |

Most commonly investigated offences in criminal proceedings sent for prosecution (%)

Criminal Investigation

Financial resources seized (million euro) **21,21**



Immovable properties seized **13**



Financial resources and property seized



In 2020, Bureau officials **examined 341 application by natural and legal persons** on alleged criminal offences. **134 departmental checks were initiated**, and resulted in 112 refusals to initiate criminal proceedings. In the remaining cases, submitters received replies or the applications were forwarded to other institutions according to their competence.

During the reporting period, the Bureau **received 34 mutual legal assistance requests** from Mongolia, Ukraine, Netherlands, Russia, Greece, Poland, Spain, Germany, Estonia, Lichtenstein, Moldova and Romania. 37 of the mutual legal assistance requests were completed in 2020.

To ensure the gathering of evidence and fixing thereof in the criminal proceedings of the Bureau, **28 mutual legal assistance requests were prepared** by officials of the Bureau. The majority of the mutual legal assistance requests were sent to European Union Member States.

In 2020, the **State Audit Service carried out a performance audit** of the quality of the Bureau's pre-trial investigative work, and found that:

- The Bureau has established a practice that in complex cases that have particular impact on state interests and which may possibly cause resonance among the general public, the heads of investigation units approach, of their own initiative, the Chief Prosecutor of the Division for Investigation of Especially Serious Cases of the Criminal Justice Department of the Prosecutor General's Office before or immediately after initiating the criminal proceedings;
- In the following years the Bureau must strengthen the investigators' understanding of parallel financial investigations and their capacity to perform it.

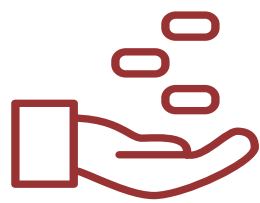
Criminal Investigation

Descriptions of the most significant **criminal proceedings sent for prosecution** in 2020



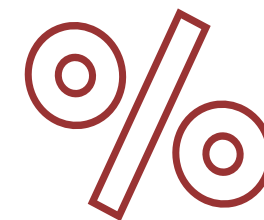
Judgment of the Klaipeda Regional Court established that a natural person, representing the interests of a legal person, bribed an official of the Lithuania's state enterprise "Klaipeda State Seaport Authority" to act in the interests of the legal person registered in Latvia. A **total of 5 000 euro was paid in bribes**, a bottle of alcoholic beverages worth 48 euro **and a wristwatch worth 5 175 euro** were presented.

Assessing the gathered evidence, the Bureau suggested prosecution of the legal person for the giving of bribes.



A public official of the University of Latvia, as the Deputy Chairman of the Procurement Commission, allegedly accepted a bribe offer and **bribe of 20 000 euro**, recording it as a donation to the association for acting in the interests of specific entrepreneurs. One of the entrepreneurs, as well as another natural person involved, are being additionally accused of possessing a device of strategic importance intended for criminal intelligence activities.

Assessing the gathered evidence, the Bureau suggested prosecution against one person for accepting a bribe offer and bribe, against two entrepreneurs – for offering a bribe and giving a bribe, as well as against one the aforementioned entrepreneurs and involved person – for the storage of a device of strategic importance intended for criminal intelligence activities.



The judgment of the Moscow District Court of Minsk found that a natural person, representing the interests of a legal entity, bribed an official of the open joint stock company "Banking Processing Center", registered in the Republic of Belarus, to act in the interests of a legal entity, **paying a total of 2 262 339.50 euro in bribes** and recording them as fictitious transactions.

Simultaneously, the legal entity included fictitious transaction expenses in the profit and loss statements for the respective years, deliberately reducing the income subject to corporate income tax, **reducing the amount of corporate income tax by 512 741.54 euro**.

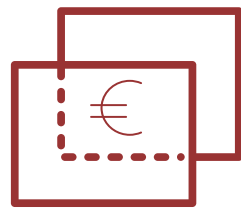
After evaluating the gathered evidence, the Bureau suggested sending the criminal proceedings for prosecution to the Prosecutor General's Office to continue the coercive measure against the legal entity for large-scale bribery in the interests of a company and improper supervision, as well as tax evasion and causing similar damages to the State.



An official of Kėkava Municipality Council via the intermediation of a natural person, allegedly **demanding a 30 000 euro bribe** from another natural person in relation to the implementation of a construction project. Assessing the gathered evidence, the Bureau initiated criminal proceedings against one person for requesting a bribe and against another person for intermediation in bribery.

Criminal Investigation

Descriptions of the most significant **criminal proceedings sent for prosecution** in 2020



An insolvency administrator in charge of the financial resources of the respective companies, allegedly used their position for profit, withdrawing cash from the companies' bank accounts without justification, and did not provide the Insolvency Control Service documents justifying such actions, **causing 12 809.15 euro in damages** to the interests of the involved companies.

