



# ANNUAL REPORT 2023





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

Year 2023 marks the launch of an important national policy planning document – the coming into effect of the Corruption Prevention and Combating Action Plan 2023–2025. The overarching objective of the Plan is to ensure the credible functioning of any institution or organisation, respecting the principle of good institutional governance and effective management of human resources. This was also the first year of the new operational strategy of the Corruption Prevention and Combating Bureau (hereinafter referred to as the Bureau), which defines the Bureau’s priorities, goals and objectives for the quadrennium.

In line with the Bureau’s action strategy, in response to developments in the public sphere, and as a result of the public’s willingness to engage in the fight against corruption, the Bureau opened 36 criminal proceedings in 2023. The Bureau referred 18 criminal proceedings to prosecuting authorities for prosecution. More than half of the criminal proceedings referred for prosecution were initiated in the reporting year, which demonstrates the Bureau’s capacity to investigate alleged corruption offences in an efficient and timely manner. Unfortunately, there is still a negative tendency for legal entities to engage in criminal activities for their own gain. In 2023, the prosecution authorities were asked to continue applying coercive measures to seven legal entities.



**Jēkabs Straume**

*Director of the Corruption Prevention and Combating Bureau*

In 2023, the Bureau opened a criminal case on bribery of foreign public procurement officials. This is the fifth case of bribery of foreign public officials identified by the Bureau in Latvia. In criminal proceedings initiated by the Bureau, financial assets of EUR 2.87 million were recognised as criminally acquired property. The funds were confiscated and transferred to the state budget. Financial assets in the amount of EUR 1.99 million were also arrested.

Public support in the fight against corruption is very important, and in recent years there has been a growing willingness of citizens to fight corruption by cooperating with the Bureau anonymously. This is confirmed by the results of the 2023 public opinion survey carried out by the

Bureau, as well as by the number of anonymous reports received. Statistics and experience show that the Bureau took the right decision in developing a new reporting channel. The Bureau has launched a new online reporting platform and its mobile app “Ziņo KNAB!”, where reports can be made both anonymously and by identifying yourself, as well as submit a whistleblower report in accordance with the Whistleblower Law.

To introduce the new reporting channel and encourage citizens and businesses not to remain silent about possible corruption, the Bureau organised a major public awareness campaign “CORRUPTION SUFFOCATES! Report by using the KNAB app”. Both the reporting platform and the public awareness campaign were supported by a grant from the European Economic Area.

The structure, functions and functioning of the Bureau as an anti-corruption institution have been commended in the European Commission’s

Good Practice Guide on combating corruption. The European Commission has accented the measures successfully implemented by the Bureau to implement the recommendations of international organisations in the area of prevention and combating corruption. Another report on the rule of law published by the European Commission commended the Bureau for its work on anti-corruption policy planning, reducing corruption and strengthening inter-institutional cooperation.

International organisations and experts commend the work of the Corruption Prevention and Combating Bureau, for which I am grateful to my colleagues, cooperation partners and the public. We continue to strengthen and develop our cooperation to fight corruption more forcefully and effectively. **Honour over power!**



## 2023 in figures

**36**

criminal proceedings initiated

EUR  
**2,87**  
million

in criminal proceedings declared as criminally acquired property, confiscated and transferred to the state budget

**18**

criminal cases referred for initialisation of prosecution

**56**

natural persons and legal entities referred for prosecution

**273**

administrative offence cases opened

EUR  
**55 710**

administrative fines imposed

**797**

draft laws subjected to corruption risk analysis

**79**

educational events

**8338**

participants in educational activities

**1435**

reports received

**52**

submissions received as whistleblower reports

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# General Characteristics and Priorities of the Bureau

The Corruption Prevention and Combating Bureau is a direct administrative body under the supervision of the Cabinet of Ministers and performs the functions established by the Law on the Corruption Prevention and Combating Bureau in the field of corruption prevention and combating, as well as control over the financing of political parties and the implementation of pre-election campaigning regulations.

## Vision of the Bureau

As the leading anti-corruption institution in Latvia, the Bureau promotes a social, economic and judicial environment that is geared towards institutions of a public person acting in the public interest, ensuring that every individual and society as a whole has confidence in the legislator, the executive power, the judiciary, and in the work of State and local government institutions.

## 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”

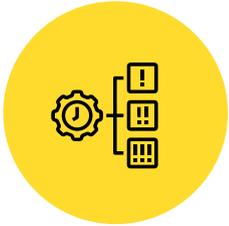


## Structure of the Bureau

The Director of the Bureau has three deputies:

- 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);
- the Deputy Director for Criminal Intelligence who oversees the Criminal Intelligence Department (comprising two criminal intelligence divisions) and the Criminal Intelligence Support Department (comprising one division of criminal intelligence support);
- 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 (Strategic Analysis Division and Tactical Analysis Division).

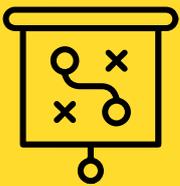
The Director of the Bureau also oversees separate divisions (record-keeping, legal and financial matters, internal security, human resources and IT division) and the internal auditor and advisor.



## Bureau Priorities

In 2023, the Bureau planned its activities in line with the Bureau's operational strategy 2023-2026, developed and approved in 2022, which sets out five priorities:

1. To mitigate corruption risks in public procurement and EU-funded projects, in particular:
  - a) in the areas where the largest projects in terms of funding are implemented;
  - b) projects and tenders implemented by the State and local governments;
  - c) within the framework of the *Rail Baltica* project.
2. To improve the practice of declaring the proceeds of alleged corruption of public officials as proceeds of crime and confiscating them for the benefit of the State.
3. To ensure an effective national anti-corruption policy.
4. To promote zero tolerance of corruption in the public and private sectors.
5. To implement digital transformation.



The Bureau's strategy identifies 24 strategic objectives for achievement of which 57 deliverables have been set, 19 of which are selected as key performance indicators, with a target value for each year of the strategy period.



## The Bureau's Performance in Corruption Prevention

To reduce the risks of corruption and conflicts of interest, as well as the risk that public funds and property are wasted, the Bureau drafts development planning documents, information reports and legal acts. The Bureau also makes proposals to the responsible institutions on the need for amendments to regulatory acts or drafting new legislation, and 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 has prepared a number of development planning documents, information reports and draft legislation in compliance with the Law on Corruption Prevention and Combating Bureau.

On 11 April 2023, the Cabinet of Ministers approved the Corruption Prevention and Combating Action Plan 2023–2025 (hereinafter referred to as 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 contains a total of 49 measures to prevent and combat corruption, which are to be implemented by the Bureau and other institutions.

As one of the measures of the Plan, the Bureau has submitted to the Saeima a proposal to amend the Law on Pre-election Campaigning in order to review and align the maximum penalty for violation of the procedure for pre-election campaigning or non-compliance with the restrictions set for pre-election campaigning on the internet, in public places, electronic media and press publications. The proposal received support, and as of 1 January 2024, according to amendments, legal entities, including political parties, shall be subject to a maximum fine of EUR 7,100 (previously EUR 1,400) for pre-election campaign procedure violations or non-compliance with the established restrictions in public places, press publications, as well as social networks and elsewhere on the internet. The Bureau also provided its views and proposals for a regulation requiring that, from 1 January 2024, only the official language be used in paid pre-election campaigning.

In 2023, in response to the identified problems, work continued on the improvement of the Law on Prevention of Conflict of Interest in the Activities of Public Officials. One of the instruments to achieve the objective defined in the Law is the obligation for public officials to submit a declaration. Taking into account the purpose of the Law, the requirements of the personal data protection framework and the public interest, the Bureau gave its opinion and participated in discussions on the proportionality of the amount of information to be included in the declarations of public officials, their storage and public accessibility period. In the view of the Bureau, these time limits should be linked to the 15-year limitation period for particularly serious offences laid down in Chapter XXIV of the Criminal Law, entitled “Offences in the Service of Public Authorities”. In 2024, the Bureau, in cooperation with the State Revenue Service, will continue to assess the necessity and public availability of information to be included in the declarations of public officials.

On 1 July 2024, the partnership regulations will enter into force. Accordingly, on this date, amendments to the Law on Prevention of Conflict of Interest in the Activities of Public Officials will also enter into force, stipulating that a person with whom there is a partnership shall also be considered a relative for the purposes of the Law. Diplomatic gifts will also be allowed to be accepted by the person with whom the partnership is established during state, official and working visits to Latvia or abroad. In the declaration of a public official, the public official will also state the name of the person with whom the partnership exists.

