



SPECIAL INVESTIGATION SERVICE
OF THE REPUBLIC OF LITHUANIA

ANNUAL REPORT

2023



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FOREWORD



Corruption, in its most comprehensive understanding, presents a peril not only to a nation's economy, the welfare and rights of its citizens, but also to the principles of the rule of law and the security of the nation. Given the geopolitical landscape, certain manifestations of corruption can serve as tools of hybrid warfare, with the aim of extending the influence of adversarial nations. Unregulated or poorly handled corruption poses a risk to the sovereignty and territorial integrity of states. Meanwhile, a successful fight against corruption contributes to the sustainable economic and social development of a state.

Corruption transcends national borders and is a major international problem. In the summer of 2024, Lithuania will become a global anti-corruption hub as the 21st International Anti-Corruption Conference (IACC) will be held in our country. During this largest and most important transparency forum in the world, national leaders, representatives of civil society, academia and business leaders will discuss the challenges posed by corruption, future perspectives, cooperation and the importance of leadership in Vilnius.

The International Anti-Corruption Conference provides an opportunity to focus on the greatest corruption challenges in the world today, to discuss the negative impact of corruption on the world's political and economic situation and the resilience of societies to corruption, to critically assess what has been

achieved, to learn from each other and share good practices, to promote a public-private dialogue and to plan strategic anti-corruption changes. At the same time, it is an assessment of Lithuania's anti-corruption progress and an opportunity for Lithuania to make a difference at home.

Every year the desire of the Lithuanian residents to contribute to the creation of an anti-corruption environment increases, as evidenced by an increase in the number of reports received by the Service and the number of participants in transparency initiatives. On the other hand, while intolerance of corruption is on the rise, tolerance of corruption remains still high. The rate of petty corruption, which has experienced a significant decline over the past decade, is currently stagnant in both public and business settings. Moreover, the persistence of the belief that corruption will not be harshly penalised continues to pose a challenge in Lithuania and other European Union nations.

In pursuit of fundamental changes, anti-corruption attitudes within society are continuously fostered in order to bring about substantial change. Raising anti-corruption awareness, corruption prevention measures create the preconditions for reducing and eliminating corruption risks and threats. The direction and interaction of all Service activities establish conditions for systematic control of corruption and timely enforcement of legal requirements and risk management, preventing the escalation of corruption offenses or violations.

The Special Investigation Service, being a law enforcement institution, places importance on the detection and examination of systemic criminal corruption-related offenses that result in significant harm to the State. Simultaneously, it aims to locate criminally obtained assets with the intention of pursuing asset confiscation and restitution for damages. The identification of systemic problems and the emergence of corruption-related offenses underscore the need to reinvigorate efforts to address the underlying causes of corruption and enhance public awareness regarding anti-corruption measures.

The geopolitical context, the importance of corruption control for ensuring national security, and the changing forms of corruption determine the necessity to mobilise the potential of citizens, business, and non-governmental organisations, and to develop public sector leadership in creating a corruption-resilient Lithuania.

LINAS PERNAVAS
Director of the Special Investigation Service of the Republic of Lithuania

DIAGNOSTIC ASSESSMENT OF ANTI-CORRUPTION LANDSCAPE



Sociological research data points out that over the decade, the indicator of significantly reduced experience of petty corruption has not changed in recent years, both among the population and in business environment, while forms of systemic corruption are still considered prevalent. Due to the geopolitical context of the country, the importance of controlling corruption for ensuring national security is crucial. More effort is needed

to strengthen the state's anti-corruption environment, especially in the energy and defence sectors. In order to achieve a breakthrough in anti-corruption progress, Lithuania must improve the implementation of corruption prevention mechanisms and encourage institutions to be more actively involved in fostering a corruption-resilient culture.

THE SPECIAL INVESTIGATION SERVICE FOCUS ON SYSTEMIC FORMS OF CORRUPTION

Trends in the prevalence of the forms of corruption are indicated by the observed decrease in the number of registered corruption-related criminal offenses in 2023¹. Compared to 2022, the number of offences against the civil service and public interests (Chapter XXXIII of the Criminal Code [CC]) decreased by 37 per cent, and as of 2017 this change is 58.9 per cent². In 2023, the number of cases of bribery (CC, Art. 225) decreased by 68.7 per cent³, the number of cases of graft (CC, Art. 227) dropped by 41.3 per cent⁴, cases of trading in influence (CC, Art. 226) diminished by 34.4 per cent.⁵ However, the number of cases of failure to perform official duties (CC, Art. 229) increased by 30.8 per cent⁶, and that of cases of abuse of office (CC, Art. 228) grew by 7.1 per cent⁷. No cases of unlawful registration of rights to an item (CC, Art. 2281) were registered in 2022–2023.