Assessing the gathered evidence, the Bureau suggested criminal prosecution against one person for the use of official position in bad faith for profit.



A natural person allegedly wanted to hand over a **150 000 euro bribe** via an intermediary to a public official to receive a favourable decision on the allocation of Cohesion Fund project funds to the company represented by the natural person. The intermediary gave the impression that a favourable decision could be reached and allegedly misappropriated the 150 000 euro bribe.

Assessing the gathered evidence, the Bureau suggested prosecution against one person for the giving of a bribe, and against the other person – for the misappropriation of a bribe.



A natural person **demanded 100 000 euro** from another natural person, giving the impression that it could facilitate the termination of criminal proceedings against the natural person concerned. The Bureau initially opened criminal proceedings on alleged requesting of a bribe, however, in the course of investigation it was reclassified as a fraud attempt. The same natural person, while impersonating another person, allegedly **defrauded 85 000 euro**, which was transferred directly to the account of a third person, thus laundering it. Furthermore, the same natural person, while impersonating another person, allegedly attempted to **defraud 90 000 euro**.

Assessing the gathered evidence, the Bureau suggested prosecution against one person for fraud, attempted fraud and money-laundering.



A citizen of the United States allegedly offered a **50 000 euro bribe** to a State Police officer for the release of a detainee and the destruction of evidence in a particular criminal proceeding in an attempt to obtain an illegal decision.

Assessing the gathered evidence, the Bureau suggested prosecution against one person for the interference in pre-trial criminal proceedings and offering a bribe.

Control of Activities of Public Officials

In 2020 the Bureau **initiated 179 administrative proceedings** for non-compliance with the restrictions of the “Law on Prevention of Conflict of Interest in Activities of Public Officials” (hereinafter – IKNL) for public officials, as well as prepared 87 decisions refusing to initiate administrative proceedings. The Bureau **took 223 decisions in administrative proceedings**.

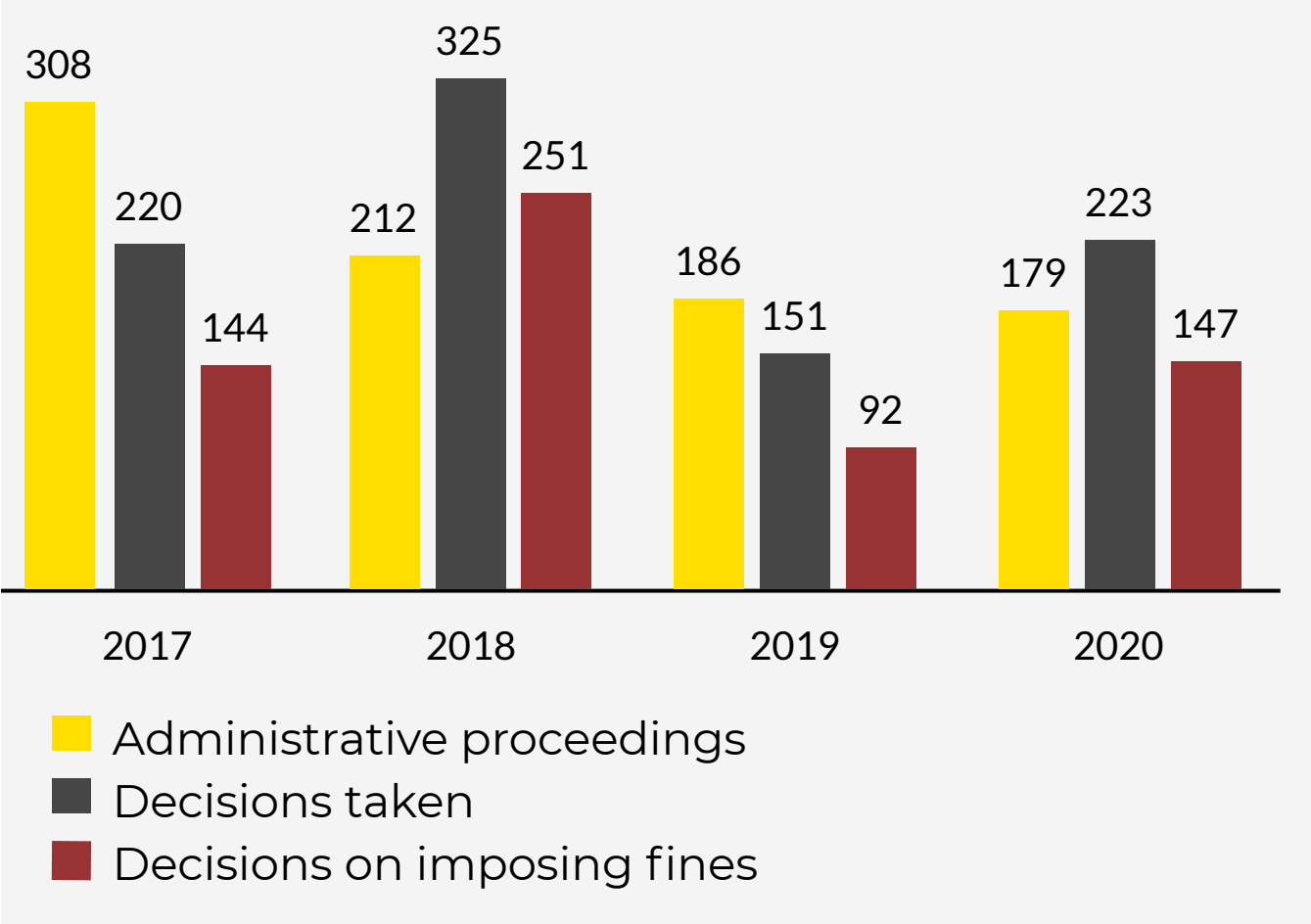
| | | |
|-----------------------------------|--------|---|
| Sanctioned public officials | 147 |  |
| Fines imposed (euro) | 16 640 |  |
| Repaid to the State budget (euro) | 41 276 |  |
| Oral warnings | 64 |  |

