



ANNUAL  
REPORT  
**2022**





## Address by the Director of the Corruption Prevention and Combating Bureau

On 10 October 2022, Latvia celebrated 20 years of preventing and combating corruption through a specialised anti-corruption institution – the Corruption Prevention and Combating Bureau. 20 years of experience and established practices, combating illegal activities on various scales, eliminating corruption risks, and implementing numerous recommendations made by foreign experts.

The year 2022 began with Russia's brutal invasion of Ukraine, which reinforced the belief that corruption is a threat both in everyday and emergency situations, and highlighted the values of democracy and the importance of allies. This conviction guided the Corruption Prevention and Combating Bureau in 2022.

The Corruption Prevention and Combating Bureau continued its fight against corruption in Latvia, initiating 32 criminal proceedings and referring 18 criminal proceedings for prosecution. By virtue of the criminal proceedings referred for prosecution, the Corruption Prevention and Combating Bureau prevented material damage in the amount of EUR 1.85 million to public authorities.



**Jēkabs Straume**  
*Director of Corruption Prevention  
and Combating Bureau*

In pending criminal proceedings, nearly EUR 27 million in financial assets and seven immovable properties were seized.

During the reporting period, the Corruption Prevention and Combating Bureau devoted a large part of its resources to the supervision of the 14th Parliament (*Saeima*) elections. The Bureau completed 535 departmental inspections and adopted 99 decisions on alleged infringements of the financing of political parties and pre-election campaigning. Despite the large number of inspections carried out, the observations and actions carried out by the Corruption Prevention and Combating Bureau lead to the conclusion that no major violations

of campaigning and financing restrictions that could have affected the outcome of the democratic elections were committed prior to the 14th *Saeima* elections.

The Corruption Prevention and Combating Bureau treats the recommendations made by international organisations with great responsibility as they allow for a more effective reduction of corruption risks in Latvia, improvement of public integrity and adoption of international good practices. We are particularly proud of the performance of the Corruption Prevention and Combating Bureau and other institutions, which has enabled Latvia to become the second country to successfully complete the GRECO Fifth Evaluation Round and the only EU Member State to improve its performance in the fight against bribery of foreign officials.

20 years is a time when the accumulated experience and the prospects for the future development of society motivate the Corruption Prevention and Combating Bureau to increase efficiency and to set priorities for its activities. The year 2022 was the final year of the Corruption Prevention and Combating Bureau's operational strategy. As we embark on the next operational strategy, I can assure you that the Corruption Prevention and Combating Bureau will continue to 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. Honour over power!



## Results in Preventing and Combating Corruption

**32**

criminal proceedings initiated

**37**

persons referred for prosecution

**18**

criminal cases referred for prosecution

**335**

administrative proceedings initiated

Latvia is the only European Union Member State to have improved its performance in combating bribery of foreign public officials, according to Transparency International's report Exporting Corruption 2022.

The report notes that although Latvia comprise small share of global exports, it is a relatively recent member of the Organisation for Economic Co-operation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, so "this progress is encouraging".

**474**

corruption risk analysis performed on draft legislation

**61 715€**

administrative fines imposed

**79**

educational events

**8320**

participants in educational events

**55**

submissions received as whistleblower reports

**1505**

reports received

**26,65 mil. €**

seized in criminal proceedings

**1,85 mil. €**

material damage to public authorities prevented

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## General Description and Priorities of 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 the regulations on financing political organisations (parties) and associations thereof, and inspects how the restrictions laid down for pre-election campaigns, campaigns before national referendums, campaigns for the initiation of laws, and campaigns to initiate recalling of the *Saeima* are complied with.

### Mission of the Bureau

“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.”



### Structure of the Bureau

The Director of the Bureau has three deputies:

1. the Deputy Director for Investigation Matters who 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 the Investigation of Administrative Violations);
2. the Deputy Director for Criminal Intelligence who oversees the Criminal Intelligence Department (comprising two criminal intelligence divisions) and the Criminal Intelligence Support Department (comprising two divisions of criminal intelligence support);
3. the Deputy for Strategy and Policy Planning who oversees the Policy Planning and Communication Department (Policy Planning Division and Communication Division) and the Strategy Department (Analytical Division and Information Records Division).

The Director of the Bureau also oversees separate divisions (record-keeping, legal and financial matters, internal security, human resources and IT division) and the internal auditor and advisor.



## Bureau Priorities

In 2022, the Bureau planned its activities in line with the priorities set out in the Bureau's operational strategy for 2020-2022:

1. To 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:
  - 1.1. financial sector;
  - 1.2. judicial authorities;
  - 1.3. healthcare;
  - 1.4. public procurements:
    - a) European Union-funded projects;
    - b) construction sector;
    - c) Latvia's largest local governments;
    - d) Rail Baltica project.
2. To conduct parallel financial investigations in each criminal proceeding investigated by the Bureau to identify, seize and confiscate proceeds of crime.
3. To improve the supervision of financing of political organizations (parties) by applying the new financing model of political organisations (parties).
4. 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 the financing of political parties.



At the end of 2022, the Bureau developed a new operational strategy for 2023-2026. The Bureau will plan its activities over the next four years in line with the priorities and objectives set out in the strategy.



## 20th anniversary of the Bureau

On 10 October 2022, the Bureau celebrated its 20th anniversary. Two events were organised during the Bureau's anniversary month: a ceremonial meeting with speeches by high-ranking public officials of Latvia, and a high-level seminar of Baltic and Polish anti-corruption authorities.



*The first thematic issue of the weekly law magazine "Jurista Vārds" on the competencies of the Corruption Prevention and Combating Bureau*



*Celebrating 20 years of the Corruption Prevention and Combating Bureau at a ceremonial meeting with the participation of high-ranking public officials of Latvia*

For the first time in the history of the Bureau, a thematic issue of the weekly law magazine "Jurista Vārds" was prepared, in which the Bureau's employees, within the scope of their competence, published articles on various topics related to preventing and combating corruption. A video on the facts and performance indicators of the Bureau in its 20 years of operation was also produced and published.

During the 20 years of its activity, the Bureau has carried out pre-trial investigations in 565 criminal proceedings and referred 376 criminal proceedings against 904 persons for prosecution. The corruption schemes investigated by the Bureau have become larger and increasingly complex, and the criminal offences are often cross-border rather than national.

During its operation, the Bureau has adopted a total of 3 280 decisions against public officials for the violation of restrictions, prohibitions and obligations determined in the Law On Prevention of Conflict of Interest in the Activities of Public Officials. The Bureau has also adopted 908 decisions in administrative proceedings related to violations of the Law on Financing of Political Organisations (Parties) and the Pre-election Campaign Law.

During its activity, the Bureau has educated more than 69 000 persons throughout Latvia to raise anti-corruption awareness among public officials and other groups of society. The Bureau has also actively participated in the development and improvement of anti-corruption legislation, achieving a number of significant amendments. For example, large-scale illegal financing of political parties was criminalised, and public institutions are now obliged to develop and implement basic requirements for an internal control system to prevent the risk of corruption and conflict of interest.



## Bureau Performance in Corruption Prevention

To reduce the risks of corruption and conflicts of interest, as well as the risks of squandering of the financial resources and property of a public person, the Bureau drafts development planning documents, information reports and legal acts, continuously analyses draft legislation and regulatory acts and makes proposals to the responsible institutions on the need for amendments to regulatory acts or drafting new legislation. The Bureau also coordinates the implementation of development planning documents in the field of preventing and combating corruption.

### Anti-corruption Policy Planning

In the reporting period, the Bureau prepared a number of development planning documents, information reports and draft legislation in compliance with the Law on Corruption Prevention and Combating Bureau.

In 2022, the Cabinet of Ministers adopted the information report prepared by the Bureau “On the Final Impact Assessment of the Implementation of the Guidelines on Corruption Prevention and Combating 2015-2020”. The work was concluded with a summary of achievements in the field of corruption prevention and combating from 2015 to 2022. The information summarised shows that the responsible authorities have fully completed 75% of the tasks and actions within their area of competence, 16% have been completed partially, and 9% have not been implemented at all. In conclusion, significant progress has been achieved in reducing corruption, including by introducing a mandatory requirement for state and local government institutions and their capital companies to introduce a functioning internal anti-corruption control system, which is an effective way for institutions to reduce or even eliminate risks of corruption and conflict of interest.