Meanwhile, Lithuanian residents, business executives, and public servants indicate nepotism, patronage of political party members, and the adoption of favourable laws benefiting certain groups as the main forms of corruption in Lithuania. At the same time, we observe that the individuals who engage in illegal activities are taking more cautious actions and implement more complex schemes; moreover, they often seek personal gain in critical areas of state life which pose a threat to national security. Taking these trends into account, the Special Investigation Service of the Republic of Lithuania (hereinafter referred to as the STT, the Service) continues to pay significant attention to systemic corruption characterised by more complex forms of corrupt criminal activities for investigation.

ACCORDING TO PUBLIC PERCEPTION, THE LARGEST INCREASE IN CORRUPTION RISK WAS IN ENERGY SECTOR

Attention should be drawn to the increased perception of corruption in the energy sector, which, according to public opinion, has worsened for the second year in a row, and now this sector is perceived as the most corrupt one.

Along with the Ministry of Health and Ministry of Transport and Communications and their subordinate institutions, the Ministry of Energy and its subordinate institutions are also identified as the most corrupt.

¹ According to the data of the National Register of Criminal Offences 2024-02-29, the Department of Informatics and Communications under the Ministry of the Interior of the Republic of Lithuania. Available online: <https://ird.lt/lt/paslaugos/tvarkomus-valdomu-registru-ir-informaciniu-siste-mu-paslaugos/nusikalstamu-veiku-zinybinio-registro-nvzr-atviri-duomenys-paslaugos>

² In 2023 – 313, in 2022 – 497, in 2021 – 595, in 2020 – 524, in 2019 – 516, in 2018 – 563, in 2017 – 762.

³ 41 criminal offences (in 2022 – 131).

⁴ 121 criminal offences (in 2022 – 206).

⁵ 42 criminal offences (in 2022 – 64).

⁶ 34 criminal offences (in 2022 – 26).

⁷ 75 criminal offences (in 2022 – 70).

Moreover, in the opinion of civil servants and business executives, there is significant influence-seeking in decision-making and legislation, par-

ticularly in the energy sectors, alongside pharmaceutical and healthcare sectors⁸.

GREATER ATTENTION SHOULD BE DEVOTED TO MANAGING CORRUPTION RISKS IN LITHUANIA'S DEFENCE SECTOR

According to the Rule of Index 2023, the risk of corruption in the military and the police remained unchanged for the second consecutive year. The risk of corruption in the legislative branch of government has been decreasing, although it remained the highest compared to other branches of government⁹. The risk decreased for the second year in row in the executive branch, while it increased in the judicial system¹⁰. It is worth noting that Lithuania's defence sector has the highest resilience to corruption gap

compared to other countries in the same region (EU, EFTA, North America); Lithuania ranks 24th among 31 countries¹¹. These trends, considering the geopolitical situation in neighboring countries and Russia's war against Ukraine, as well as planned investments in the defence industry and armament in Lithuania, indicate the need to accelerate investment in an anti-corruption strategy both in terms of reducing the risk of corruption and preventing the possibility for the emergence of corrupt practices.

WITH PUBLIC SECTOR ANTI-CORRUPTION ATTITUDES STRENGTHENING, THE ANTI-CORRUPTION BUSINESS ENVIRONMENT CONTINUED TO IMPROVE

Last year, the risk for businesses to encounter corruption in Lithuania decreased, and currently, it is assessed as 'very low'¹². According to the 2023 Eurobarometer survey of business representatives, among nine obstacles hindering business development in Lithuania, corruption ranked ninth¹³. The most pressing issues identified by business representatives were tax rates, rapid regulatory and policy change, complexity of administrative procedures, etc. However, the

area of public procurement remains problematic from an anti-corruption perspective. A quarter of business representatives said that corruption had prevented their company from winning a public procurement tender in the past three years¹⁴. Respondents believe that corruption is more common in public procurement organised by municipalities (60 per cent) than by national institutions (54 per cent).