The Bureau has also submitted proposals to the Saeima to restrict a public official from issuing administrative acts, performing supervisory, control, investigative or punitive functions, concluding contracts or performing other actions also in respect of persons with whom a marriage or partnership has been dissolved two years after the termination of the contractual relationship. At the same time, the Saeima has already supported in the second reading the proposal of the Bureau to establish an obligation for a public official to prevent conflict of interest situations also in the case of performing an official function in relation to a commercial company in which he or she is the beneficial owner.

The Bureau and the Prosecutor General’s Office suggested that it would be necessary to amend laws and regulations to provide for liability of officials also for actions carried out in the interest of a particular tenderer during a public procurement. The Permanent Working Group on Criminal Law, chaired by the Ministry of Justice, is currently assessing whether a new qualifying circumstance – liability for committing a criminal offence in order to obtain an unjustified advantage for oneself or any other person – should be included in the offences of public officials.



During the reporting period, the Bureau carried out an analysis of potential corruption risks in 797 draft legislative acts submitted for initial and repeated approval to the Single Draft Legal Acts Portal. In line with the findings of the risk analysis, the Bureau issued 174 opinions on draft legislation prepared by ministries, expressing both conceptual and drafting objections or proposals. The Bureau also drafted and presented opinions on the European Commission's proposals for a directive on combating corruption and a regulation on transparency and targeting of political advertising.



## International Cooperation

During the reporting period, the Bureau, as the leading anti-corruption institution in Latvia, ensured participation in various events of international organisations, as well as fulfilled the obligations of the Council of Europe Treaty on the Establishment of a Group of States against Corruption and Convention, of the Organisation for Economic Co-operation and Development (hereinafter – OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, The United Nations (hereinafter referred to as UN) Convention Against Corruption, 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.

On 12 October 2023, Latvia's progress report on the implementation of the recommendations of the OECD Working Group on Bribery in International Business Transactions (hereinafter referred to as the WGB) was examined. The Latvian representatives informed about the amendments made to the Law on the Procedure for the Entry into Force and Application of the Criminal Law, which addresses issues of intent in cases of commercial bribery, bribery and giving an unlawful advantage through an intermediary. The OECD was briefed on progress in criminal cases brought in Latvia on bribery of foreign officials in international business transactions, as well as on progress in the fight against money laundering. The WGB welcomed Latvia's progress and called for further work to combat bribery.

The Bureau briefed the European Commission on progress in strengthening the anti-corruption framework in 2022. In July 2023, 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 Bureau also prepared and coordinated the provision of information for the OECD's Public Integrity Indicators. These are indicators of issues related to preventing corruption risks and strengthening integrity. Latvia has provided information on the quality of strategies, policy-making accountability and the effectiveness of internal control and risk management.

During the reporting period, the Bureau was one of the experts assessing Serbia's progress in implementing the preventive measures under Chapter 2 of the UN Convention against Corruption (*UNCAC*), such as the development and implementation of anti-corruption policies, the prevention of conflict of interest of public officials, and the financing of political parties.

In cooperation with the Ministry of Justice and the German Organisation for International Legal Cooperation, the Bureau continued 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, experience exchange visits and consultancy, based on the sharing of best practices from the European Union and will be carried out until 31 May 2024.

In 2023, 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, criminal intelligence and analytical functions.

In 2023, project "Strengthening the Anti-Corruption Framework" under the Technical Assistance Instrument of the European Commission's Directorate General for Structural Reform Support was launched in cooperation with the European Commission and involved OECD experts:

1. Within the framework of activity 1 aimed at reviewing the regulation of the Law on Prevention of Conflict of Interest in the Activities of Public Officials in line with international standards and good practices, two on-site visits of OECD experts and meetings with representatives of more than 20 national institutions and non-governmental organisations were held. OECD experts have prepared a draft report on which the Bureau and other institutions have provided comments and clarifications for improvement.
2. Activity 2 is aimed to assess the quality of the anti-corruption internal control framework and develop a methodology for assessing the quality of these systems. The work for implementation of the activity begun at the end of 2023.
3. In activity 3, where it is set to develop a national corruption risk assessment methodology and a corruption latency assessment methodology, the Bureau has prepared answers to experts' questions on the Latvian framework.

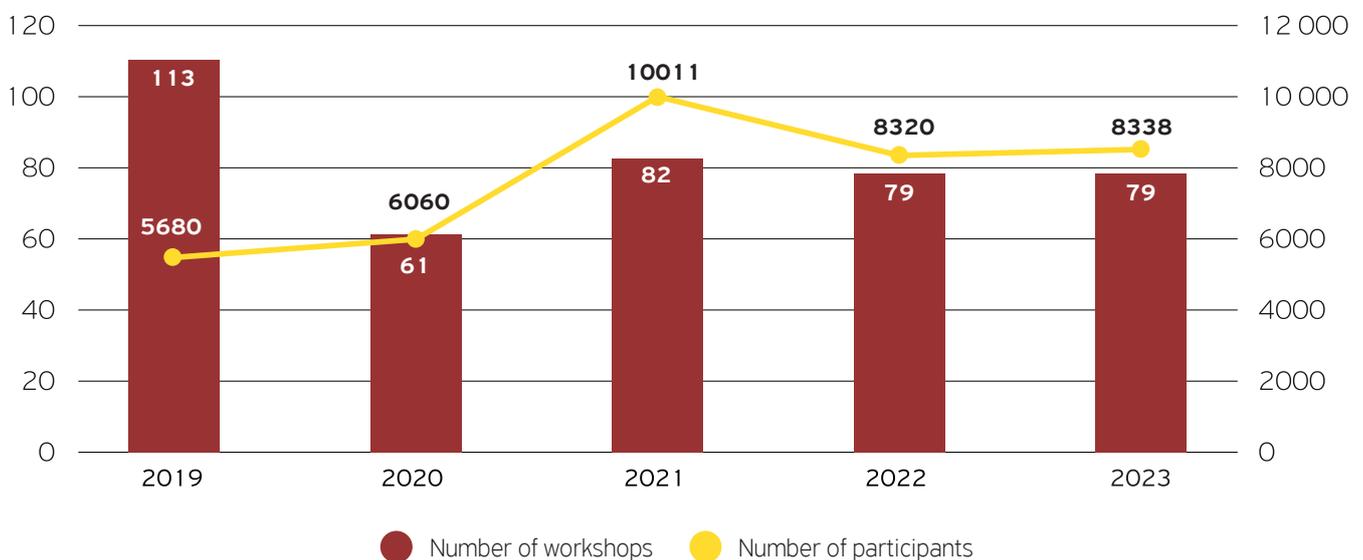


# Education and Public Participation

## Educating Public Officials and the Public

In 2023, the Bureau's officials organised or participated in 79 educational events on anti-corruption, conflict of interest prevention, public administration ethics, the development of corruption risk prevention internal control systems and anti-corruption action plans. In total, 8338 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 Bureau most frequently educated public officials on conflict of interest prevention, professional ethics, corruption risks and risk mitigation, including the development of an anti-corruption action plan. Members of the Saeima and local governments, members of boards and councils of capital companies, political officials, employees of local governments and capital companies, procurement commissions, representatives of the private and non-governmental sector, attorneys-at-law, etc. were also educated on various topics.

In 2023, there was a relatively high level of interest from the private and non-governmental sectors on the subject of internal anti-corruption control measures – which is one of the Bureau's regular thematic workshops. The Bureau also continued its train-the-trainer programme, informing the participants of the programme on topical issues in the field of anti-corruption.

During the reporting period, the Bureau organised or participated in various public relations activities. The most extensive activity was a public awareness campaign “CORRUPTION SUFFOCATES! Report by using the KNAB app”, implemented from 8 to 29 September with the support of a grant from the European Economic Area. The aim of the campaign was to inform the public about the new reporting platform and its mobile app “Ziņo KNAB!”, as well as to raise public awareness about reporting and the devastating consequences of corruption. The campaign includes an extensive advertising campaign, an interactive video, as well as the creation and dissemination of information materials on what to do if a public official asks for a bribe.



Opening event of the Bureau's public awareness campaign “CORRUPTION SUFFOCATES! Report by using the KNAB app”



Conference “Corruption – a threat to national and global security” dedicated to the International Anti-corruption Day organised by the Bureau and association Transparency International Latvia Delna.