Sanctions imposed

During the reporting period, the Division for Investigation of Administrative Violations **initiated 461, and completed 462, departmental checks**, which is equal to the 2019 amount.

Examining the application and complaints regarding alleged actions of public officials in conflict of interest situations, the information provided in declarations of public officials was cross-referenced to ascertain whether the public officials had complied with the restrictions, prohibitions and obligations set by the IKNL. A total of **453 public officials were checked, examining the information provided in 680 declarations of public officials**.

Based on the decisions made by the Bureau in administrative proceedings, in 2020, **134 public officials paid into the State budget a total of 14 406.14 euro in fines**. This is 40 % more than in 2019.



Number of initiated proceedings and decisions taken

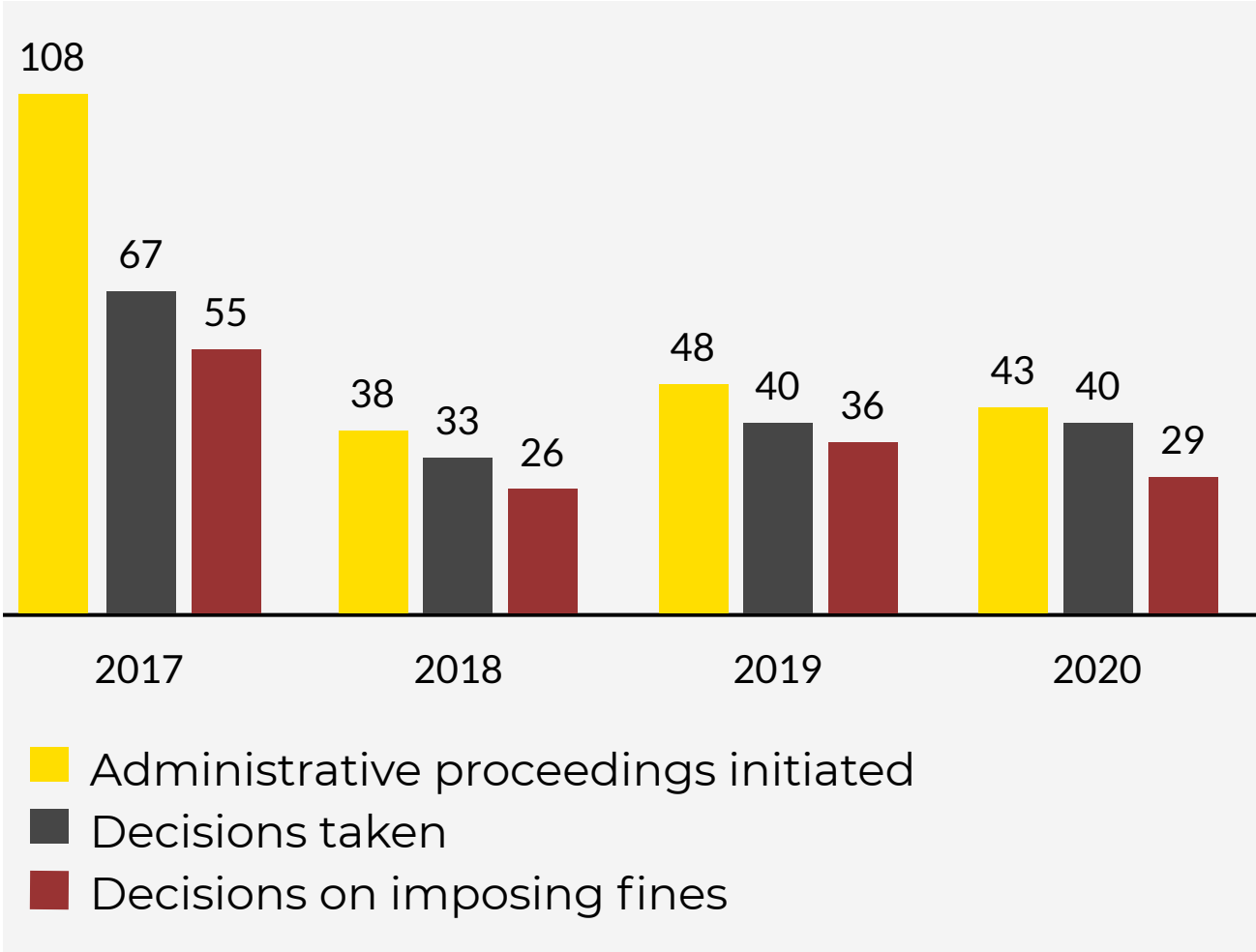
Last year administratively **sanctioned persons appealed** to the Director of the Bureau against **14 decisions** taken in the administrative proceedings by the Head of the Department of Administrative Investigation. Based on the received appeals, the Director annulled three decisions. The sanctioned persons appealed against the decisions by the Director of the Bureau to the court in 6 cases. In 3 cases the decisions of the Director of the Bureau were upheld by the court, proceedings were terminated in one case, and in two cases the court proceedings are still pending.