The Bureau continued working intensively on harmonising the draft Anti-Corruption Action Plan 2021-2025 (hereinafter – the Plan) with the institutions involved in the implementation of the Plan. The Plan is a policy planning document that includes the main objectives of Latvia’s anti-corruption policy, the lines of action, as well as specific measures and tasks to achieve them. The Plan was announced in the Meeting of State Secretaries on 1 July 2021. 62 objections and 33 proposals were received from 16 different institutions on the content of the Plan. In 2022, 28 objections and 29 proposals were received during the re-agreement phase. Nine inter-institutional meetings were held in 2022 to reach an agreement on the objections and proposals made. No agreement was reached on 14 objections which were considered at the meeting of the Secretaries of State on 19 January 2023. Once refined, the Plan will be submitted to the Cabinet of Ministers for consideration.



To prevent local government budget funds from being used in bad faith and decisions from being taken in the interests of certain persons, in 2022 the Bureau worked on improving the legal framework of the Law On Prevention of Conflict of Interest in the Activities of Public Officials.

As of 1 April 2023, members of local government councils will henceforth be prohibited from receiving remuneration in an association, foundation, religious organisation or commercial company from financial resources that organisation received from the particular local government.

This restriction will not apply in cases where funds have been awarded as a result of an open competition or for the performance of a delegated administrative task. Also, public officials who adopted a decision or participated in adopting a decision on the allocation of funds to an association, foundation or religious organisation will be prohibited from receiving remuneration from that association, foundation or religious organisation. At the same time, exceptional cases when members of local government councils will still be allowed to work in associations and foundations, earning income, are also provided for.

In 2022, the *Saeima* approved in the second reading a proposal to amend the Pre-election Campaign Law stipulating that pre-election campaigning using State budget funding must be carried out in the official language only. To ensure that it can effectively monitor such a restriction, the Bureau prepared and submitted additional proposals to amend the Pre-election Campaign Law, which would stipulate a requirement to indicate:

- a which financial resources (State budget or private) have been used to pay for the pre-election campaign;
- b information on the accounts from which the contractual amount has been paid.

Considering that the Bureau currently is not entitled to suspend State budget funding to a party whose activities contravene the Constitution, laws or other normative acts, or threaten State or public security, in June 2022 the Bureau proposed changes to the Law on Financing of Political Organisations (Parties).

The amendments provided for the right of the Bureau to suspend the disbursement of State budget funding to a party if its activities contravene the Constitution, laws or other normative acts, threaten State or public security or infringe any of the prohibitions set out in Section 7, Paragraph four or five of the Law on Political Parties. Given that the 13th *Saeima* did not support such an initiative, the draft law will be brought back to the table in 2023.

The Bureau participated in the drafting of the Law on Transparency of Representation of Interests, which was adopted in 2022 and entered into force on 1 January 2023. This law ensures the transparency of lobbying interests by promoting public confidence in public authorities and in interest representatives who participate in the initiation, drafting, adoption or enforcement of public decisions.

The Bureau provided its opinion and participated in the Constitutional Court hearing in Case No 2021-36-01. The Court assessed whether the allocation of State budget funding for votes received in local government elections to a party for which more than 2% of voters had voted in the last elections of *Saeima* complied with the principle of equality. The Court recognised Section 7.<sup>1</sup>, Paragraph one, Clause 2 of the Law on Financing of Political Organisations (Parties) as compatible with the first sentence of Article 91 of the Constitution.

During the reporting period, the Bureau carried out an analysis of potential corruption risks in 474 draft legislative acts submitted for approval to the Portal for Development and Harmonisation of Draft Legal Acts. In line with the findings of the risk analysis, the Bureau issued 70 opinions on draft legislation prepared by ministries, expressing both conceptual and drafting objections or proposals.



## International Cooperation

During the reporting period, the Bureau, as the leading anti-corruption institution in Latvia, ensured participation in various events of international organisations, worked to fulfil the obligations of the Council of Europe Treaty on the Establishment of a Group of States against Corruption (hereinafter – GRECO) and Convention on the Organisation for Economic Co-operation and Development (hereinafter – OECD) on Combating Bribery of Foreign Public Officials in International Business Transactions, The United Nations Anti-Corruption Convention, and participated in the implementation of the recommendations made by European Council Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism “Moneyval” and in activities related to measures to protect the financial interests of the European Union.

During the reporting period, the Bureau together with other co-responsible institutions made significant progress in implementing the recommendations made by GRECO. Latvia has fully or partially implemented all 17 recommendations made by GRECO on preventing corruption and promoting integrity in central government and in law enforcement agencies such as the State Police and the State Border Guard. Latvia has thus become the second country to successfully complete the GRECO Fifth Evaluation Round. At the same time, an expert from the Bureau contributed to the GRECO Fifth Evaluation Round Second Compliance Report on Iceland.

The Bureau briefed the European Commission on progress in strengthening the anti-corruption framework in 2021. In July 2022, the European Commission published a Rule of Law Report on the Member States of the European Union, including Latvia. The report summarised Member States’ information on strengthening the rule of law in the areas of the judiciary, media pluralism, anti-corruption and inter-institutional balance, and provided recommendations.



*The Corruption Prevention and Combating Bureau collected donations and provided practical support to colleagues of the National Anti-Corruption Bureau of Ukraine and their families seeking asylum in Latvia. Слава Україні!*

The Bureau continued its work on the implementation of three projects supported by the European Union Anti-Fraud Programme (EUAF) for a total amount of EUR 2 122 524 to improve the Bureau’s material and technical support for investigative, operational and analytical functions. Information reports were prepared to obtain Cabinet approval for long-term commitments, as well as to secure public co-financing. Two projects were launched in 2022 and one is due in 2023. In addition, the Bureau cooperated with the Estonian Ministry of Justice and submitted a project application to the European Commission’s Internal Security Fund Anti-Corruption Project Call for Proposals.

In 2022, preparations were made for the launch of the project “Strengthening the Anti-Corruption Framework” under the Technical Assistance Instrument of the European Commission’s Directorate General for Structural Reform Support. In cooperation with the European Commission and its experts, the Bureau plans to:



**revise**

the Law On Prevention of Conflict of Interest in the Activities of Public Officials in line with international standards and good practice;



**assess**

the quality of the anti-corruption internal control framework and develop a methodology for assessing the quality of these systems;



**develop**

a national corruption risk assessment methodology and a methodology for assessing the level of corruption latency.

In cooperation with the Ministry of Justice and the German Organisation for International Legal Cooperation, the Bureau launched the EU-funded Twinning project “Fostering integrity and preventing corruption in the public sector in Armenia”.

The project aims to promote integrity and prevent corruption in the Armenian public sector and is implemented by bringing together experts from Latvia, Germany and other countries. The project will include a number of activities, including training, expert missions, study visits and consultancy, based on the sharing of best practices from the European Union and will be carried out until 31 May 2024.

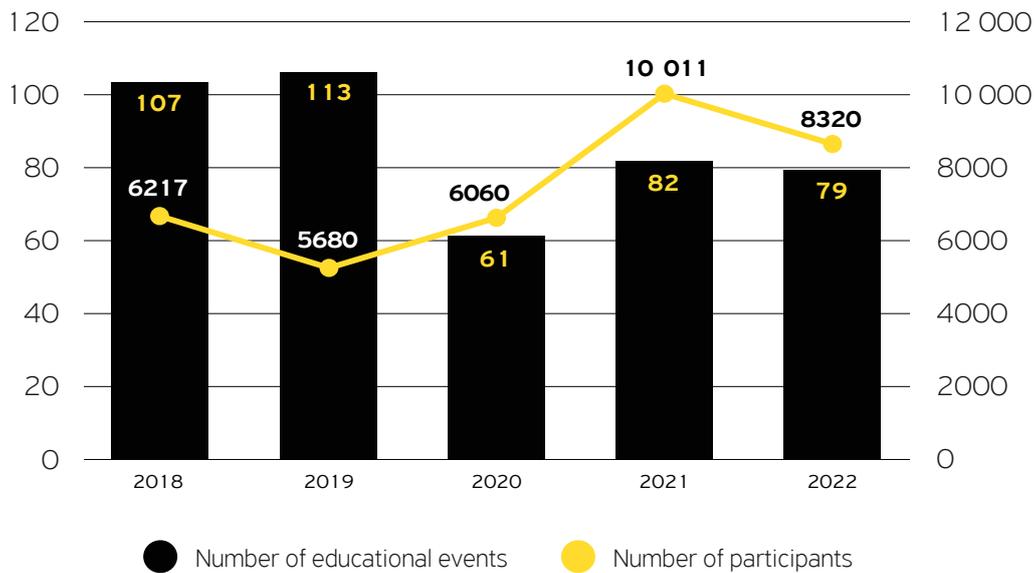


# Education and Public Participation

## Educating public officials and the public

In 2022, the Bureau's officials organised or participated in 79 awareness-raising events on anti-corruption, conflict of interest prevention, public administration ethics, the development of corruption risk prevention internal control systems. In total, 8320 people have been trained. The number of educational events held by the Bureau and their participants is shown in Figure 1.