In 2023, together with the association Transparency International Latvia Delna, the Bureau organised a thematic event “Corruption – a threat to national and global security”. During three panel discussions, representatives from the public, private and non-governmental sectors discussed what needs to be done today by the authorities and the private sector in Latvia to make significant progress in the fight against corruption.

During the reporting period, representatives of the Bureau took part in the “LAMPA” discussion “Internal Security Academy and its study opportunities”, in cooperation with the anti-fraud movement “Fraud off!” Junior Achievement ‘s entrepreneurship conference “Uzdriksieties uzvarēt 2023” (Dare to Win 2023), aimed at the school audience, and the “Atpakaļ uz skolu/Atpakaļ uz universitāti” (Back to School/Back to University 2023) campaign, among others.



Participation of the Bureau in the discussion “Internal Security Academy and its study opportunities” held in the Conversation Festival “LAMPA”

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 and its methodological material and introduced it to teachers.

With the framework of the European Economic Area Grant supported project “Support for the establishment of a whistleblowing system in Latvia” the Bureau conducted a public opinion survey in autumn of 2023. There were both residents and businesses among the respondents. The results show that 80% of citizens and 78% of businesses are not ready to pay a bribe to a public official to solve a problem. Compared to 2022, the population group shows negative dynamics, while the business group shows positive dynamics. Comparing the 2021, 2022 and 2023 surveys, there are slight changes in attitudes in both groups, but the overall negative trend towards bribery is persistent.

The public’s willingness to report corruption has fluctuated over the three-year period. In 2023, the number of people who would be unwilling to report corruption decreased and the number of people who would be willing to report only anonymously increased. Citizens’ willingness to report corruption directly to the Bureau is also increasing every year.

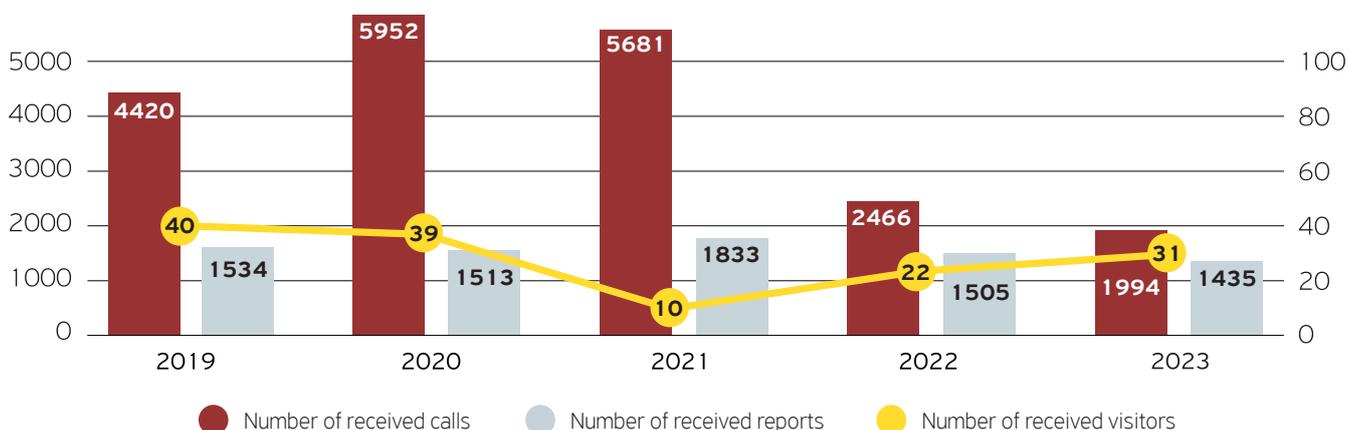


## Number of Calls and Applications Received by the Bureau

During the reporting period, the Bureau received a total of 1,435 reports. Of these, 482 were submitted by natural persons, 127 by legal persons, 144 by State and local government authorities, and 682 by anonymous applicants. In 2023, the number of reports received from natural persons decreased compared to the previous reporting period, while the number of reports from anonymous submitters remained stable, indicating the willingness of citizens to report anonymously.

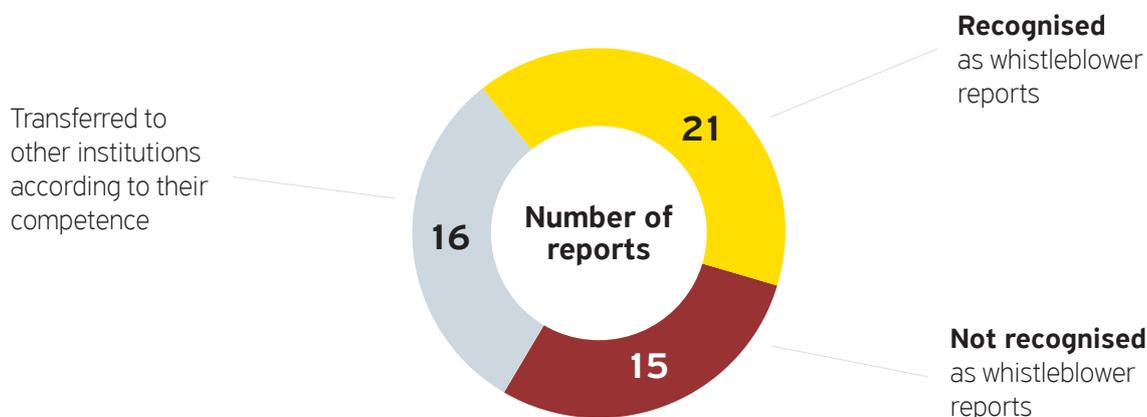
In 2023, 27 reports were received in the mobile app “Ziņo KNAB”. The Bureau received and heard 31 visitors. In total, 1,994 calls were received to the telephone number 67356161 and the helpline 80002070. The number of applications received and visitors of the Bureau are shown in Figure 2.

Figure 2. Public participation



The Bureau is one of the competent authorities to which whistleblowers can report alleged criminal offences or violations. In 2023, the Bureau received 52 reports, approximately the same number (55) as in the previous reporting period, but the number of reports classified as whistleblower reports doubled (see Figure 3).

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



## Reporting platform and its mobile app “Ziņo KNAB!”

In September 2023, the Bureau expanded its existing reporting channels by launching an online reporting platform and a mobile version of its app “Ziņo KNAB!”. The platform allows to submit a violation report or whistleblower report on any corruption-related crime or offence that has already occurred, is currently occurring or is planned.

After submitting the information, the reporter receives a unique report identification number so that, when communicating with the Bureau, he or she can submit additional or clarifying information to the report already submitted and receive information on the progress of that report. This option is available to both self-identified and anonymous whistleblowers.

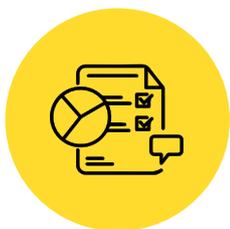
The address of the online reporting platform is [zino.knab.gov.lv](http://zino.knab.gov.lv). Free mobile app “Ziņo KNAB!” is available for download on both the *App Store* and *Google Play*.



## Activities of the Public Consultative Council

The Public Consultative Council 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 Council is to promote the relationship between the Bureau and the public by making recommendations on relevant issues.

Three meetings of the Council were held in 2023 on various issues, including public access to data held by public institutions, the Council’s possible involvement in the preparation of the Corruption Prevention and Combating Action Plan 2023-2025. The Council also discussed the Bureau’s public awareness campaign.



# The Bureau's Performance in Corruption Prevention

In accordance with the Law on Corruption Prevention and Combating Bureau, the Bureau holds public officials administratively liable and applies sanctions for administrative violations in the field of corruption prevention. 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 actions, departmental examinations and criminal procedural activities, as well as provides assistance to foreign states in carrying out procedural activities, if they are related to corruption investigations.

## Criminal Investigation

In 2023, the Bureau opened 36 criminal proceedings, 11 of which were initiated on the basis of information obtained in the course of criminal intelligence activities, seven of which were separated from criminal proceedings in progress, three were initiated based on information provided by the Division for the Investigation of Administrative Offences, and the rest were based on other sources of information. During the reporting period, 12 criminal proceedings pending Bureau criminal proceedings were terminated. One of the criminal proceedings initiated by the Bureau against a natural person was transferred to the Prosecutor General's Office of Ukraine together with the case files, thus providing significant support to the investigation by the Anti-Corruption Bureau of Ukraine (NABU).