Distribution of decisions taken based on type of violation (%)

Control of Financing of Political Organisations (Parties) and Pre-election Campaigning

On 29 August 2020 the Extraordinary elections to the Riga City Council took place. Therefore, one of the priority tasks of the Bureau during the reporting period was to ensure the control over compliance with the restrictions on election expenditures and the election campaigns. Officials of the Bureau processed **818 received reports on concluded agreements** for the placement of pre-election advertisements, charity and sponsored events, as well as **155 notifications on pre-election advertisement pricing**.



Number of initiated proceedings and decisions taken

| | | |
|---|---------|--|
| Notifications in the Electronic Data Input System | 5 398 | |
| Donated to parties (euro) | 548 262 | |
| Membership fees paid to parties (euro) | 137 298 | |
| Fines imposed (euro) | 5 865 | |
| Resources paid into the State budget (euro) | 191 180 | |

Statistics on the supervision of financing of political organizations (parties)

In 2020, the Bureau **initiated and completed 90 departmental checks**. The average duration of a departmental check was 99 calendar days. In addition, **95 clarifications** on the regulations of the Law on Financing of Political Organisations (Parties) and the Pre-election Campaign Law were provided.

In 2020, political organizations (parties) and other legal and natural persons, in accordance with the decisions adopted by the Bureau, **repaid the unlawfully received funding to the State budget in the amount of 162 506.72 euro** and the imposed **fines in the amount of 6 565.23 euro**.

In 2020, **administratively sanctioned persons appealed to the Director of the Bureau against 11 decisions** adopted by the Head of the Division for Investigation of Violations of Political Organisations. Based on the received appeals, the Director annulled one decision. In 7 cases the administratively sanctioned persons appealed the decisions in court. In three case the Court upheld the decisions of the Director of the Bureau, whereas 4 cases have yet to be examined in Court.

On 1 January 2020, amendments to the **Law on Financing of Political Organisations (Parties) entered into force**, introducing a new State budget allocation model for political organizations (parties). The amendments also set out additional provisions for the financing of political organizations (parties) and amount thereof.

In accordance with the amendments to the Law on Financing of Political Organizations (Parties), in 2020 the State budget financing was recalculated and **paid to ten political organizations (parties) or their associations in the amount of 4 525 352.75 euro**.





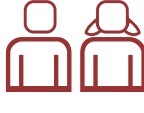
Education, Communication and Public Participation

In 2020, **officials of the Bureau organized 61 educational events** on anti-corruption, prevention of conflicts of interest, ethics in public administration, prevention of internal control corruption risks and development of anti-corruption action plans, **reaching a total audience of 6060 people**. Considering the effect of the Covid-19 pandemic on live events, most of the workshops were organized remotely. Although the number of organized workshops has fallen compared to previous years, the number of persons trained in the reporting period has not reduced significantly due to online opportunities.