Figure 1. Number of educational events and participants



The number of educated employees of State and local government capital companies increased during the reporting period. In particular, the number of educated members of boards and councils has increased. This is due to the fact that the management of capital companies is increasingly focusing on preventing corruption and conflict of interest, including the improvement of anti-corruption internal control systems, by initiating training on these issues themselves.

During the reporting period, the Bureau worked together with the association Transparency International Latvia (Delna) and organised a practical online workshop to collect information on candidates for the 14th *Saeima* using publicly available information and data. The Bureau also cooperated with the Delna to organise an event dedicated to International Anti-Corruption Day “Corruption – a threat to national and global security”.



Together with the association Transparency International Latvia (Delna), the Corruption Prevention and Combating Bureau organised a thematic event “Corruption – a threat to national and global security”

The event was held into two parts: a panel discussion with representatives from public administration and the non-governmental sector on the impact of corruption on national security, and a guest lecture by Sarah Chayes, an anti-corruption expert from the United States, on the negative impact of corruption on global security. Representatives of the National Anti-Corruption Bureau of Ukraine also shared their experiences at the event.

During the implementation of the European Economic Recovery Grant supported project “Support for the establishment of a whistle-blowing system in Latvia” in 2022, the Bureau conducted a public opinion survey and published the results. There were both residents and businesses among the respondents. The results show that 85% of citizens and 73% of businesses are not ready to pay a bribe to a public official to solve a problem. Compared to the 2021 survey, the number of natural persons who would be willing to pay a bribe has decreased, however, there is a negative trend among businesses.



*The Corruption Prevention and Combating Bureau, in cooperation with other institutions, organised a game and discussion “Everything is bad or What makes a responsible business?” in the conversation festival “LAMPA”*

During the annual conversation festival “LAMPA” in 2022, the Bureau, in cooperation with the Competition Council, the Register of Companies and the Financial Intelligence Unit of Latvia, organised a game and discussion “Everything is bad or What makes a responsible business?”, as well as participated in the discussion “Confiscation of property in pre-trial proceedings: does it violate the constitutional right to property?” organised by the State Police.

The Bureau developed and published a practical information leaflet “How to recognise corruption”, which aims to improve people’s ability to spot the signs that may indicate potentially corrupt behaviour. The leaflet summarises examples, as well as general and specific indicators of possible corruption at the following levels: administrative or day-to-day, political or high-level, public procurement and party financing.

To raise awareness of the negative impact of corruption among different groups in society, the Bureau developed an interactive anti-corruption game for pupils in grades 7 to 9. In 2023, the game will be integrated into the learning content and the game, its process and other methodological aspects will be presented to teachers.



*The practical leaflet “How to recognise corruption” developed by the Corruption Prevention and Combating Bureau*

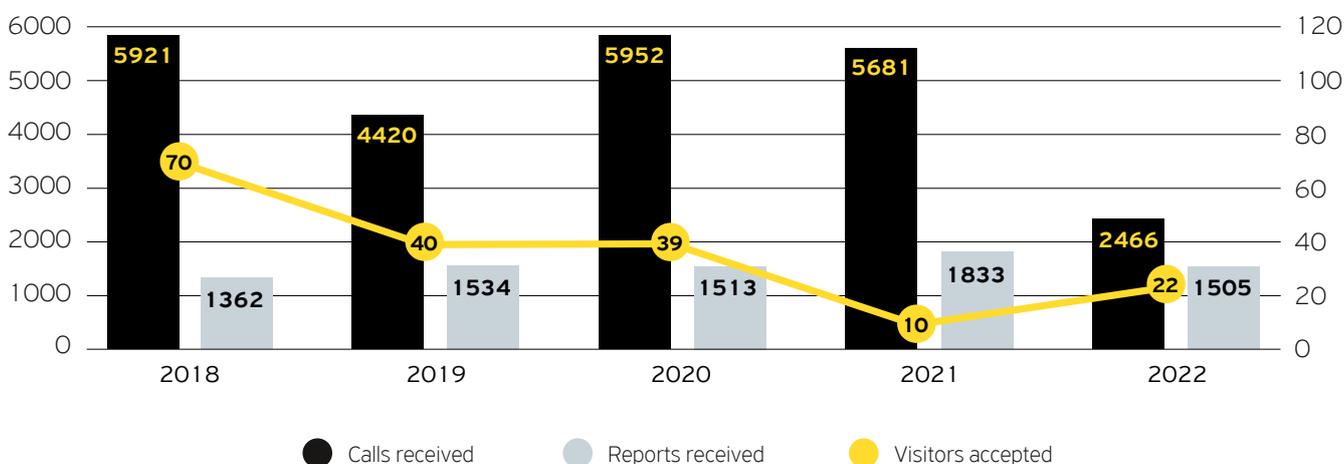
In 2022, the Bureau informed the public about trends in corruption, corruption cases uncovered and measures taken to prevent and combat corruption. During the reporting period, the Bureau answered at least 320 media questions, gave 41 interviews and published 74 press releases.



## Number of calls and applications received by the Bureau

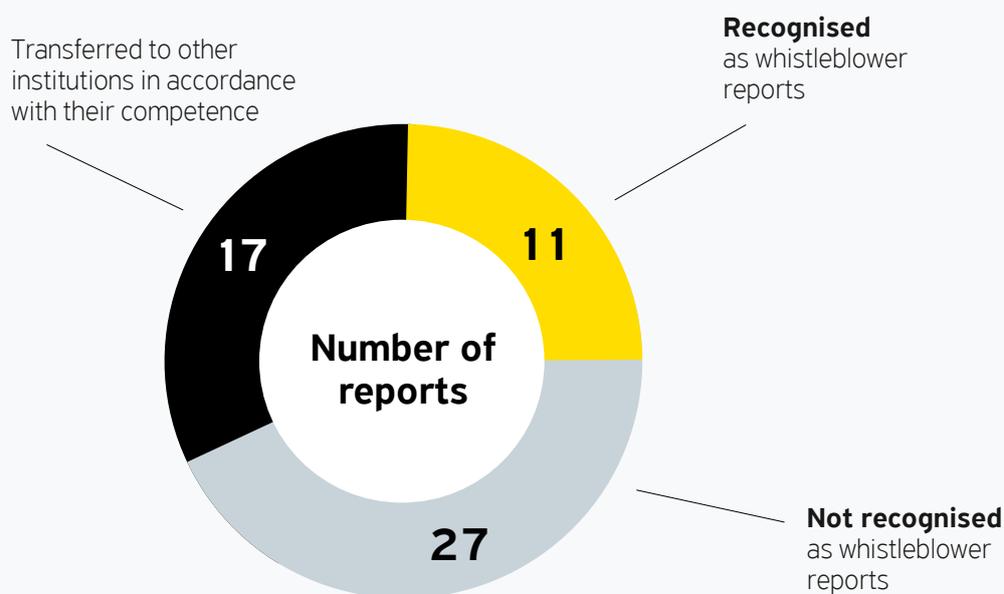
During the reporting period, the Bureau received a total of 1 505 reports. Of these, 544 were submitted by natural persons, 138 by legal persons, 150 by State and local government authorities, and 673 by anonymous applicants. In 2022, 183 reports were received in the mobile app “Ziņo KNAB”. In 2022, the Bureau received and heard 22 visitors. In total, 2 466 calls were received to the telephone number +371 67356161 and the helpline 80002070. Compared to the previous reporting period, the number of calls received by the Bureau decreased significantly in 2022. This could be due to the problems in society over the war in Ukraine and inflation. The number of applications received and visitors to the Bureau are shown in Figure 2.

Figure 2. Public participation



The Bureau is one of the competent authorities to which a whistleblower can report a suspected crime or offence. In 2022, the Bureau received 55 reports, a decrease of 13% compared to the previous reporting period (see Figure 3).

Figure 3. Progress of reports received within the meaning of the Whistleblowing Law



## Activities of the Public Consultative Council

The Public Consultative Council of the Bureau was established to ensure the participation of public representatives in the development and implementation of anti-corruption policy and public education thereon. The role of the Public Consultative Council is to promote the relationship between the Bureau and the public by making recommendations on relevant issues.