In 2023, just like in previous years, the Bureau initiated most criminal proceedings in connection with unlawful conduct in the activities of state and local government institutions. The number of criminal proceedings for public procurement offences has increased, while the number of proceedings in the financial sector has decreased (see Figure 4).

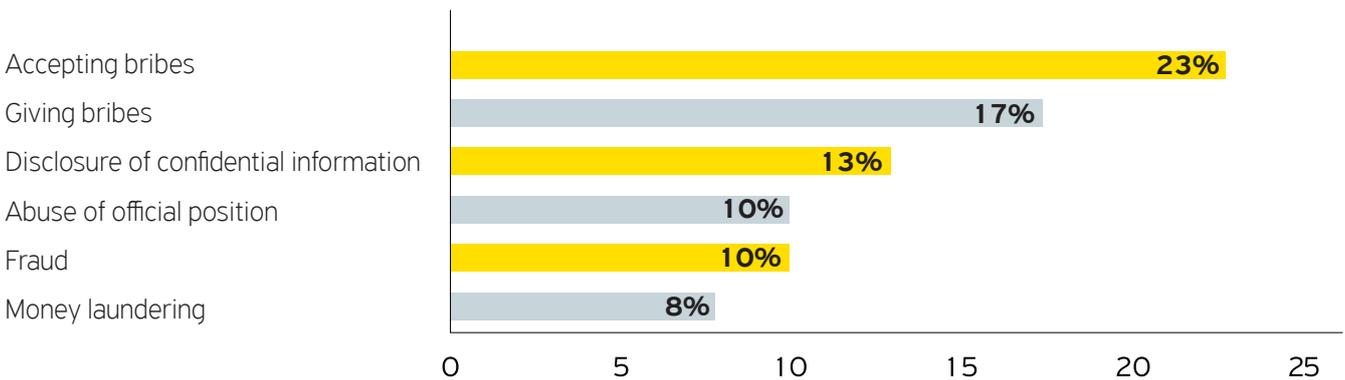
Figure 4. Breakdown of the most frequently initiated criminal proceedings by areas



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 person have remained high. The trend towards fewer criminal proceedings initiated following information from the Financial Intelligence Unit on money laundering by foreign officials continued in 2023 as the financial market overhaul neared completion.

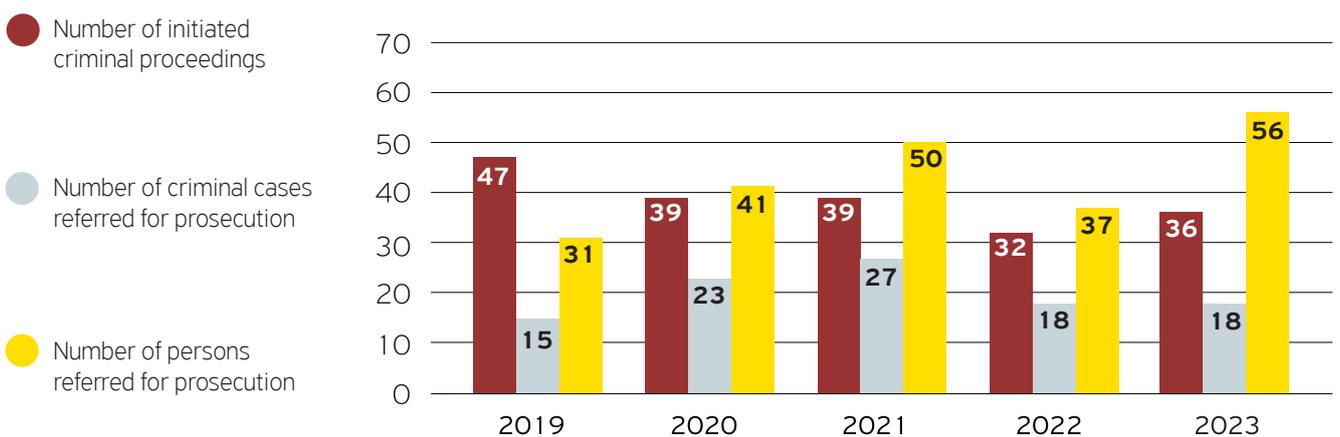
During the reporting period, the highest number of criminal proceedings was initiated for offences such as bribe-taking, bribe-giving, disclosure of undisclosed information, abuse of official position, fraud and money laundering (see Figure 5).

Figure 5. Types of offences recorded in initiated criminal proceedings



In 2023, the Bureau referred 18 criminal proceedings to prosecution offices, two of which were referred for prosecution in accordance with urgent procedures. Cases against 49 natural persons and seven legal persons were referred for prosecution (see Figure 6).

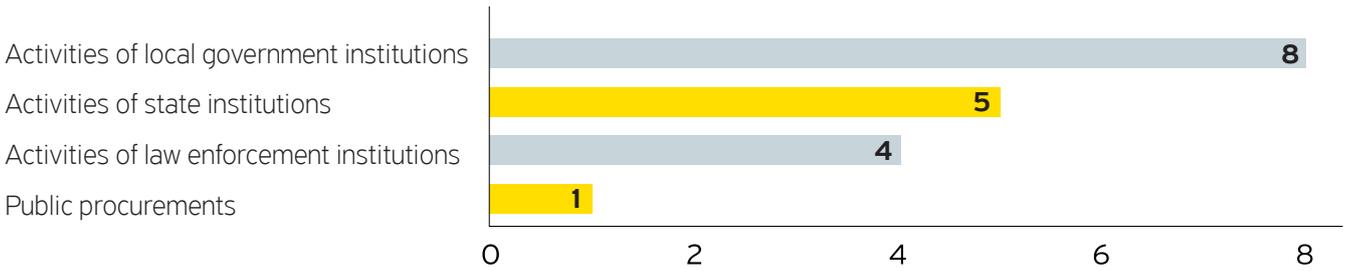
Figure 6. Progress of criminal proceedings



As in previous years, the upward trend in the number of legal persons referred for prosecution (application of coercive measures) has continued in 2023. This shows that corrupt transactions carried out by natural persons are still done in the interests of legal persons.

During the reporting period, criminal proceedings were referred for prosecution in cases involving criminal offences in the work of municipal, state and law enforcement institutions. One criminal case involved corrupt practices in public procurement (see Figure 7).

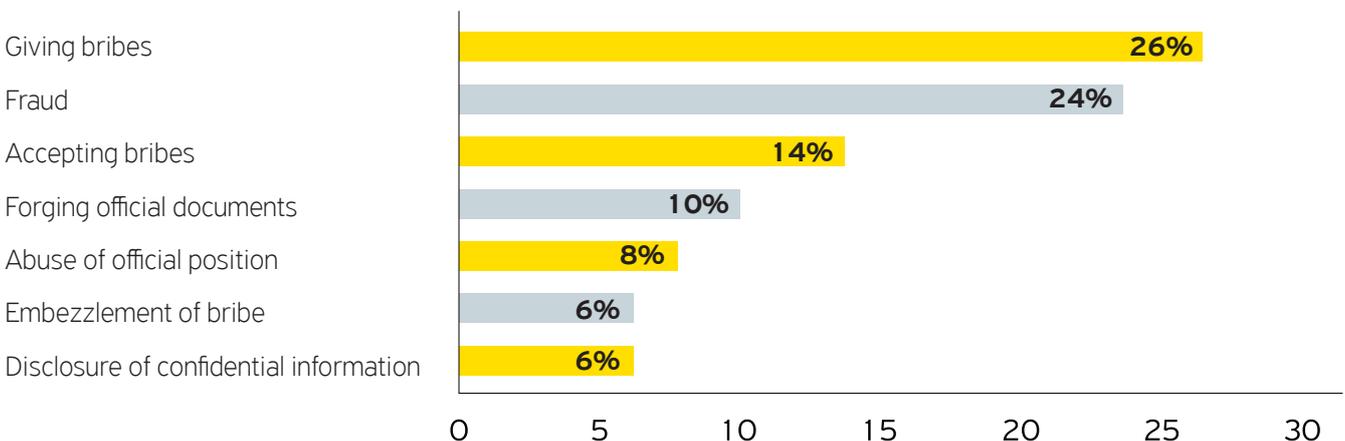
Figure 7. Breakdown of the number of criminal proceedings referred for prosecution by areas



More than half (61%) of the criminal proceedings referred for prosecution were opened in 2023 and 22% in 2022, indicating the Bureau capacity to investigate alleged corruption offences efficiently and within a reasonable timeframe. In 2023, 11, or almost a third, of the 36 criminal proceedings opened were sent to the prosecutor’s office for prosecution. The prosecutor’s office is continuing pre-trial proceedings in four of them, five have been sent to the courts for trial, and in two criminal proceedings a prosecutor’s order has been prepared for a fine and community service. The average duration of criminal investigations by the Bureau during the reporting period was four months.