⁸ STT. Map of Corruption in Lithuania 2022. Available online: <https://stt.lt/analitine-antikorupcine-zvalgyba/lietuvos-korupcijos-zemelapis/7437>

⁹ In 2023, the corruption resilience score reached 0.60 (with one indicating high corruption resilience and 0 indicating low corruption resilience), compared to 0.59 in 2022. World Justice Project. Rule of Law Index, 2023. Available online: <https://worldjusticeproject.org/rule-of-law-index/country/2023/Lithuania/Absence%20of%20Corruption>

¹⁰ The score for the executive power was 0.69 in 2023 (0.68 in 2022), for the judicial system 0.84 (0.86 in 2022), for the military and police - 0.75 (in 2022 - 0.75). *Ibid.*

¹¹ The average corruption resilience of the region's military and police reached 0.83 in 2023 and 2022. *Ibid.*

¹² According to the TRACE Bribery Risk Matrix data, in 2023, Lithuania received 22 points out of 100 possible (where one point indicates low risk, and 100 points indicate high risk), ranking 20th among 194 states in the world (23rd in 2022) and 9th in the European Union (10th in 2022). Available online: <https://www.tracein-ternational.org/trace-matrix>

¹³ 17 per cent of respondents indicated corruption as a barrier to doing business in Lithuania, 24 per cent indicated protectionism and nepotism. EC Flash Eurobarometer 524, 2023. Available online: <https://europa.eu/eurobarometer/surveys/detail/2969>

¹⁴ There has been no significant change in results compared with the previous year, 27 per cent in 2022. *Ibid.*

HIGHEST EXPOSURE TO CORRUPTION RISKS IN HEALTHCARE AND MUNICIPAL INSTITUTIONS

Bribery practices among residents, business executives and civil servants remained unchanged over the past year. 10 per cent of the residents, 5 per cent of business executives and 1 per cent of civil servants reported that they had to pay a bribe in the past 12 months. Residents faced the highest risk of being expected to pay a bribe in republican hospitals and

clinics, as well as in city and district hospitals where bribes were most often given for nursing care and surgical operations. Business executives indicated that they had encountered expectation to pay a bribe in municipal administrations, public procurement departments and/or commissions, as well as in construction departments¹⁵.

PERCEPTION OF PUNISHMENT FOR CORRUPTION REMAINS A CHALLENGE BOTH IN LITHUANIA AND IN OTHER EUROPEAN UNION STATES

The majority of people in Lithuania (76 per cent), as well as in other European Union countries (67 per cent), believe that systemic corruption cases are not sufficiently investigated. In addition, in 2023, people's perception of the government's efforts to combat corruption deteriorated, with only 24 per cent of respondents considering them effective¹⁶.

In the group of business representatives, the perception of punishability of corruption increased in 2023.

7 per cent more business executives believed that individuals and businesses acting corruptly should be reported to the police or prosecutors and they should be detained. The proportion of respondents who believe that these people will be severely punished or imprisoned by court decision has also increased by 5 per cent. However, there is a prevailing belief among business representatives that persons detained by law enforcement and tried for corruption offences will not be severely punished or imprisoned¹⁷.

TOLERANCE OF CORRUPTION REMAINS HIGH, HOWEVER, SIGNS OF GROWING INTOLERANCE TOWARDS CORRUPTION ARE OBSERVED

According to the 2023 Eurobarometer, the number of individuals who tolerate corruption in Lithuania has fallen in recent years from 46 per cent in 2022

to 40 per cent in 2023, but the index still exceeds the EU average (36 per cent)¹⁸.

¹⁵ STT. Map of Corruption in Lithuania 2022. Available online: <https://stt.lt/analitine-antikorupecine-zvalgyba/lietuvos-korupcijos-zemelapis/7437>

¹⁶ In 2022– 30 per cent; in EU in 2023 – 30 per cent. EC Special Eurobarometer 534, 2023. Available online: <https://europa.eu/eurobarometer/surveys/detail/2968>

¹⁷ Agreed that individuals and businesses involved in corrupt practices should be reported to the police or prosecutors and be detained: in 2023– 70 per cent, in 2022– 63 per cent; agreed that these individuals should be charged and brought to justice: 2023 – 62 per cent, in 2022– 63 per cent; agreed that these individuals should be severely punished or imprisoned by court decision: in 2023 – 36 per cent, in 2022 – 31 per cent. EC Flash Eurobarometer 524, 2023. Available online: <https://europa.eu/eurobarometer/surveys/detail/2969>

¹⁸ EC Special Eurobarometer 534, 2023. Available online: <https://europa.eu/eurobarometer/surveys/detail/2968>

According to the Map of Corruption in Lithuania, more than half of the population (63 per cent) would be willing to use bribes to solve problems¹⁹. The challenges to anti-corruption potential are also reflected in the proportion of the population willing to report corruption. While one in two people know where to report corruption, only one in six said he/she would do so²⁰. The attitudes of business executives towards reporting corruption offences are also challenging. While most indicated that they know where to report, only one in four would do so²¹. Meanwhile, the anti-corruption potential of public servants is higher, and it has significantly increased in recent years²².