Three meetings of the Public Consultative Council were held in 2022. A wide range of issues was discussed during these meetings, including the results of the Bureau’s 2022 sociological survey and its comparison with the 2021 survey, key aspects of planning the Bureau’s second public information campaign, the Bureau’s leaflet “How to recognise corruption”, monitoring campaigns before the 14th *Saeima* elections, progress on the development of the Bureau’s 2023-2026 operational strategy.



# Bureau Performance in Combatting Corruption

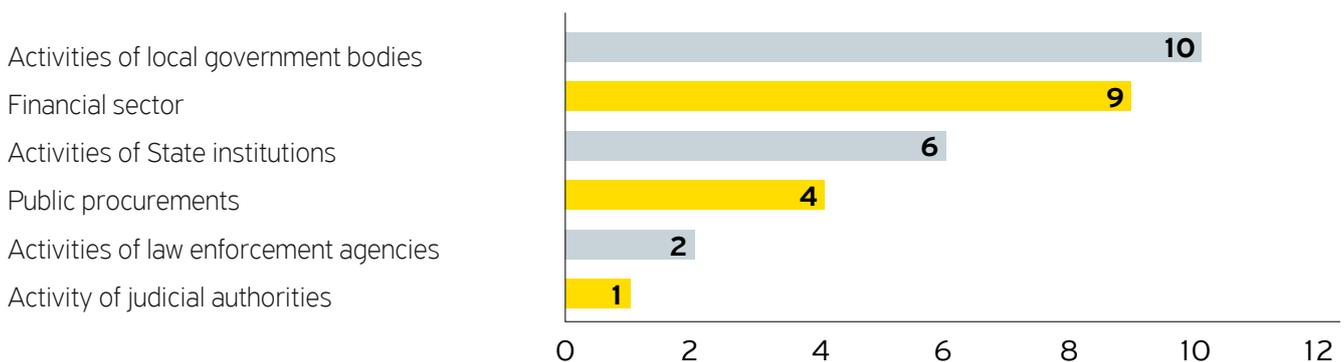
In accordance with the Law on Corruption Prevention and Combating Bureau, the Bureau holds public officials administratively liable and imposes fines for administrative offences in the field of prevention of corruption. To combat illegal financing of political organisations (parties), as well as corruption-related offences in the service of public authorities, the Bureau carries out criminal intelligence activities, departmental examinations and criminal procedural activities, as well as provides assistance to foreign countries in carrying out procedural activities, if they are related to corruption investigations.

## Criminal Investigation

In 2022, the Bureau initiated 32 criminal proceedings, ten of which were initiated on the basis of criminal intelligence information, four of which were separated from criminal proceedings in progress and the rest were based on other sources of information. During the reporting period, ten criminal proceedings pending before the Bureau were terminated.

In 2022, the tendency observed in previous years remained – the Bureau initiates most criminal proceedings in connection with unlawful conduct in the activities of state and local government institutions. The trend also remains unchanged for criminal offences in the financial sector (see Figure 4).

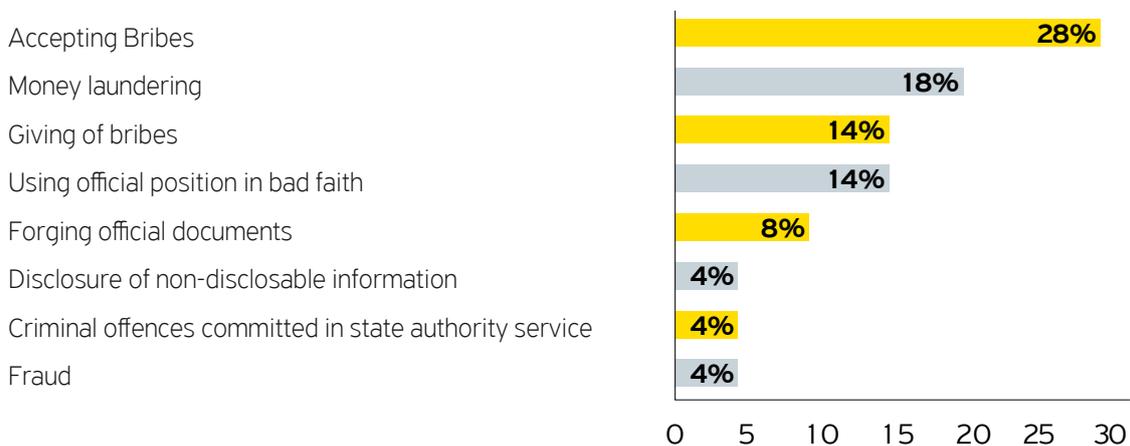
*Figure 4. Breakdown of the number of initiated criminal proceedings by areas offences*



It can be concluded that in recent years, the risks of unlawful conduct by public officials with the property or financial resources of a public authority have remained high. As in the previous year, a large number of criminal proceedings initiated in 2022 were based on information provided by the Financial Intelligence Unit in connection with money laundering by foreign officials, in which requests were made for assets to be declared proceeds of crime and confiscated for the benefit of the State.

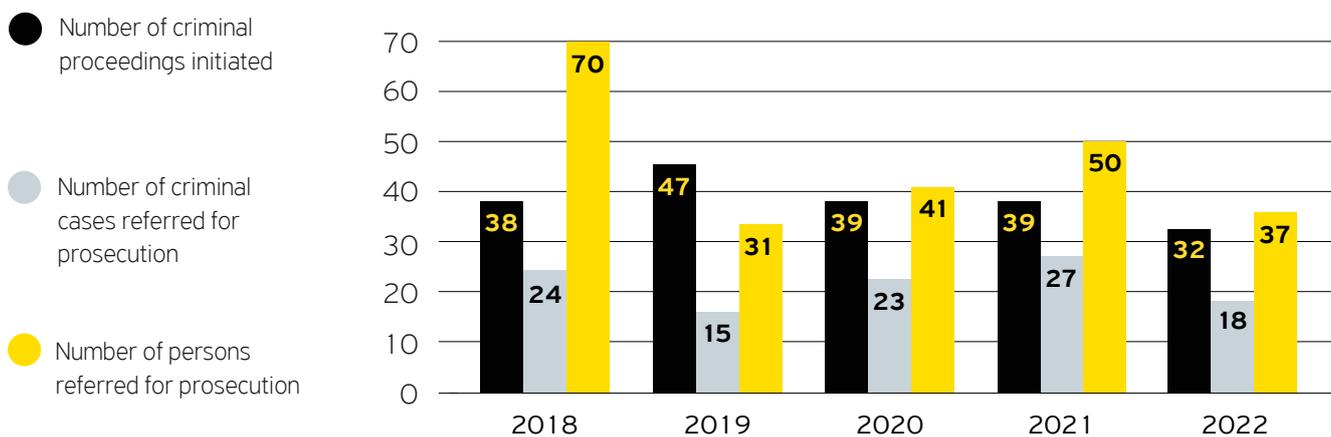
During the reporting period, the highest number of criminal proceedings was initiated for offences such as bribery, laundering of the proceeds from crime, bribery, using official position in bad faith, forging official documents, fraud, disclosure of non-disclosable information and criminal offences committed in state authority service (see Figure 5).

Figure 5. The most common types of criminal proceedings instituted offences



In 2022, the Bureau referred 18 criminal proceedings to prosecution offices, three of which were referred for prosecution in accordance with expedited proceedings. 31 natural and six legal persons were referred for prosecution (see Figure 6).

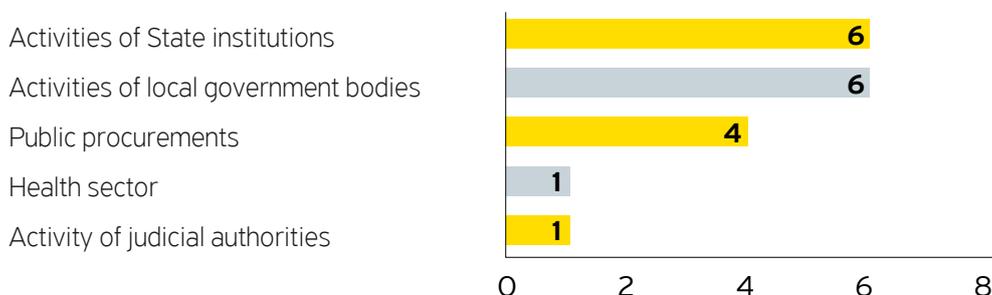
Figure 6. Number of criminal proceedings initiated, number of criminal proceedings and persons referred for prosecution



As in previous years, the upward trend in the number of legal persons referred for prosecution (application of coercive measures) continued in 2022. This shows that corrupt transactions carried out by natural persons are done in the interests of legal persons.