In 2023, most people were prosecuted for criminal offences such as bribe-giving, fraud, bribe-taking, forging official documents, abuse of office, embezzlement of a bribe, disclosure of confidential information, etc. (see Figure 8).

Figure 8. Types of offences referred for prosecution

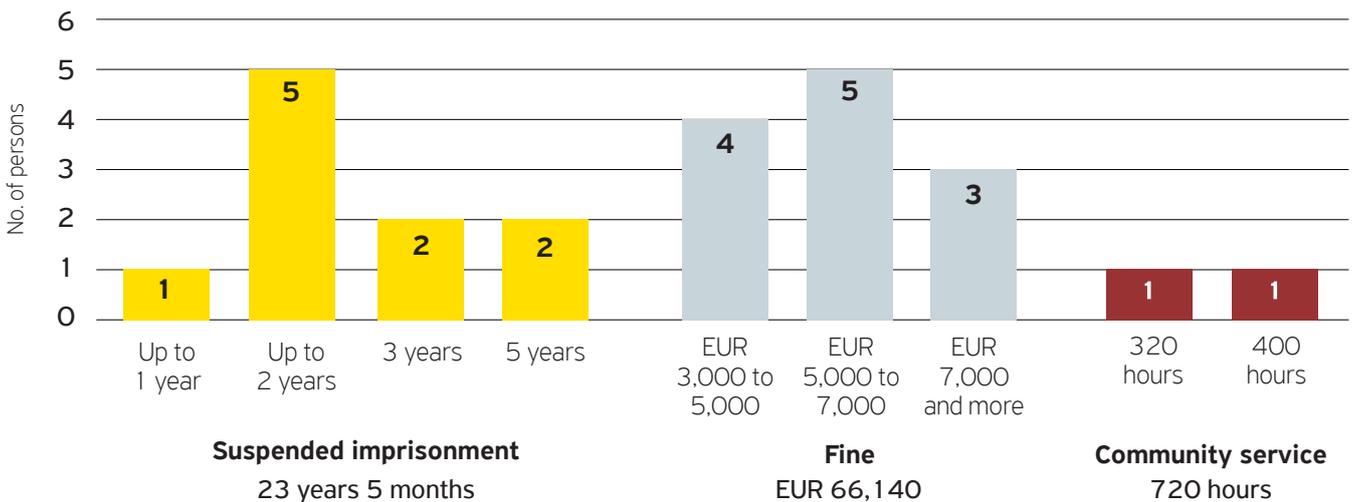


In 2023, the Bureau initiated four proceedings regarding criminally acquired property, requesting that property to be declared as proceeds of crime and confiscated for the benefit of the State. In one criminal case initiated by the Bureau, a court ruling recognised financial resources amounting to EUR 2.87 million as proceeds of crime, which were subsequently confiscated and transferred to the State budget. During the reporting period, financial assets amounting to EUR 1,993,975 and ten immovable properties, as well as five cars were seized in criminal proceedings pending before the Bureau.

In the reporting year, the criminal proceedings investigated by the Bureau and referred for prosecution disclosed the potential infliction of material damage amounting to EUR 13.35 million on institutions of a public person and the possible transfer of bribes to public officials totalling EUR 133,985.

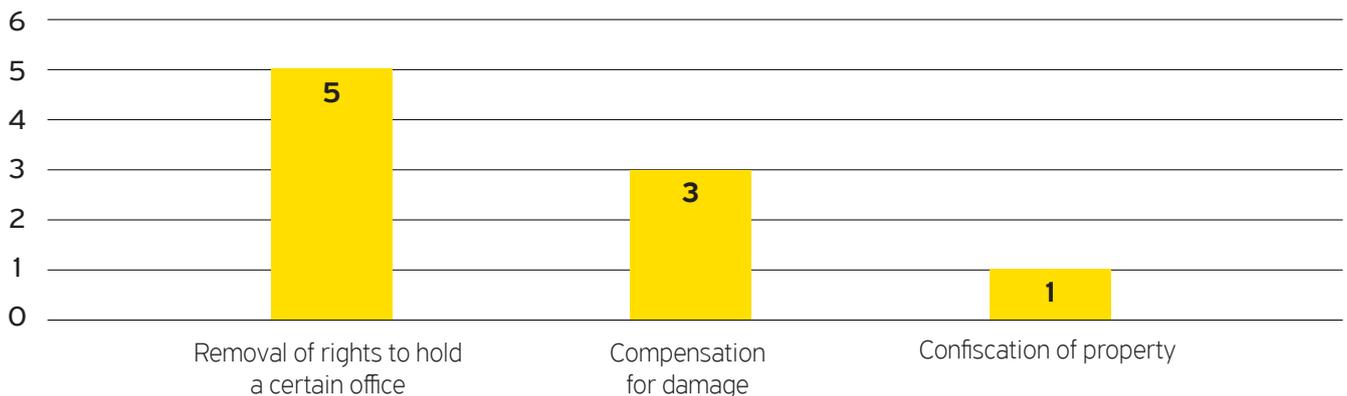
During the reporting period, 11 criminal proceedings initiated or investigated by the Bureau were adjudicated, in which four persons came to an agreement with the prosecutor on a penal order, 25 persons were convicted and one person were acquitted. One person was sentenced to community service, two legal persons were banned from participating in state or local government procurement procedures, 12 persons were fined, nine persons were sentenced to suspended imprisonment and one person was sentenced to both imprisonment and community service (see Figure 9).

Figure 9. Sentences imposed on convicted persons



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

Figure 10. Additional penalties imposed on convicted persons



The most common criminal offences in the trials of criminal proceedings for which punishment was imposed were bribery, taking bribes, embezzlement, abuse of office, fraud, money laundering, etc.

At the end of the reporting period, the Bureau was continued investigating 42 criminal cases, five criminal proceedings initiated or under investigation by the Bureau and referred for prosecution were still under pre-trial investigation by the Prosecution Office, and 90 criminal proceedings against 209 persons were pending before the courts.

In 2023, the Bureau officials examined 233 applications from natural and legal persons, assessing information on possible criminal offences. During the reporting period, 60 departmental examinations were opened and 51 resulted in a decision not to initiate criminal proceedings. In the remaining cases, applicants were given replies or their applications were forwarded as appropriate.

In 2023, the Bureau received two European Investigation Orders and 16 mutual legal assistance requests from the following countries: Ukraine, Poland, Moldova and Belgium. 36 legal assistance requests and European Investigation Orders have been executed.

To ensure the acquisition and consolidation of evidence in criminal proceedings pending before the Bureau, it prepared 10 requests for legal assistance to be sent abroad in 2023. Most of the requests for legal assistance were made to EU Member States, Ukraine, United Kingdom, Azerbaijan, Kazakhstan and the United States of America.

In 2023, the Bureau was involved in three criminal investigation teams set up by the European Public Prosecutor's Office and provided support in the necessary procedural steps in criminal proceedings initiated by the European Public Prosecutor's Office.

During the reporting period, the Bureau, in the course of its tactical analysis, proposed that the Financial Intelligence Unit convene 20 meetings of the Liaison Coordination Group and, by involving credit institutions in the process of tactical analysis, identified officials whose activities showed signs of a criminal offence.



## Control of Activities of Public Officials

To ensure that public officials act in the public interest by preventing the influence of any personal or material interest of a public official, his/her relatives or business partners on the activities of a public official, the Bureau monitors compliance with the Law on Prevention of Conflict of Interest in Activities of Public Officials, as well as observance of additional restrictions specified for other public officials in regulatory enactments.

In 2023, the Bureau provided 147 written explanations and 823 oral explanations by phone 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 restrictions, prohibitions and duties imposed on public officials by the Law.