During the reporting period, several institutions expressed their wish to independently organize the examination of their employees' knowledge on issues of conflict of interest and prevention of corruption. The Bureau supplied these institutions with a set of test questions, from which the institutions could create knowledge tests specific to their competence.

As a co-operation partner of the Latvian School of Public Administration in implementing the European Structural Funds project “Professional Development of Public Administration Human Resources in the Field of Prevention of Corruption and Reduction of the Shadow Economy”, the Bureau was actively involved in developing various courses, providing initiatives and opinions on both the course content necessary for law enforcement agencies, as well as Bureau competence issues that need to be included in base education.

In 2020, the Bureau participated in several events: the press conference of the State Chancellery on the results of the Whistleblowing Law in 2019, State Chancellery conference “Whistleblowing – the next level”, discussion festival “LAMPA”, as well the event of the Riga City Council dedicated to the International Anti-corruption Day.

| | | |
|---|-----------|--|
|  | 33 | Prevention of conflict of interest and professional ethics of public officials |
|  | 9 | Fundamental issues of preventing corruption |
|  | 7 | Corruption risks in public procurements |
|  | 6 | Internal control for preventing corruption, developing anti-corruption plans |
|  | 6 | Other informative events |

Number of educational activities

In 2020, the Bureau organized the **“4K” event** (4K stands for control, corruption, crises, and competition), **which was dedicated to International Anti-Corruption Day** and was watched online by more than 700 viewers. At the event, high-level experts discussed the importance of organisations’ internal anti-corruption control systems in preventing corruption risks in state and municipal tenders.

In order to inform the public about corruption trends, pending corruption cases, emergency elections of the Riga City Council, as well as measures for the prevention and combating of corruption, during the reporting period, the Bureau responded to 450 inquiries by the media, prepared 50 press releases and improved its communication in the digital environment.

In 2020, **two meetings of the Public Consultative Council** were organized to discuss the results of the Bureau’s activities and planned activities, strengthening its capacity, implementation of the Guidelines for the Corruption Prevention and Combating 2015 – 2020, and drafting of the new Corruption Prevention and Combating Action Plan 2021-2023.

Anti-Corruption Policy Planning and International Cooperation

In 2020, the Cabinet of Ministers approved the information report “Interim assessment of the 2015-2018 implementation of Guidelines for the Corruption Prevention and Combating 2015 – 2020”. The bureau also **began drafting of the Corruption Prevention and Combating Action plan for 2021-2023**, where 204 proposals from 34 institutions have been received.

During the reporting period, the Bureau also **prepared an information report “On the Assessment of Internal Anti-corruption Control Systems in Institutions of Public Persons”**, finding that an anti-corruption action plan has been developed in 1650 institutions. However, based on the data provided by institutions, it was found that the identification of corruption risks is often formal.

In 2020, the Bureau continued its work to transfer the administrative sanctions of the Latvian Administrative Violations Code to sectoral laws and regulations within the framework of the reform of administrative liability regulations. The Bureau also proposed to define its competence in administrative proceedings in the Law on Accounting and Law on Administrative Penalties for Offences in the Field of Administration, Public Order, and Use of the Official Language, which garnered support of the Saeima. Within the framework of this reform, the Bureau proposed to hold board members administratively liable for violations by political organizations (parties), as well as to increase fines for non-compliance with the pre-election campaigning procedures and restrictions. The aforementioned proposals were not supported.

The Bureau prepared 3 information reports and 13 draft legislation. The Bureau also **analysed potential corruption risks in 1119 draft regulations announced at State Secretary Meetings. As a result, 48 opinions were submitted, providing 47 objections and 23 proposals.**

The Bureau actively continued working on the implementation of the **recommendations of the OECD** Working Group on Bribery Phase 3 evaluation report, prioritizing the investigation of bribery of foreign officials and money laundering.

In August 2020, an agreement with the Czech Republic on creating a Joint Investigation Team was concluded, which is an important tool for organizing internationally coordinated activities, accelerating the exchange of information in investigating large and complex economic crimes.

At the October 2020 plenary session, **GRECO reviewed two reports** on the prevention of corruption in Latvia and decided to conclude the Fourth Evaluation Round, appreciating the removal of administrative immunity for judges and prosecutors. The GRECO also noted that Latvia must continue working on the creation and strengthening of internal integrity mechanisms of the Saeima. The second of the adopted reports refers to the Fifth Evaluation Round, within the framework of which Latvia has fully or partially implemented 14 of the 17 recommendations on the prevention of corruption in the highest executive functions and law enforcement institutions.