During the reporting period, the criminal proceedings most frequently referred for prosecution were those investigating criminal activities in the work of local governments and state institutions, and where illegal activities were most often carried out by officials of state or local government capital companies. Four criminal cases involved corrupt practices in public procurement (see Figure 7).

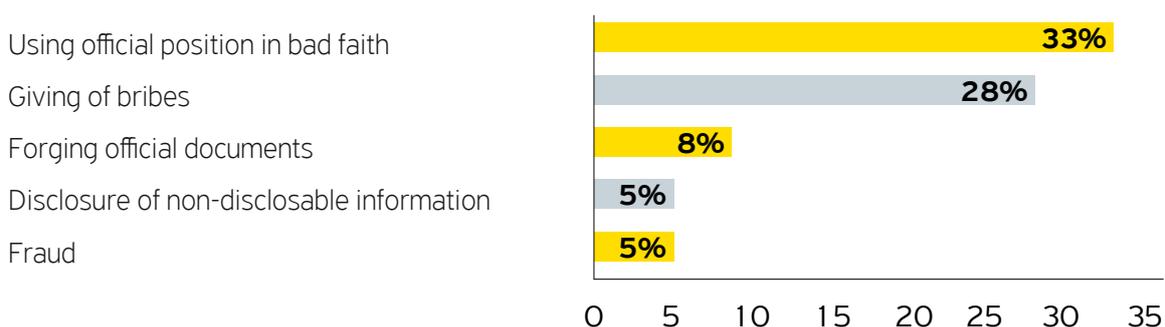
*Figure 7. Breakdown of the number of criminal proceedings referred for prosecution by areas*



Half of the criminal proceedings referred for prosecution were opened in 2022, while 39% were opened in 2021. This demonstrates the Bureau’s capacity to effectively investigate potential corruption cases within a reasonable time frame. Nine of the 32 criminal proceedings opened in 2022 have been referred for prosecution. The Prosecution Office is continuing pre-trial proceedings in three of these cases, five have been referred to the courts for trial and one case has been tried and led to a conviction – imprisonment (suspended). Just as previously, the average duration of criminal investigations initiated by the Bureau in the reporting period was three months.

In 2022, the most frequently prosecuted offences are using official position in bad faith, bribery, forging official documents, fraud, disclosure of non-disclosable information, etc. (see Figure 8).

*Figure 8. Most common types of criminal offences referred for prosecution*



In 2022, the Bureau initiated six proceedings regarding criminally acquired property, requesting that property to be declared as proceeds of crime and confiscated for the benefit of the State. In one criminal case initiated by the Bureau, a court ruling recognised financial resources amounting to EUR 298 908.10 as proceeds of crime, which were subsequently confiscated and transferred to the State budget. During the reporting period, financial assets amounting to EUR 26.65 million and seven immovable properties were seized in criminal proceedings pending before the Bureau.

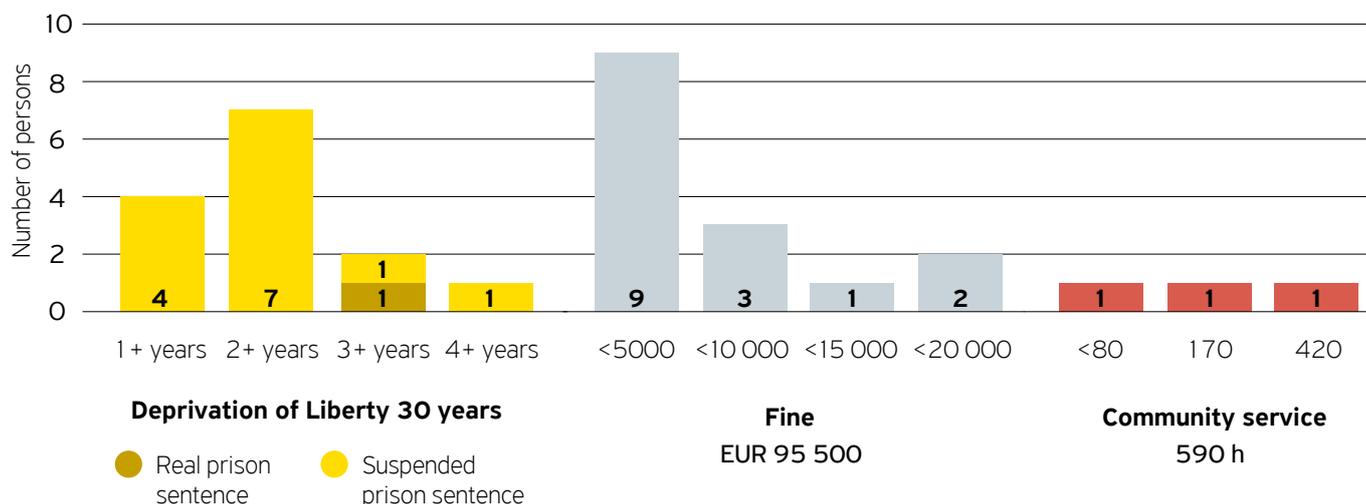
In the reporting year, the criminal proceedings investigated by the Bureau and referred for prosecution prevented the potential infliction of material damage amounting to EUR 1.85 million to public institutions and the transfer of bribes to public officials totalling EUR 102 092.70.

At the end of the reporting period, the Bureau was investigating 40 criminal cases, six criminal proceedings initiated or under investigation by the Bureau and referred for prosecution were still under pre-trial investigation by the Prosecution Office, and 80 criminal proceedings against 193 persons were pending before the courts.

One criminal case initiated by the Bureau in June 2021 and referred for prosecution in October 2021 was tried in 2022, resulting in a fine imposed on a public official in the amount of EUR 19 000 with an additional sanction of deprivation of the right to hold a public office for two years. The criminal proceedings took less than a year to complete, which demonstrates the ability of the Bureau, the Prosecution Office and the court to investigate and adjudicate criminal proceedings within a reasonable time frame.

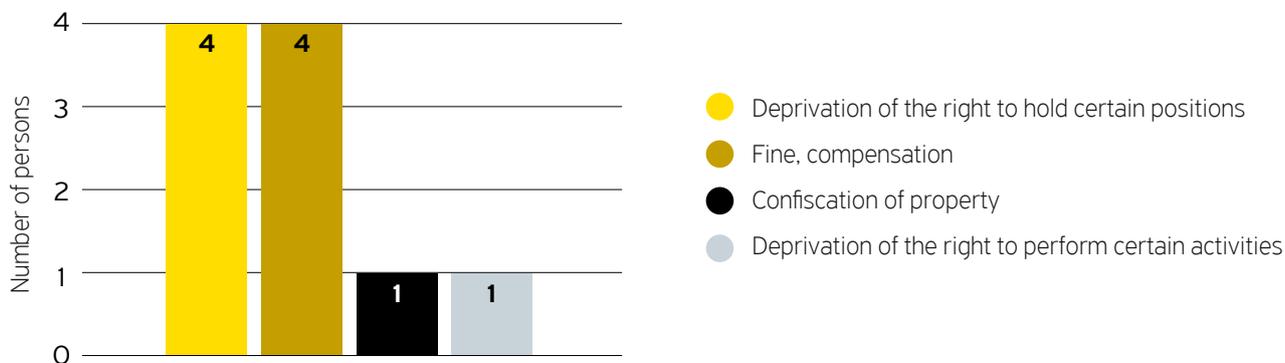
During the reporting period, 23 criminal proceedings initiated or investigated by the Bureau were adjudicated, in which two persons came to an agreement with the prosecutor on a penal order, 31 persons were convicted and three persons were acquitted. Three persons were sentenced to community service, 16 persons were fined and 14 persons were sentenced to deprivation of liberty, of which one person was sentenced to actual imprisonment (see Figure 9).

Figure 9. Sentences imposed on convicted persons



Additional penalties were imposed on eight persons, with the most frequent being the restriction of the right to hold specific offices for a certain period of time and fining (see Figure 10).

Figure 10. Additional penalties imposed on convicted persons



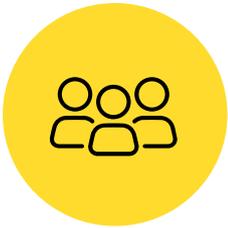
The most common offences in the criminal cases tried were fraud, bribery, forgery of a document, seal and stamp and possession and use of a forged document, seal and stamp, bribery, forgery of official documents, misappropriation, etc.