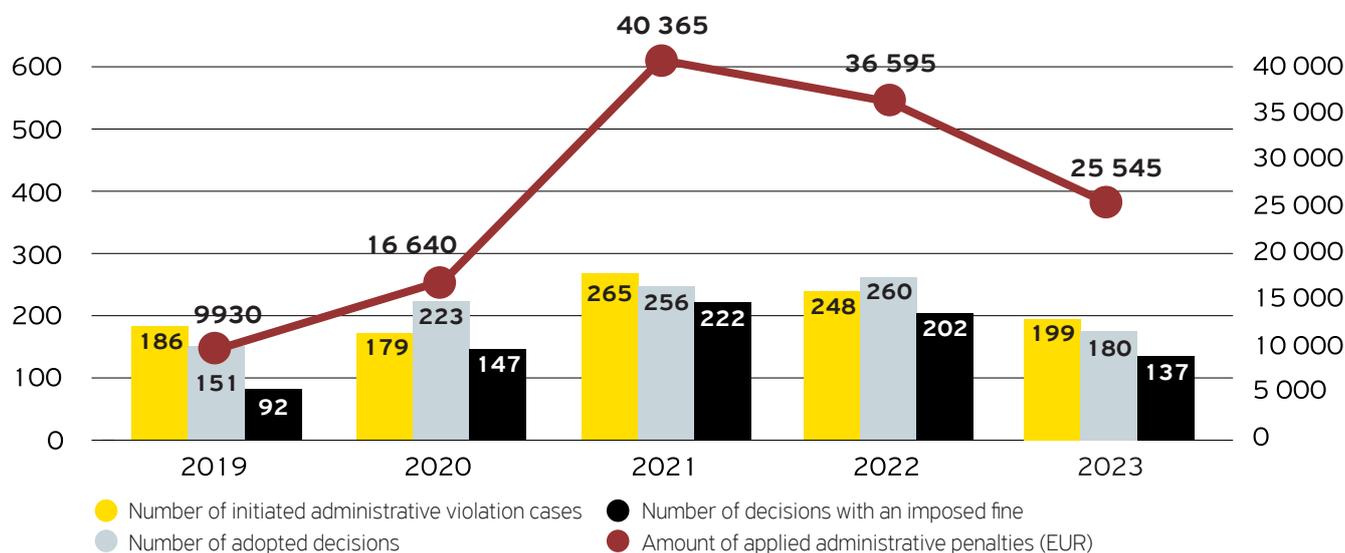
During the reporting period, the Bureau's Division for the Investigation of Administrative Offences initiated 366 and completed 345 investigations.

When examining applications 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 2023, 758 declarations of public officials were examined.

199 administrative offence cases were opened and 80 decisions on refusal to open administrative offence 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 2023, the Bureau dealt with 180 administrative offence cases, adopting 137 decisions imposing fines totalling EUR 25,545. However, the Bureau adopted 43 decisions, of which 30 decisions were adopted by reprimanding a public official, when it found circumstances precluding administrative liability (see Figure 11).

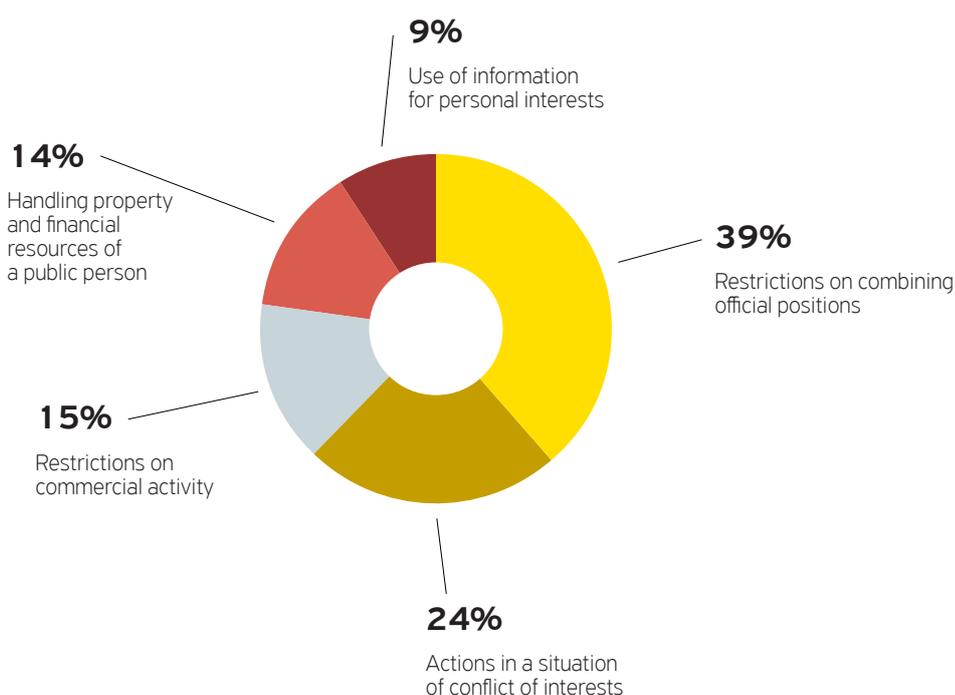
Figure 11. Number of decisions adopted and total amount of fines



In 2023, administrative fines totalling EUR 27,226.01 were paid to the State budget on the basis of decisions taken by the Bureau in administrative offence cases. In cases where the person subject to administrative liability has received income or material benefits which have caused damage to the State that can be assessed in financial terms, the Bureau shall take a decision on compensation. During the reporting period, the Bureau adopted 18 decisions requesting compensation for damages suffered by the State for a total amount of EUR 65,527.43. Whereas, in two cases persons were exempted from the obligation to compensate the State for the damage caused.

In 2023, compared to 2022, there is an increase in the number of infringements related to restrictions on combining public officials' posts (39%), to acting in a conflict of interest situation (24%), and to non-compliance with restrictions on commercial activities (15%). The decrease was observed in the case of offences relating to the handling of property and financial resources of a public person and to the retrieval from databases of information available for the performance of official duties and the use of this information for personal interests (see Figure 12).

Figure 12. Breakdown of decisions adopted by type of violation



In 2023, the persons upon whom administrative penalty was imposed appealed against 11 decisions taken by officials of the Division for the Investigation of Administrative Offences. On the basis of the complaints received, the Director of the Bureau annulled two decisions in their entirety, annulled the decision in its entirety in one case and adopted a new decision finding the person guilty of the administrative offence and imposing a fine, and amended the amount of the fine in one case. The persons administratively sanctioned appealed against the decisions taken by the Director of the Bureau in three cases before the courts, and the court judgement upheld one decision taken by the Director of the Bureau, but in two cases the litigation has not been concluded yet.



## 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 European Parliament and local government, the Bureau controls compliance with the restrictions on pre-election campaigning, and after the elections, it checks the election returns and declarations of income and expenditure submitted by political organisations (parties) and their associations.

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 fee contributions made by 1,687 persons to political parties in the total amount of EUR 435,621.38.

In 2023, state budget funding of EUR 5,675,351.04 was paid to 12 political parties or their associations, in line with amendments to the Law on Financing of Political Organisations (Parties).

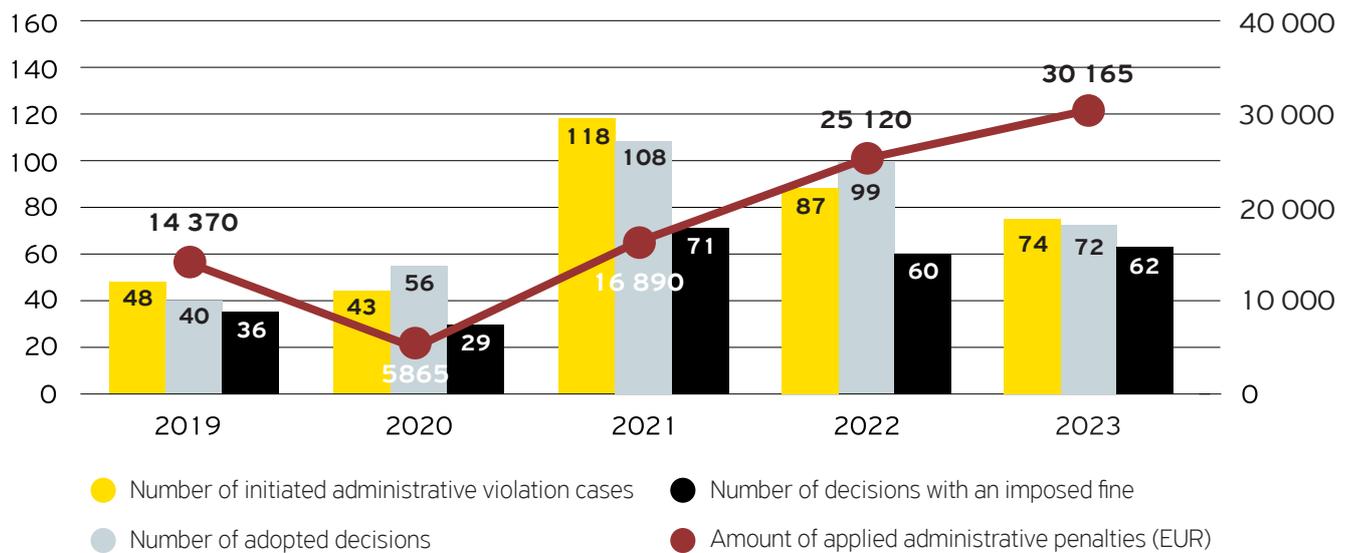
The Bureau received and published annual reports and updates from 61 parties, and launched checks on them. At the same time, the checks on the 2021 financing and annual accounts, as well as on the 2022 parliamentary election declarations, were finalised, the results of which are summarised and published on the Bureau's website.