During the reporting period, the **Second Evaluation Cycle of the UN Convention against Corruption** was launched by filling in a self-assessment questionnaire, in which the compliance of Member States with the requirements of Chapter II “Preventive Measures” and Chapter V “Asset Recovery” is assessed.

In 2020, representatives of the Bureau participated in OECD Working Group on Bribery evaluation visits to Costa Rica and Slovenia, as well as assessed the implementation progress of GRECO recommendations in Croatia and Iceland.

Criminal Proceedings in Court

According to the information available in the Punishment Register, in 2020 **court ruling has been passed in 8 criminal proceedings** of the Bureau, **sentencing a total of 22 persons**. Additionally, two natural persons and one legal person entered into court-approved agreements on admission of guilt and punishment in two criminal cases. In one criminal proceeding, 13 persons reached an agreement with the prosecutor on terminating the criminal proceedings by applying a prosecutor's penal order. In 2020, **a total of 38 people**, against whom the Bureau recommended prosecution, **were held liable**.

In 2020, 12 persons were sentenced to deprivation of liberty for a total of 24 years and 8 months. One person was sentenced to actual deprivation of liberty for 3 years, and another person for 3 years and 6 months. 10 persons were sentenced to suspended deprivation of liberty. Additionally, a court of first instance acquitted one person, and the Prosecutor's Office will have to decide on appeals after receiving the full ruling.

The court has imposed a **total of 330 730 euro in fines and 1740 hours of community service**. Furthermore, the court has ruled on imposing various additional punishments for 22 persons, most commonly, i.e., for seven persons, prohibiting to hold certain offices.

In 2020, 64 criminal cases investigated by the Bureau were pending in court, in which 156 persons were suspected of committing corruptive criminal offenses.

The Bureau investigates criminal offenses committed in state authority service and defined in the Criminal Law, which were related to corruption, including bribery, exceeding official authority, failure to act by a public official, using official position in bad faith for the purpose of acquiring property and trading with influence.

In Latvia, the direction of criminal proceedings consists of several stages. At each stage, the person directing the criminal proceedings is responsible for the direction of the criminal proceedings. At the initial stage, the Bureau conducts pre-trial investigation as the person directing the proceedings, i.e., takes the necessary investigative measures, obtains and corroborates evidence. If the evidence obtained during the pre-trial investigation is sufficient, the institution sends the criminal case to the Prosecutor's Office and recommends the initiation of criminal prosecution.

When the Bureau has sent criminal proceedings to the Prosecutor's Office, it concludes the pre-trial investigation, and the Prosecutor's Office becomes the person directing the proceedings.



7 Prohibition to hold certain offices



5 Prohibition to hold office of a public official



4 Fines



4 Partial confiscation of property



1 Community service



1 Prohibition to conduct business

Additional punishments imposed on sentenced persons (no. of persons)

Human Resources and Internal Control

As of 31 December 2020, **137 of 152 positions in the Bureau were filled**. The Bureau employs 57 men and 80 women. In 2020, 10 persons began their service, and 8 persons terminated their service at the Bureau.

The majority of those employed at the Bureau have higher education degrees, whereas 5 Bureau employees have vocational secondary education degrees.

On 17 December 2020, amendments to the Cabinet 29 January 2013 Regulation No. 66 “Regulations Regarding Work Remuneration of Officials and Employees of State and Local Government Authorities, and Procedures for Determination Thereof” and “Law on Remuneration of Officials and Employees of State and Local Government Authorities” were published. The amendments entered into force on 1 January 2021, supplementing it with the procedure for determining the monthly salary of officials of the Bureau. This has resulted in changes being made to the procedure for determining the remuneration of officials and employees of the Bureau.

In 2020, officials of the Bureau participated in 29 conferences, seminars, educational and training events on prevention and combating of corruption, money-laundering, conflict of interests, procurements and other current topics.

To ensure the participation of Bureau officials in the conferences, interinstitutional and working groups of foreign institutions, as well as experience exchange visits, officials of the Bureau travelled both within and outside Latvia.

The officials of the Bureau have been regularly informed about Covid-19 developments, coordinating and organizing security measures to limit and reduce the spread of the virus.