In 2022, the Bureau officials examined 259 applications from natural and legal persons, assessing information on possible criminal offences. During the reporting period, 54 departmental examinations were opened and 41 resulted in a decision not to initiate criminal proceedings. In the remaining cases, applicants were given replies or their applications were forwarded to competent authorities.

As a result of tactical analysis carried out during the reporting period, the Bureau proposed that the Financial Intelligence Unit convene 26 meetings of the Cooperation Coordination Group to identify public officials whose activities showed elements of criminal offence. The private-public partnership led to two criminal proceedings for alleged corrupt practices, as well as several investigatory records cases. At the same time, having analysed the information received from the Financial Intelligence Unit and identified elements of criminal offences beyond the competence of the Bureau, the Bureau sent the analytical materials to the State Revenue Service, the State Police and the Internal Security Bureau for evaluation.

In 2022, the Bureau received 24 requests for legal assistance from Ukraine, Poland, Liechtenstein, the United States, the Netherlands, Mongolia and Moldova. 26 requests for legal assistance were completed in 2022. To ensure the acquisition and consolidation of evidence in criminal proceedings pending before the Bureau, it prepared 14 requests for legal assistance to be sent abroad in 2022. Most of the requests for legal assistance were made to EU Member States, Ukraine, Azerbaijan, Kazakhstan and the United Arab Emirates.

The Bureau contributed to the development of the standard for the profession of investigator (criminal law), which was adopted by the Tripartite Cooperation Sub-Council on Vocational Training and Employment on 12 October 2022.



## Control of Activities of Public Officials

To ensure that public officials work in the interests of the public and to prevent any influence of personal or financial interests of public officials, their relatives or business partners on the activities of public officials, the Bureau controls compliance with the Law on Prevention of Conflict of Interest in Activities of Public Officials and additional restrictions applicable to public officials under other laws and regulations.

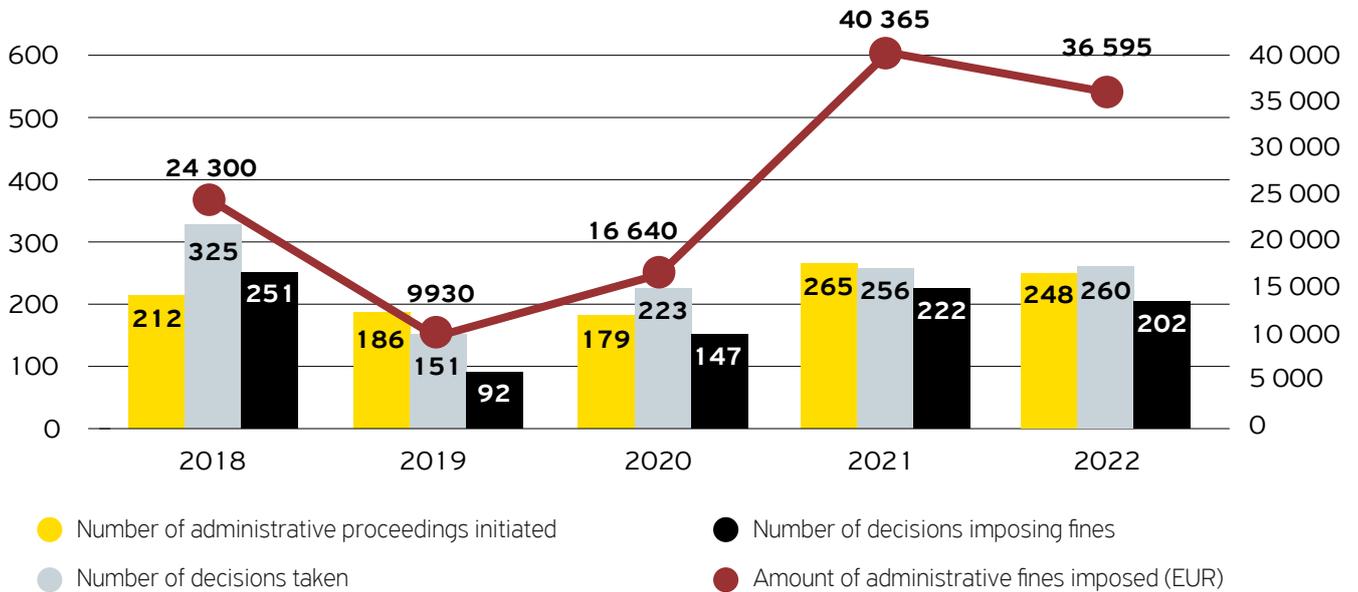
In 2022, the Bureau provided 1 53 written explanations on the application of the provisions of the Law on Prevention of Conflict of Interest in Activities of Public Officials, thus raising awareness of the prohibitions and restrictions imposed on public officials by the Law. During the reporting period, the Division for Investigation of Administrative Violations of the Bureau initiated 3 15 and completed 3 14 investigations.

When examining applications and complaints regarding the possible activities of public officials in a situation of conflict of interest, the information provided in the declarations of these public officials was simultaneously examined to establish whether the public officials have complied with the restrictions, prohibitions and obligations established by the Law on Prevention of Conflict of Interest in the Activities of Public Officials. In 2022, 807 declarations of public officials were examined.

In 2022, 248 administrative offence cases were opened, 260 decisions were adopted, and 97 decisions on refusal to open administrative proceedings were prepared for non-compliance with the restrictions set by the Law on Prevention of Conflict of Interest in the Activities of Public Officials.

In 2022, the Bureau fined 202 public officials, imposing fines totalling EUR 36 595. 41 public officials were reprimanded, and in 17 cases the administrative proceedings were terminated due to the establishment of circumstances excluding administrative liability (see Figure 1 1).

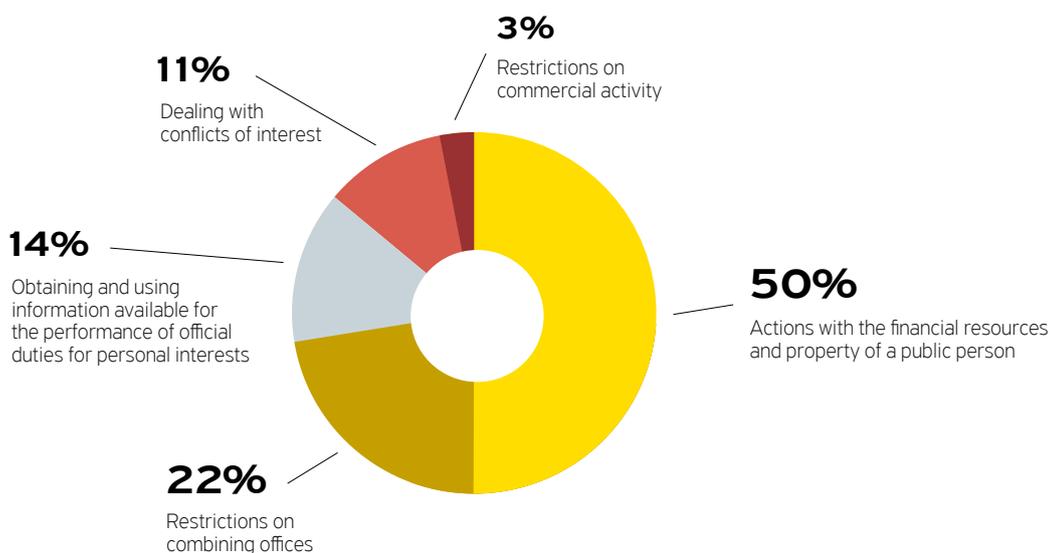
Figure 1 1. Number of decisions adopted and total amount of fines



In 2022, 181 public officials paid administrative fines totalling EUR 31 410 to the State budget on the basis of decisions taken by the Bureau in administrative offence cases. In cases where the person held administratively liable has received income or material benefits causing material damage to the State that can be assessed in financial terms, the Bureau takes a decision on compensation. During the reporting period, the Bureau adopted 11 decisions requesting compensation for damages suffered by the State for a total amount of EUR 27 151.09. Five persons were exempted from the obligation to compensate the State for the damage caused.

In 2022, the number of violations related to the actions with the financial resources and property of a public person (50%) significantly increased. 22% of the violations were related to breaches of the restrictions on combining the functions of public officials, 14% to obtaining information available for the performance of official duties from databases and using this information for personal interests, 11% to conduct in a conflict of interest situation (see Figure 12).