The main reasons why corruption is not reported have remained unchanged: fear of retaliation, disbelief that individuals will be prosecuted, belief that everyone knows but does not report corruption²³.

According to the Map of Corruption in Lithuania survey, respondents most often point to civil servants, judges, prosecutors and politicians as being responsible for the prevalence of corruption, but an increasing number of individuals are taking personal responsibility and are also claiming that the responsibility lies with the people around them – their family, relatives and acquaintances²⁴.

FORECAST OF THE STRENGTHENING ANTI-CORRUPTION ENVIRONMENT FOR LITHUANIA IN THE LONG-TERM PERSPECTIVE

The strengthening trends in the anti-corruption environment are reflected in the Public Integrity Index, which gives Lithuania a score of 8.03 out of 10 and ranks it 17th among 119 countries²⁵. The highest-rated integrity criteria for Lithuania are media freedom (8.93 points) and budget transparency (8.57 points). Lower scores were given for administrative transparency (7.75 points) and judicial independence (6.76 points). The study forecast improving corruption control in Lithuania. It is claimed that Lithuania has successfully built a ro-

bust legal system for corruption prevention, which also ensures active engagement of civil society. On the other hand, it is recommended to improve the process of revealing data of legal entities and register, as well as to monitor the digitization of public spending for the current year. It is noticeable that in Lithuania, the long-standing issue of revealing data on companies' financial information and their ultimate beneficiaries remains unresolved²⁶. Without greater access to this data, barriers are created to timely respond to and prevent corruption risks.

¹⁹ STT. Map of Corruption in Lithuania 2022. Available online: <https://stt.lt/analitine-antikorupcine-zvalgyba/lietuvos-korupcijos-zemelapis/7437>

²⁰ Know where to report to – 58 per cent, would report – 17 per cent. *Ibid.*

²¹ Know where to report to – 76 per cent, would report – 25 per cent. *Ibid.*

²² Proportion of civil servants who know where to report corruption was 89 per cent in 2022, and 85 per cent in 2021; proportion willing to report accounted for 66 per cent in 2022, 56 per cent in 2021; 24 per cent reported corruption when faced with it in 2022, in 2021 this figure stood at 14 per cent. *Ibid.*

²³ 50 per cent of the population (in 2021– 48 per cent) reported a fear of being harmed, 46 per cent (in 2021– 38 per cent) indicated a disbelief that individuals would be punished, 32 per cent of the residents (in 2021– 32 per cent) thinks that everyone knows but no one reports. *Ibid.*

²⁴ 48 per cent of the residents (in 2021– 39 per cent), 63 per cent of business executives (in 2021– 44 per cent) and 73 per cent of civil servants (in 2021– 57 per cent) hold themselves responsible for the prevalence of corruption, and 49 per cent of the residents (in 2021– 39 per cent), 62 per cent of business executives (in 2021– 45 per cent) and 68 per cent of civil servants (in 2021– 52 per cent) claim that responsibility lies with their close circle. *Ibid.*

²⁵ Mungiu-Pippidi, A. Index of Public Integrity, 2023. Available online: <https://corruptionrisk.org/country/?country=LTU#integrity>

²⁶ In 2023, in OURdata index compiled by the Organisation for Economic Co-operation and Development Lithuania ranked 10th among 38 Member States. All the countries in the top ten rating except for Spain, have revealed this data in one form or another. Information about companies is also available in Latvia and Estonia. 2023 OECD Open, Useful and Re-usable data (OURdata) Index. Available online: <https://www.oecd.org/publications/2023-oecd-open-useful-and-re-usable-data-ourdata-index-a37f51c3-en.htm>

IN 2023, THE GROWING ANTI-CORRUPTION ENVIRONMENT SCORES WERE NOT MAINTAINED IN INTERNATIONAL STUDIES

In the past two years, Lithuania's estimates in widely used international anti-corruption progress monitoring studies decreased in 2023. According to the latest Control of Corruption Index data compiled by the World Bank, Lithuania's estimate fell from 80 to 76 points²⁷. In the Corruption Perception Index (hereinafter referred to as CPI) annually compiled by the international non-governmental organisation 'Transparency International', Lithuania's rating decreased by one point in 2023, reaching a score of 61 out of 100²⁸. Among 180 countries worldwide, Lithuania ranked 34th (in 2022, it held the 33rd position), and its position among European Union member states remained unchanged, with Lithuania holding the 12th place.