80

Women employed in the Bureau



57

Men employed in the Bureau



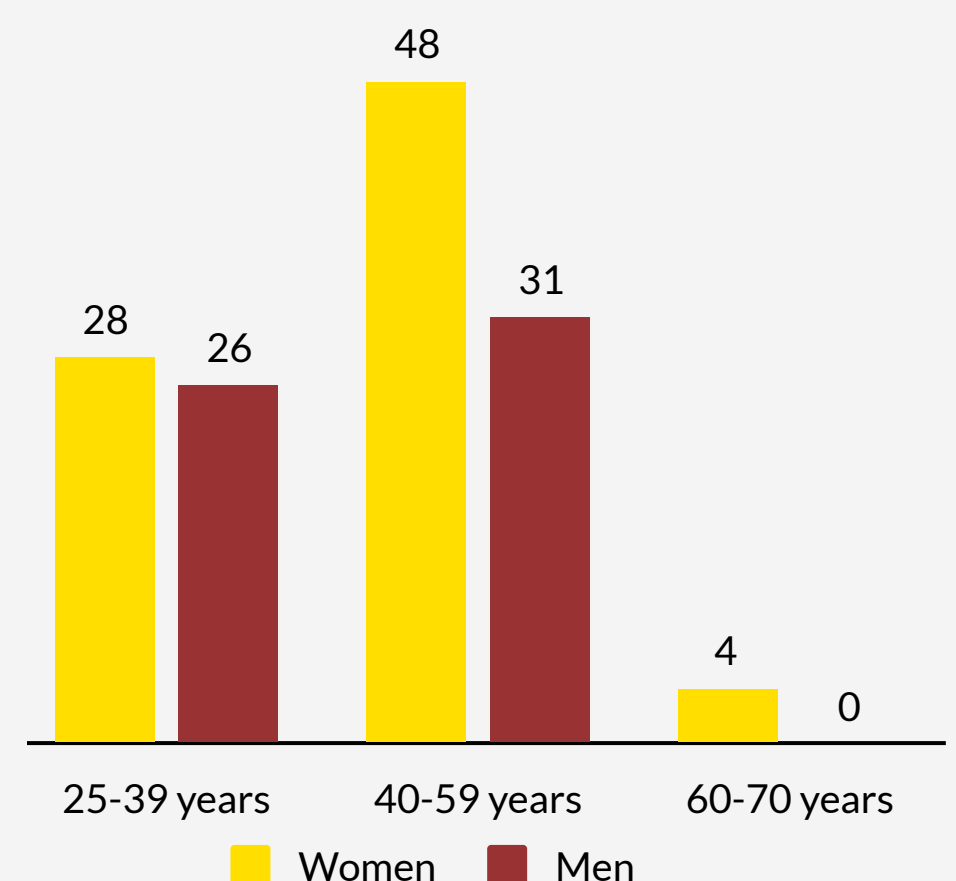
10

Officials began service at the Bureau



8

Officials terminated their service at the Bureau



Officials Employed at the Bureau

Covid-19 tests have been organized for Bureau employees in cooperation with the Centre for Disease Prevention and Control.

In 2020, **three internal audits** were conducted on legal support, departmental checks, administrative recordkeeping and criminal intelligence activities. The structural units of the Bureau received 14 proposals for improvement, of which 12 were implemented by the end of 2020. Five proposals from the previous audits were implemented during the reporting period.

The audits have shown that the internal control system is sufficiently effective to ensure the implementation of risk management, control and management actions of the Bureau.

Use of Budget Resources

In order to ensure the operation of the Bureau in 2020, it was allocated **6 659 367 euro from the State budget**. Priority measures in the amount of **4 582 131 euro** were approved for the implementation of a new **funding model for political organizations (parties)**.

The Bureau additionally received funding from the Ministry of Justice budget program "Fund for Confiscation of Criminal Assets" in the amount of 214 464 euro, to improve the efficiency of its special

criminal intelligence activities, strengthening its capacity and parallel financial investigations.

At the end of 2020, in order to begin implementation of the "Support for the establishment of a whistle-blowing system in Latvia" project approved within the framework of the European Economic Area Financial Mechanism 2014 - 2021 program "International Police Cooperation and Combating Crime", the Bureau received additional 64 308 euro funding.

| No. | Financial indicators | 2020 | | |
|--------|---|------------------------------------|--------------------------------|------------------------------|
| | | 2019 (actual implementation, euro) | Approved in regulations (euro) | Actual implementation (euro) |
| 1. | Financial resource to cover expenditures (total) | 6 451 313 | 11 241 951 | 11 241 498 |
| 1.1. | Grants | 6 398 343 | 11 022 964 | 11 022 964 |
| 1.2. | Paid services and other own income | - | 4 523 | 4 070 |
| 1.3. | Foreign financial assistance | - | - | - |
| 1.4. | Donations and gifts | - | - | - |
| 1.5. | State budget transfers | 52 970 | 214 464 | 214 464 |
| 2. | Expenditures (total) | 6 462 461 | 11 249 742 | 10 995 363* |
| 2.1. | Maintenance costs (total) | 6 249 510 | 10 645 107 | 10 523 251 |
| 2.1.1. | Current expenditures (total) | 5 610 072 | 6 104 650 | 5 989 322 |
| 2.1.2. | Interest expenditures | - | - | - |
| 2.1.3. | Subsidies, grants and social benefits | 631 641 | 4 531 493 | 4 525 353 |
| 2.1.4. | Current payments to the EU budget and international cooperation | 7 798 | 8 964 | 8 576 |
| 2.2. | Capital expenditures | 212 951 | 604 635 | 472 112 |