Figure 12. Breakdown of decisions adopted by type of infringement



In 2022, the persons upon whom administrative penalty was imposed appealed against 69 decisions taken by officials of the Division for the Investigation of Administrative Violations to the Director of the Bureau. On the basis of the complaints received, the Director of the Bureau completely annulled two decisions taken by the Bureau’s Division, decided to terminate the administrative proceedings with a reprimand in two cases, and in four cases changed the amount of the fine. In 42 cases, the persons upon whom administrative penalty was imposed appealed against the decisions taken by the Director of the Bureau. The Court upheld 40 decisions taken by the Director of the Bureau and annulled two decisions.



## Control of Financing of Political Parties and Pre-election Campaigning

The Bureau controls the enforcement of the regulations on the financing of political organisations (parties) and associations thereof and, in the cases specified in law, holds the guilty persons administratively liable by imposing a penalty. The Bureau compiles and analyses information on the annual reports submitted by the parties, irregularities detected therein, and cases of non-compliance with the restrictions set out

in laws and regulations. Before the elections of *Saeima*, the national elections to the European Parliament and the local governments, the Bureau enforces compliance with the restrictions on pre-election campaigns, and after the elections, examines income and expenditure declarations submitted by the political parties and associations thereof.

In 2022, the 14th *Saeima* elections were held, and one of the priority tasks of the Bureau during the reporting period was to ensure control over the amount of pre-election expenditures and compliance with pre-election campaigning restrictions. The Bureau processed 2065 notices on contracts concluded for the placement of election campaigns, charity and sponsorship events, and postal expenses. In 2022, 352 notices on advertising rates offered to parties ahead of the 2022 *Saeima* elections were processed. At the same time, the Bureau organised monitoring of parties and third parties for possible violations of the pre-election campaigning procedure and covert campaigns and monitored the information provided in the Bureau's mobile app "Ziņo KNAB".

To ensure the safe conduct of the *Saeima* elections during the pre-election campaign period and on election day, the Bureau participated in inter-institutional working groups, organised online webinars for advertising service providers, regional press and campaigners on the limitations of the pre-election campaign period. During the year, the Bureau's officials organised and participated in six educational events on pre-election campaigns.

In 2022, State budget funding of EUR 3 897 698.25 was paid to nine political parties in line with amendments to the Law on

Financing of Political Organisations (Parties). Based on the results of the 14th *Saeima* elections held on 1 October 2022, 13 decisions were adopted on the allocation of State budget funding from 1 January 2023.

Taking into account the additional restrictions and conditions set by the Law on Financing of Political Organisations (Parties) regarding the financing of political parties individually for each party and the total amount of financing received by the parties, the Bureau published and verified information on donations and membership fees made by 3634 persons to political parties in the amount of EUR 2 475 201.

In the course of investigations into submissions and complaints related to alleged violations of political party financing and pre-election campaigning, the Bureau launched 512 departmental inspections in 2022 and completed 535 inspections by the end of the year. Also, during the reporting period, 159 explanations were provided on issues related to the financing of political parties and the regulation of the Pre-election Campaign Law.

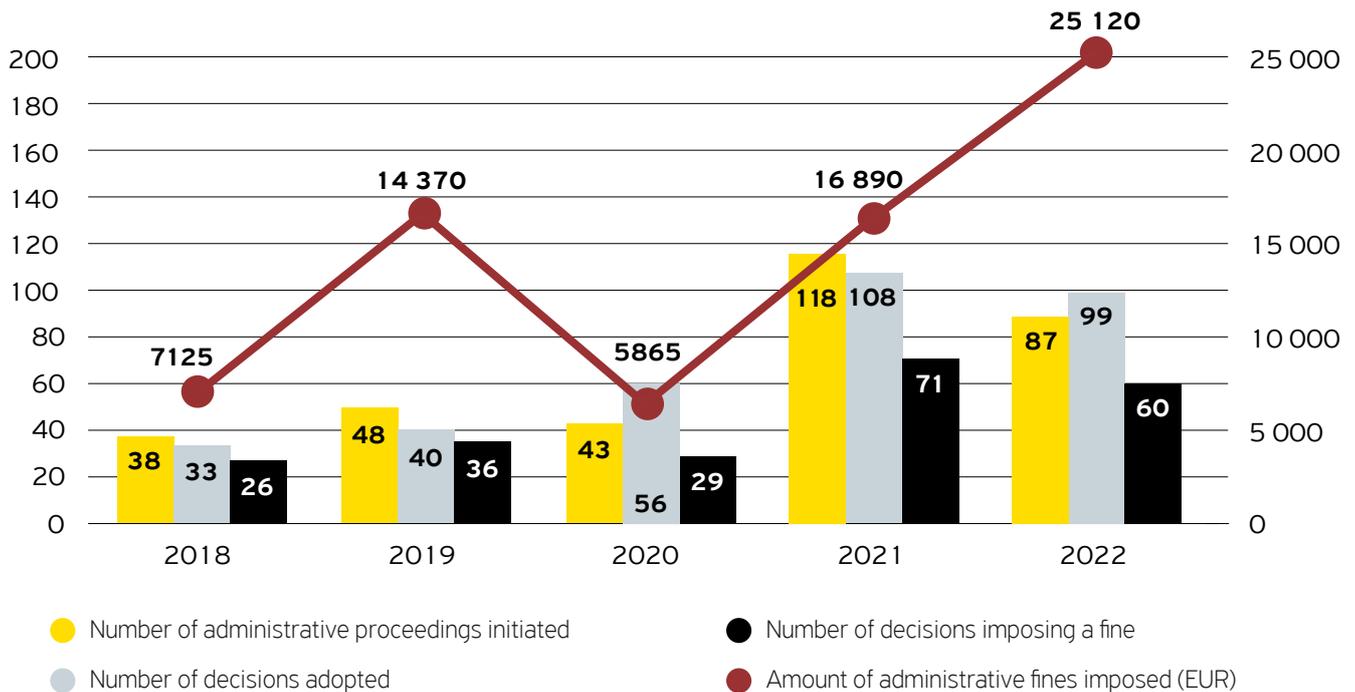
The Bureau received and published the declarations of 38 parties' revenues and expenditures for the elections and the annual reports of 74 parties, as well as started their inspections.

*Citizens cooperated in the monitoring of the pre-election campaign for the 14th Saeima elections and used the Corruption Prevention and Combating Bureau's social network accounts on Twitter and Facebook to actively draw the Bureau's attention to possible violations in campaigning*



In 2022, the Bureau opened 87 administrative offence cases against political parties and other legal and natural persons for violations of the Law on Financing of Political Organisations (Parties) and the Pre-election Campaign Law, adopting 99 decisions. As a result of inspections, in cases of administrative violations committed by parties and other legal and natural persons, the Bureau adopted 60 decisions on the imposition of fines amounting to EUR 25 120 and 25 decisions on the repayment of financial resources to the State budget for the total amount of EUR 220 159.28. The decisions taken over the last five years are shown in Figure 13.

Figure 13. Number of decisions adopted and total amount of fines



In 2022, persons upon whom administrative penalty was imposed appealed to the Director of the Bureau against 31 decisions taken by officials of the Division for the Investigation of Violations of Political Organisations. On the basis of the complaints received, the Director of the Bureau completely annulled one decision and changed the penalty in two cases. In 11 cases, the persons upon whom administrative penalty was imposed appealed against the decisions taken by the Director of the Bureau in court, where eight of the decisions taken by the Director of the Bureau were upheld and three decisions were annulled.

In accordance with decisions taken by the Bureau, during the reporting period, political organisations and other legal and natural persons have reimbursed to the State budget unlawfully received funds amounting to EUR 38 660.27, as well as voluntarily reimbursed to the State budget financial resources in the amount of EUR 1 606.79 and paid EUR 17 043.22 in fines.

In 2022, work on the Electronic Data Entry System continued to ensure the entry and publication of information on gifts (donations), admission fees, membership fees, election income and expenses and annual reports.



## Personnel Policy and Internal Control

On 31 December 2022, the Bureau had 171 posts, of which 143 were filled. The Bureau employs 56 men and 87 women. During the reporting period, ten officials began their service and eight officials terminated their service at the Bureau. Ten new posts were created in the Bureau as of 1 January 2022.

The minimum requirements for applicants to the Bureau are laid down in the Law on Corruption Prevention and Combating Bureau. In addition, during the recruitment process, the national security authorities verify whether candidates meet the requirements set out in the Law on Official Secret for an official to obtain a special permit for access to official secret. The Bureau provides health insurance, accident insurance, allowances, compensation and other expenses provided for by laws and regulations.