Experts in the reports constituting Lithuania's CPI assessment drew attention to a decreased proportion of business representatives for whom corruption hindered their business activities in Lithuania. They also positively evaluated the newly adopted 2022-2033 national agenda on

corruption prevention issues and changes related to the Law on the Prevention of Corruption that came into force in 2022: amended rules for anti-corruption assessment laid down in legal acts, updated corruption prevention planning documents, and the establishment of corruption prevention posts in institutions²⁹. However, the one-point decrease in the CPI score is a warning that there is a need to strengthen the commitment and motivation of institutional leaders to create a corruption-resilient environment, focusing on the effective implementation of corruption prevention mechanisms in practice, rather than on the formal enforcement of requirements.

Observing Lithuania's anti-corruption environment in an international context, it is noteworthy that in the annual European Commission report on the application of the principle of the rule of law, Lithuania was the only European Union member state for which no recommendations were made to strengthen the anti-corruption system³⁰.

²⁷ World Bank, Worldwide Governance Indicators, 2023. Available online: <https://www.worldbank.org/en/publication/worldwide-governance-indicators>

²⁸ Transparency International. Corruption Perception Index, 2023. Available online: <https://www.transparency.org/en/cpi/2023>

²⁹ Petronytė-Urbonavičienė, I. Lithuania: Nations in Transit 2023. Freedom House. Available online: <https://freedomhouse.org/country/lithuania/nations-transit/2023>

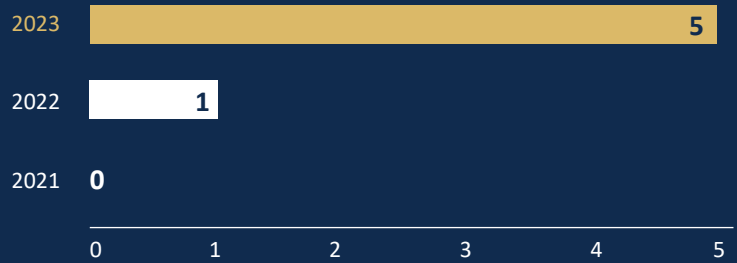
³⁰ European Commission. 2023 Rule of Law Report. Available online: https://lithuania.representation.ec.europa.eu/news/2023-m-teisines-valstybes-principo-taikymo-ataskaita-europos-komisija-teikia-konkreacias-2023-07-05_lt

CORRUPTION INVESTIGATION

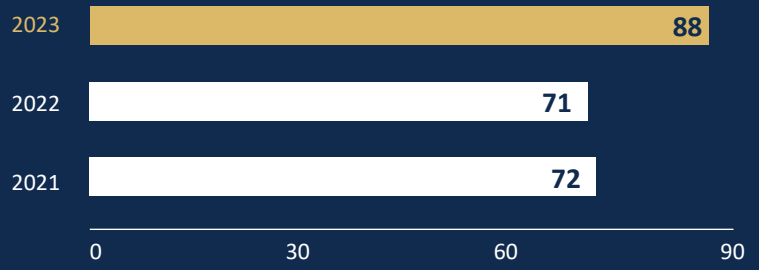
Criminal intelligence and pre-trial investigation activities of the Service are organised in such a way as to identify and investigate systemic corruption-related criminal offences that cause the greatest damage to the State. Simultaneously, efforts are made to search for criminally acquired assets in order to confiscate these assets and compensate for the damage. Recently more efforts have been devoted to investigating foreign bribery cases, as this is one of the top priorities.