In 2023, educational webinar were organised on the completion of the annual report and the use of state budget funding, as well as webinar for advertising service providers on restrictions ahead of the upcoming 2024 European Parliament elections.

In 2023, the Bureau launched 16 and by the end of the year had completed eight sectoral inspections of applications and complaints related to alleged infringements of the financing of political parties and pre-election campaigning. In the reporting period, 64 explanations were also provided on issues related to the financing of political organisations (parties) and the regulation of the Pre-election Campaign Law.

In 2023, the Bureau opened 74 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 72 decisions. As a result of inspections, in cases of administrative violations committed by parties and other legal and natural persons, the Bureau adopted 62 decisions on the imposition of fines amounting to EUR 30,165 and 13 decisions on the repayment of financial resources to the State budget for the total amount of EUR 30,043.54. 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 2023, five cases of administrative sanctions were brought before the Director of the Bureau against decisions taken by officials of the Division of Investigation of Financing of Political Parties. On the basis of the complaints received, the Director of the Bureau annulled one decision in its entirety and amended the penalty in one case. In two cases, the persons administratively sanctioned appealed to the courts against decisions taken by the Director of the Bureau; these cases are still pending.

During the reporting period, political organisations and other legal entities and natural persons, in line with the decisions made by the Bureau, have compensated the state budget the illegally received financing in the amount of EUR 5,304.45, as well as compensated financing of EUR 12,991.55 to the state budget and imposed fines of EUR 13,732.39.

In 2023, work continued on the development of the Electronic Data Entry System, the introduction of new functionality for the automated transmission of reports submitted by political organisations (parties) to the Central Statistical Office, as well as various technical improvements.



## Personnel Policy and Internal Control

On 31 December 2023, the Bureau had 171 posts, of which 149 were filled. The Bureau employs 57 men and 92 women. During the reporting period, nine officials began their service and four officials terminated their service at the Bureau.

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 the laws and regulations.

On the basis of the agreed changes to the Bureau's Rules of Procedure, the Strategic Analysis and Tactical Analysis functions were separated into two separate units within the Strategy Department as of 1 February 2023.

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/I/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 (*CEPOL*), which develops, implements and organises training for police officers and other law enforcement officials. The staff of the Bureau also took the opportunity to improve their professional knowledge in training organised by the State Police College.

In 2023, the Bureau officials participated in 35 conferences, seminars, training on prevention and combating of corruption, financial investigation and analysis, prevention of money laundering and conflict of interest, public procurement, as well as big data analysis and other current topics. The officials of the Bureau travelled abroad on 43 missions to participate in conferences, various working groups of inter-institutional and foreign institutions, anti-corruption forums, 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. 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 during the reporting period.

In 2023, the Bureau carried out three internal audits on the development and follow-up of the anti-corruption policy, the management of conflict of interest and corruption risks, and criminal intelligence activities. As a result of internal audits, seven recommendations were made to the Bureau's departments to improve certain processes and ten recommendations were implemented during the reporting period, including from audits carried out in previous years.



# Implementation of the Operational Strategy of the Bureau

During the reporting period, the Bureau carried out its activities in line with the priorities and objectives set out in the Bureau's new operational strategy for 2023-2026. The key performance indicators for the implementation of the Bureau's operational strategy are summarised in Table 1.

Table 1. Performance indicators

Goal	To improve the professional capacity and material and technical support of investigators and criminal intelligence staff in obtaining information and securing evidence.	To improve the Bureau's material and technical support.	To carry out parallel financial investigations in every criminal case where possible.
Result	The number of criminal proceedings initiated by the Bureau and referred for prosecution and not terminated by the Prosecution Office is increasing.	The number of criminal proceedings initiated by the Bureau on the basis of information obtained in the course of criminal intelligence activities is increasing.	The number of criminal proceedings initiated by the Bureau to investigate money laundering, which have been referred for prosecution and have not been terminated by the Prosecution Office, is increasing.
2020 implementation	23	10	1
2021 implementation	27	15	4
2022 implementation	18	10	0
<b>2023 implementation</b>	<b>18</b>	<b>11</b>	<b>1</b>
2023 Plan	18	12	2
Comment	<b>The goal has been achieved.</b> More than half (61%) of the criminal proceedings referred for prosecution were initiated in 2023. 11 of the 36 criminal proceedings opened have been referred for prosecution.	<b>The goal has been almost achieved.</b> In addition to the 11 criminal proceedings initiated by the Bureau, four other criminal proceedings were initiated by other law enforcement authorities following information obtained during criminal intelligence activities and forwarded to other law enforcement authorities.	<b>Goal not met.</b> In 2023, the Bureau opened four criminal proceedings investigating, among others, money laundering, while one criminal proceeding opened in 2020 was referred for prosecution.

<b>Goal</b>	To take action against criminally acquired property by seeking its confiscation for the benefit of the State and transfer to the State budget.	To detect and investigate bribery of foreign public officials and related criminal offences.	To conduct strategic and tactical analysis of corruption risks in areas identified as priorities, to analyse laws and regulations, making proposals to prevent corruption risks.
<b>Result</b>	The number of proceedings initiated by the Bureau to declare funds as proceeds of crime, in which the funds are confiscated and transferred to the State budget, is increasing.	The number of criminal proceedings for bribery of foreign public officials initiated by the Bureau is increasing.	The number of corruption risk analyses leading to the initiation of investigatory process matters or criminal proceedings in priority areas is increasing.
2020 implementation	0	1	n/a
2021 implementation	4	2	n/a
2022 implementation	1	1	6
<b>2023 implementation</b>	<b>1</b>	<b>1</b>	<b>4</b>
2023 Plan	3	1	4
<b>Comment</b>	<p><b>Goal not met.</b></p> <p>In 2023, the Bureau initiated four proceedings, requesting that property to be declared as proceeds of crime, confiscated and transferred to the State budget. In one criminal proceeding, a court ruling declared financial assets of EUR 2.87 million to be criminally acquired, which have been confiscated and paid into the State budget.</p>	<p><b>The goal has been achieved.</b></p> <p>In 2023, the Bureau opened one criminal case involving bribery of foreign public officials.</p>	<p><b>The goal has been achieved.</b></p> <p>The work of the Bureau's analysts has contributed to the acquisition of information that has led to the opening of four criminal intelligence investigations.</p>

<p><b>Goal</b></p>	<p>To obtain corruption risk information and organise information exchange with the European Public Prosecutor's Office and the Financial Intelligence Unit of Latvia.</p>	<p>To improve the system for preventing conflicts of interest.</p>	
<p><b>Result</b></p>	<p>The number of meetings of the Cooperation Coordination Groups (CCGs) initiated by the Bureau and resulting in a report from the Financial Intelligence Unit to the Bureau is increasing.</p>	<p>Proportion of decisions adopted by the Bureau imposing administrative fines for violations of the Law on Prevention of Conflict of Interest which have not been annulled (%).</p>	<p>Proportion of decisions taken by the Bureau in the area of controlling the activities of public officials concerning the reimbursement of funds to the State budget which have not been annulled (%).</p>
<p>2020 implementation</p>	<p>n/a</p>	<p>98.7%</p>	<p>n/a</p>
<p>2021 implementation</p>	<p>2</p>	<p>100%</p>	<p>100%</p>
<p>2022 implementation</p>	<p>7</p>	<p>98.8%</p>	<p>100%</p>
<p><b>2023 implementation</b></p>	<p><b>7</b></p>	<p><b>98.9%</b></p>	<p>100%</p>
<p>2023 Plan</p>	<p>7</p>	<p>98%</p>	<p>90%</p>
<p><b>Comment</b></p>	<p><b>The goal has been achieved.</b> The cooperation between the Bureau and the Financial Intelligence Unit has resulted in information on identified corruption risks.</p>	<p><b>The goal has been achieved.</b> During the reporting period, the Director of the Bureau fully annulled two decisions taken by the Division for Investigation of Administrative Violations of the Bureau. In 2023, the Bureau adopted 180 decisions in administrative offence cases, 11 of which were appealed to the Director of the Bureau.</p>	<p><b>The goal has been achieved.</b> In 2023, three out of 15 decisions taken by the Bureau on the reimbursement of funds to the State budget in the area of control of the activities of public officials were appealed, but none were annulled.</p>

