

# KNAB requests the initiation of criminal prosecution against one legal person for foreign bribery on a large scale

Published: 14.12.2020.



On 1 December, the Corruption Prevention and Combating Bureau of Latvia (KNAB) sent to the Prosecutor General's Office criminal case materials for initiating criminal prosecution against one legal person registered in Latvia, for foreign official bribery and tax evasion. Allegedly, bribes on a large scale were given in the interests of a company and evasion of tax payments that caused to the state losses on a large scale.

The evidence obtained during the pre-trial investigation reveal that from 2011 until 2016 an IT company employee, acting in the interests of this company period gave bribes in the total amount of 2 262 339.35 EUR to a public official of Belarus. The employee gave bribes in order to ensure beneficial decisions in favour of the IT company – a legal person registered in Latvia.

Pre-trial investigation has also clarified that the IT company employee concluded fictitious agreements on behalf of the legal person for services, enabling the company to transfer bribes to the public official of Belarus. The fictitious agreements allowed the legal person registered in Latvia to evade the payment of corporate income tax, causing 512 741.64 EUR losses to the State.

KNAB Deputy Director for Investigation Matters Ms. Ineta Cirule stated: "KNAB is aware of the OECD recommendations regarding the necessity to be more active in taking action against companies and employees that are involved in foreign bribery and likely commit other criminal offences. It should be noted that in such cases KNAB takes action not only against the company employee as the alleged perpetrator, but also against the company itself, by applying coercive measures provided for in the Criminal Law of Latvia, ranging from recovery of money to liquidation. One of the solutions that allows companies to protect their employees and the companies themselves from unknowingly getting caught in corruptive activities is a developed and effectively implemented internal anti-corruption control system".

KNAB recalls that no person shall be considered guilty until the guilt of such person in the committing of a criminal offence has been determined in accordance with the procedures established by law. KNAB simultaneously stresses that a person involved in

any criminal proceedings has the right to defence and recalls that the presumption of innocence is applicable in all stages of criminal proceedings - starting from the moment they are suspected or accused of committing a criminal offence, until their guilt in the committing of a criminal offence has been proven in accordance with the procedures established by law.

<https://www.knab.gov.lv/en/article/knab-requests-initiation-criminal-prosecution-against-one-legal-person-foreign-bribery-large-scale>