On 1 July 2022, Cabinet of Ministers Regulation No 262 of 26 April 2022, Catalogue of Positions at State and Local Government Institutions, Procedure for the Classification of Positions and Developing Descriptions of Positions came into force, which establishes the procedure for determining the salary group and level of officials (employees) of the Bureau. As a result, the Bureau, in cooperation with the State Chancellery, reclassified all posts in the Bureau and made changes to the job descriptions of the Bureau's officials and staff by issuing orders on the changes.



As in previous years, the Bureau continued its cooperation with the School of Public Administration within the European Social Fund project No 3.4.2.0/15/l/002 “Professional Development of Human Resources in Public Administration for Preventing Corruption and Reducing Shadow Economy”. Training was offered and organised for the Bureau’s staff in cooperation with the European Union Agency for Law Enforcement Training, which develops, implements and organises training for police officers and other law enforcement officials.

In 2022, the officials of the Bureau participated in 40 conferences, seminars and training events on preventing and combating corruption, financial investigation and analysis, prevention of money laundering and conflict of interest, public procurement and other current topics. The officials of the Bureau travelled abroad on 44 missions to participate in conferences, various working groups of inter-institutional and foreign institutions, anti-corruption forums, exhibitions and experience exchange trips.

The Bureau ensures that data subjects have access to the Bureau’s Data Protection Officer in all matters relating to the processing of their personal data and the exercise of their rights under laws and regulations. No cases of personal data breaches requiring notification of the data protection supervisory authority and the data subject in accordance with the procedures laid down in laws and regulations were detected in 2022.

During the reporting period, the Bureau carried out three internal audits on its accounting and HR processes, procurement and the implementation of internal and external recommendations. The structural units of the Bureau received 12 recommendations for improvement, of which seven were implemented by the end of 2022. The recommendations were aimed at improving and streamlining internal processes.



# Implementation of the Operational Strategy of the Bureau

During the reporting period, the Bureau carried out its activities in line with the objectives and priorities set out in the Bureau’s operational strategy for 2020-2022. The performance indicators for the implementation of the Bureau’s operational strategy are summarised in Table 1.

*Table 1. Performance indicators*

<b>Goal</b>	Reduce the spread of corruption	Raise knowledge level of public officials awareness about anti-corruption requirements
<b>Result</b>	Corruption Perception Index improves (score out of 100, where “100” means “no corruption”)	With the implementation of knowledge tests in educational activities, the number of public officials who are well acquainted with anti-corruption requirements increases.
2019 implementation	56	87%
2020 implementation	57	n/a
2021 implementation	59	89%
<b>2022 implementation</b>	<b>59</b>	<b>89%</b>
2022 plan	61	88%
<b>Comment</b>	The goal has not been achieved. Latvia’s score on the 2022 Corruption Perceptions Index has remained unchanged comparing to 2021.	The goal has been achieved. The Bureau continued to provide mainly online training, thus reaching a wider audience compared to in-person training.

Table 1. Performance indicators

Goal	Detection and Investigation of Criminal Offence		
Result	Identified criminal offences	Ratio of criminal proceedings initiated by the Bureau that have been sent for prosecution and not terminated by the Prosecutor's Office	Criminal proceedings initiated by the Bureau based on information provided by the Criminal Intelligence Department
2019 implementation	56	100%	30
2020 implementation	65	100%	10
2021 implementation	115	75%	15
<b>2022 implementation</b>	<b>47</b>	<b>100%</b>	<b>10</b>
2022 plan	90	95%	15
Comment	Goal not met. During the reporting period, the Bureau referred 18 criminal proceedings for prosecution and initiated 32 criminal proceedings with a single underlying offence.	The goal has been achieved. During the reporting period, none of the 18 criminal proceedings referred by the Bureau for prosecution were terminated by the Prosecutor's Office.	Goal not met. The Bureau's Criminal Intelligence Department is still dealing with the consequences of the Covid-19 pandemic through its operational activities. At the same time, the Criminal Intelligence Department made major contributions to criminal investigations during the reporting period.

Table 1. Performance indicators

<b>Goal</b>	Take legal and reasoned decisions on the control of financing political parties	Reduce the role and influence of money in politics
<b>Result</b>	Ratio of decisions of the Bureau relating to administrative offences and recovery of unlawful funds upheld and not annulled in reporting year	Violations identified in the financing of political parties and campaigning
2019 implementation	97,5%	40
2020 implementation	98%	50
2021 implementation	97%	108
<b>2022 implementation</b>	<b>98%</b>	<b>99</b>
2022 plan	98%	25
<b>Comment</b>	The goal has been achieved. During the reporting period, the Director of the Bureau annulled two decisions taken by the Head of the Division for Investigation of Violations of Political Organisations.	In view of the 14th <i>Saeima</i> elections in 2022, the Bureau ensured prompt monitoring of both pre-election campaigning and the financing of political parties.

Table 1. Performance indicators

<b>Goal</b>	To ensure that the decisions made by the Bureau on control of public officials are lawful and substantiated	Control of public officials in the prevention of conflict of interest	
<b>Result</b>	Ratio of decisions taken by the Bureau in relation to administrative irregularities in the field of anti-corruption that have not been annulled	Decisions taken by the Bureau on breaches of the provisions of the Law on Prevention of Conflict of Interest in Activities of Public Officials	Number of declarations of public officials examined (number of public officials)
2019 implementation	98,68%	151	473
2020 implementation	98,7%	223	453
2021 implementation	99%	256	581
<b>2022 implementation</b>	<b>98,5%</b>	<b>260</b>	<b>807</b>
2022 plan	98%	255	950
<b>Comment</b>	The goal has been achieved. During the reporting period, the Director of the Bureau annulled two decisions taken by the Bureau's Division for the Investigation of Administrative Violations, and in two cases adopted a decision to terminate the administrative proceedings by issuing a reprimand.	The goal has been achieved. In the reporting period, 50% of the decisions taken by the Bureau in the area of conflict of interest prevention were related to unlawful actions of public officials with the financial resources and property of a public authority.	Goal not met. The number of declarations of public officials examined has increased by 39% compared to the previous reporting period.



## Use of Budget Resources

The Bureau was allocated **EUR 9 503 505** from the State budget in 2022 and three priority actions were approved:

1.

EUR 239 000 to enhance the Bureau's technical capacity and capability for pre-trial investigations.

2.

EUR 60 000 to implement the action "Development and integration of an interactive anti-corruption game in the curriculum of grades 7-9".

3.

EUR 20 000 for the study "Challenges and need for modernisation of the technical framework for conflict of interest prevention".

Priority measures in the amount of **EUR 4 891 493** were approved for the implementation of a new financing model for political organizations (parties).

In 2022, the Bureau received financing from the Ministry of Justice's core budget programme "Fund for the Confiscation of Criminal Assets", the European Economic Area Financial Instrument programme 2014-2021, the European Anti-Fraud Programme, the Twinning project "Fostering integrity and preventing corruption in the public sector in Armenia" and the budget programme "Funds for Unforeseen Events".



The use of budget resources is presented in Table 2, which is completed in accordance with the Annex to the Cabinet Regulation No 413 of 5 May 2010, Regulations on Annual Public Accounts.

Table 2. Use of budget resources (EUR)

No.	Financial indicators	2021 (actual implementation, EUR)	2022	
			Approved in regulations (EUR)	Actual implementation (EUR)
1.	<b>Financial resources to cover expenditures (total)</b>	<b>13 419 928</b>	<b>14 576 100</b>	<b>14 588 803</b>
1.1.	Grants	12 930 900	14 394 998	14 394 998
1.2.	Paid services and other own income	0	63 923	76 628
1.3.	Foreign financial assistance	0	82 981	82 981
1.4.	Donations and gifts	0	0	0
1.5.	State budget transfers	489 028	34 198	34 196
2.	<b>Expenditures (total)</b>	<b>12 623 982</b>	<b>15 065 580</b>	<b>13 079 130</b>
2.1.	Maintenance costs (total)	12 327 855	13 972 443	12 603 484
2.1.1.	Current expenditures	7 787 757	9 071 986	8 671 912
2.1.2.	Interest expenditures	0	0	0

Table 2. Use of budget resources (EUR)

No.	Financial indicators	2021 (actual implementation, EUR)	2022	
			Approved in regulations (EUR)	Actual implementation (EUR)
2.1.3.	Subsidies, grants, social benefits	4 531 493	4 891 493	3 922 914
2.1.4.	Current payments to the EU budget and international cooperation	8605	8964	8658
2.2.	Capital expenditures	296 127	1 093 137	475 647



# HONOUR OVER POWER!

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