<p><b>Goal</b></p>	<p>To strengthen enforcement of the regulations on financing of political parties and pre-election campaigning.</p>	
<p><b>Result</b></p>	<p>Proportion of decisions adopted by the Bureau imposing administrative fines for violations of the procedure for political party financing and campaigning that have not been annulled (%).</p>	<p>Proportion of decisions adopted by the Bureau in the area of controlling political party financing and pre-election campaigning concerning the reimbursement of funds to the State budget that have not been annulled (%).</p>
<p>2020 implementation</p>	<p>98%</p>	<p>n/a</p>
<p>2021 implementation</p>	<p>97%</p>	<p>100%</p>
<p>2022 implementation</p>	<p>98%</p>	<p>94.4%</p>
<p><b>2023 implementation</b></p>	<p><b>99%</b></p>	<p><b>100%</b></p>
<p>2023 Plan</p>	<p>98%</p>	<p>90%</p>
<p><b>Comment</b></p>	<p><b>The goal has been achieved.</b> During the reporting period, the Director of the Bureau annulled one decision taken by the Head of the Division for Investigation of Violations of Political Organisations. In 2023, the Bureau adopted 72 decisions in administrative offence cases, five of which were appealed to the Director of the Bureau.</p>	<p><b>The goal has been achieved.</b> In 2023, two out of 13 decisions taken by the Bureau on the reimbursement of funds to the state budget in the area of political party financing and control of pre-election campaigning were appealed, but none of the decisions was overturned.</p>

<p><b>Goal</b></p>	<p>To raise public and private sector awareness of corruption risks through awareness-raising activities.</p>		
<p><b>Result</b></p>	<p>During the pre-election campaign period, the Bureau provides educational events for representatives of political parties (associations thereof) and advertising service providers (number).</p>	<p>The proportion of entrepreneurs who admit that they are willing to pay a bribe has decreased (% of respondents).</p>	<p>The proportion of people who admit that they are willing to pay a bribe to a public official to solve their problems with State or local government institutions has decreased (% of respondents).</p>
<p>2020 implementation</p>	<p>0</p>	<p>n/a</p>	<p>n/a</p>
<p>2021 implementation</p>	<p>3</p>	<p>19%</p>	<p>21%</p>
<p>2022 implementation</p>	<p>5</p>	<p>27%</p>	<p>15%</p>
<p><b>2023 implementation</b></p>	<p><b>1</b></p>	<p><b>22%</b></p>	<p><b>20%</b></p>
<p>2023 Plan</p>	<p>0</p>	<p>25%</p>	<p>14%</p>
<p><b>Comment</b></p>	<p><b>The goal has been achieved.</b> There were no elections in Latvia in 2023, but by the end of 2023 the Bureau held a webinar for advertising service providers on the placement of campaigns ahead of the European Parliament elections in 2024.</p>	<p><b>The goal has been achieved.</b> The most common reason why businesses would be willing to pay a bribe is that “employees are more kind and helpful”.</p>	<p><b>Goal not met.</b> The most common reason why people would be willing to pay a bribe is “more certainty that the problem will be solved at all”.</p>

<b>Goal</b>	To implement and develop a platform for reporting issues within the competence of the Bureau.	To promote public awareness and public involvement in recognising the signs of corruption offences and reporting possible cases of corruption or signs of corruption.	
<b>Result</b>	The number of users of the online reporting platform is increasing (% increase in users).	The volume of information received by the Bureau through all reporting channels is increasing (%).	Public willingness to report corruption is increasing (% of respondents).
2020 implementation	n/a	n/a	n/a
2021 implementation	n/a	n/a	57%
2022 implementation	n/a	n/a	61%
<b>2023 implementation</b>	<b>n/a</b>	<b>0</b>	<b>59%</b>
2023 Plan	+5%	+5%	65%
<b>Comment</b>	The online reporting platform was launched in September 2023.	<b>Goal not met.</b> The existing reporting channels have not increased the amount of information received by the Bureau, and the new online reporting platform only became operational in September 2023.	<b>Goal not met.</b> However, the number of people who would be willing to report anonymously is increasing, as well as the willingness of people to report to the Bureau.

<p><b>Goal</b></p>	<p>To carry out educational and informational activities to raise awareness of anti-corruption issues and to increase public confidence in the work of the Bureau.</p>	<p>To introduce the Document and Information Management System, ensuring integration with the e-case platform and other national registers and information systems.</p>
<p><b>Result</b></p>	<p>Latvia's score in the annual Corruption Perceptions Index (score) is improving.</p>	<p>The circulation of electronic documents and the proportion of documents circulated electronically only is increasing (%).</p>
<p>2020 implementation</p>	<p>57</p>	<p>n/a</p>
<p>2021 implementation</p>	<p>59</p>	<p>n/a</p>
<p>2022 implementation</p>	<p>59</p>	<p>n/a</p>
<p><b>2023 implementation</b></p>	<p><b>60</b></p>	<p><b>n/a</b></p>
<p>2023 Plan</p>	<p>61</p>	<p>+5%</p>
<p><b>Comment</b></p>	<p><b>Goal not met.</b> The Corruption Perceptions Index score has improved compared to 2022, and Latvia has achieved its highest score to date.</p>	<p>The volume of paper documents sent to the Bureau decreased in 2023. The increase in the circulation of electronic documents is expected with the implementation of the new Document and Information Management System in 2024 and 2025.</p>



## Use of Budget Resources

In 2023, the Bureau received state budget funding of **EUR 11,718,952** and state budget funding for political organisations (political parties) of **EUR 5,781,780**.

During the reporting period, the Bureau received additional funding from

- ◉ the Ministry of Justice’s core budget programme “Proceeds of Crime Confiscation Fund”,
- ◉ *Twinning* project “Promoting Integrity and Preventing Corruption in the Public Sector in Armenia”,
- ◉ reimbursement of foreign financial assistance funds to the State Budget for expenditure incurred in the framework of the European Anti-Fraud Programme project “Procurement of Advanced Digital Forensic Equipment”, the European Anti-Fraud Programme project “Strengthening Investigative and Operational Capacity” and the project “Strengthening Analytical Capacity”.

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



Table 2. Use of budget resources (EUR)

No.	Financial indicators	2022 actual implementation (EUR)	2023	
			approved by law (EUR)	actual implementation (EUR)
<b>1.</b>	<b>Financial resources to cover expenditures (total)</b>	<b>14,588,803</b>	<b>18,298,782</b>	<b>17,857,292</b>
1.1.	subsidies	14,394,998	17,519,664	17,500,732
1.2.	paid services and other own income	76,628	90,881	104,324
1.3.	foreign financial assistance	82,981	660,437	224,436
1.4.	state budget transfers	34,196	27,800	27,800
<b>2.</b>	<b>Expenditures (total)</b>	<b>13,196,435</b>	<b>18,815,322</b>	<b>16,093,678*</b>
2.1.	maintenance costs (total)	12,690,321	17,407,360	15,939,671
2.1.1.	current expenditures	8,758,749	11,540,691	10,179,906
2.1.3.	subsidies, grants and social benefits	3,922,914	5,781,780	5,675,351
2.1.4.	current payments to the EU budget and international cooperation	8,658	19,384	18,910
2.1.5.	reimbursements to the state budget for expenditure incurred	-	65,505	65,504
2.2.	capital expenditures	506,114	1,407,962	154,007

\*Including state budget funding paid to political organisations (political parties) EUR 5,781,780.



# HONOUR OVER POWER!

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