*Including 4 525 353 eurp State budget funding paid to political organizations (parties)

Implementation of the Bureau's Operational Strategy

Reduce the spread of corruption

| Result | 2018 | 2019 | 2020 plan | 2020 actual implementation |
|---------------------------------------|------|------|-----------|----------------------------|
| Improved Corruption Perceptions Index | 58 | 56 | 61 | 57 |

In Latvia, the prevention and combating of corruption must be further improved, the capacity of the judiciary must be strengthened, and the efficiency and transparency of public administration must be promoted, incl. governance of public corporations, reduction of economic inequality, as well as increasing public intolerance of corruption.

Detection and Investigation of Criminal Offense

| Result | 2018 | 2019 | 2020 plan | 2020 actual implementation |
|--|--------|-------|-----------|----------------------------|
| Identified criminal offences | 131 | 56 | 90 | 65 |
| Ratio of criminal proceedings initiated by the Bureau, that have been sent for prosecution and not terminated by the Prosecutor's Office | 91,7 % | 100 % | 95 % | 100 % |
| Criminal proceedings initiated by the Bureau based on information provided by the Criminal Intelligence Department | 17 | 30 | 15 | 10 |

On 31 December 2020 there were 46 criminal proceedings pending at the Bureau, the investigation of which requires a lot of human resources. The Bureau also conducts parallel financial investigation in each criminal proceeding.

During the reporting period, the Prosecutor's Office has not terminated any criminal proceedings sent for prosecution by the Bureau, which indicates the high quality of investigation.

The Criminal Intelligence Department, despite the restrictions of the Covid-19 pandemic, greatly contributed to the investigation of the criminal proceedings, and carried out criminal intelligence activities in voluminous cases.

Implementation of the Bureau's Operational Strategy

Take legal and reasoned decisions on the control of financing political parties

| Result | 2018 | 2019 | 2020 plan | 2020 actual implementation |
|---|-------|--------|-----------|----------------------------|
| Ratio of Bureau decisions that have not been overruled | 100 % | 97,5 % | 98 % | 97,5 % |
| Violations identified in the financing of political parties and campaigning | 66 | 40 | 25 | 50 |

During the reporting period, the Director of the Bureau annulled one decision of the Head of the Division for Investigation of Violations of Political Organizations.

In 2020, the Extraordinary elections to the Riga City Council were held, in which the Bureau ensured efficient supervision of pre-election campaigning and financing of political organizations (parties).

Take legal and reasoned decisions on the supervisions of public officials

| Result | 2018 | 2019 | 2020 plan | 2020 actual implementation |
|--|---------|---------|-----------|----------------------------|
| Ratio of Bureau decisions that have not been overruled | 99,08 % | 98,68 % | 98 % | 98,7 % |
| Bureau decisions on IKNL violations | 325 | 151 | 255 | 223 |

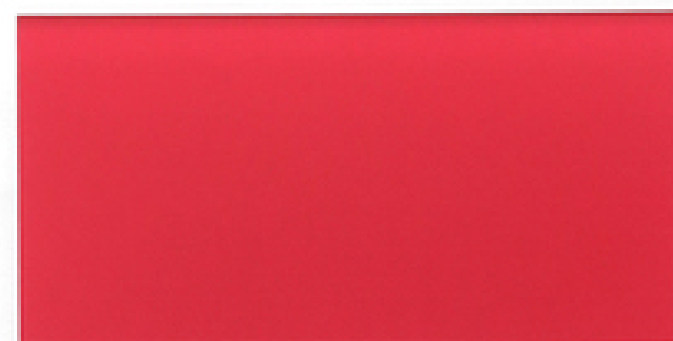
During the reporting period, the Director of the Bureau annulled three decisions of the Head of the Division for Investigation of Administrative Violations.

In 2020, the number of complaints and applications received by the Bureau on violations committed by public officials in the field of prevention of conflicts of interest remained at the 2019 level, however, the number of decisions taken in the reporting period has increased by 50 %, almost reaching the planned performance indicator for 2020.



2020

ANNUAL REPORT



Korupcijas novēršanas un
apkarošanas birojs

Gods pār varu!*

*The motto of the Bureau - "Honor over power!".

Corruption Prevention and Combating Bureau of Latvia

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