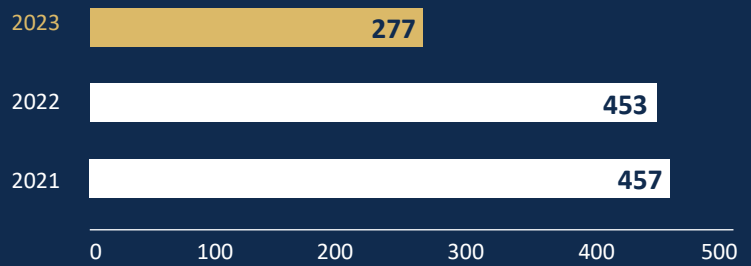
PRE-TRIAL INVESTIGATIONS OF FOREIGN BRIBERY INITIATED



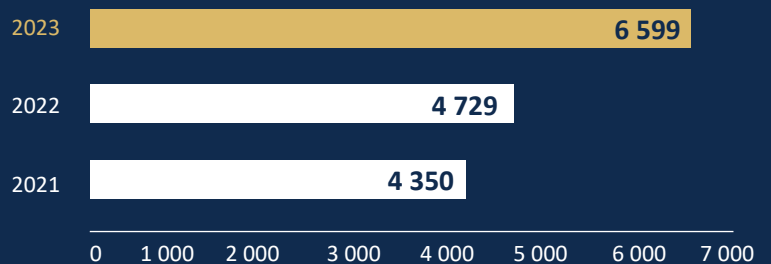
PRE-TRIAL INVESTIGATIONS INITIATED



CRIMINAL OFFENCES IDENTIFIED



RECEIVED AND EXAMINED REPORTS ON ALLEGED CORRUPTION



REPORTS ON ALLEGED CORRUPTION

In 2023, the Service received 6,599 reports. The majority of the reports on potential violations of the law in 2023 were received in the fields of environmental protection, healthcare, and local government. Following an assessment by the STT officials of the reports received, as many as 44 pre-trial investigations were initiated.

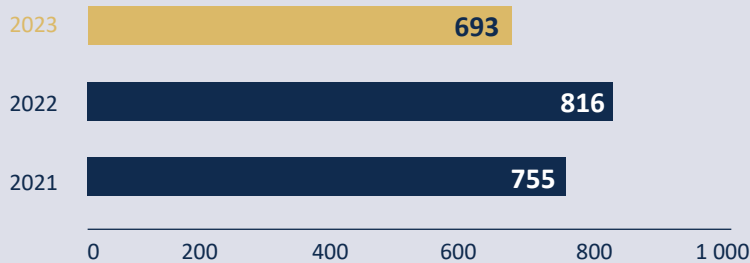
For providing valuable information that helped to uncover or prevent acts of corruption, 35 individuals were rewarded. They were paid more than 36 thousand euros in total. The largest payment to a single individual amounted to 5 thousand euros.

PRE-TRIAL INVESTIGATIONS

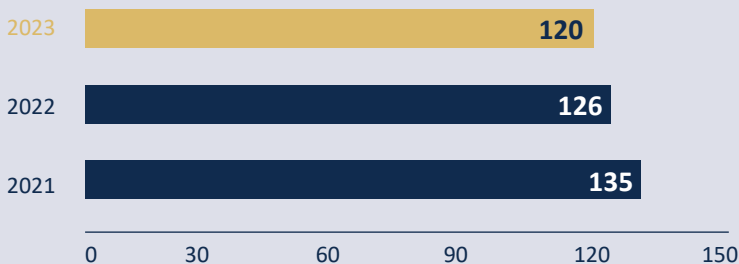
As in the previous year, the Service concentrates its resources on the expedited investigation of systemic, large-scale, and most dangerous corruption-related offences. In 2023, a total of 88 pre-trial investigations were initiated and 277 criminal offences identified.

The number of offences identified in 2023 was slightly lower than that in the previous year, however, the number of offences investigated and the intensity of procedural actions remained high. In 2023, the focus was on completing complex, large-scale pre-trial investigations initiated in the previous year.

CRIMINAL OFFENCES INVESTIGATED AT THE END OF THE YEAR



PRE-TRIAL INVESTIGATIONS CARRIED-OUT AT THE END OF THE YEAR



THE CASE INVESTIGATED JOINTLY WITH THE EUROPEAN PROSECUTOR'S OFFICE IN THE FIELD OF THE USE OF EUROPEAN UNION FUNDS AND REFERRED TO COURT

At the beginning of 2024, the European delegated prosecutors handed over to the Vilnius Regional Court a criminal case in which the former Director of the National Food and Veterinary Risk Assessment Institute (the Institute) is accused of bribery, embezzlement of money, unlawful enrichment, forgery of documents, and the fraudulent management and organisation of financial accounting. This pre-trial investigation was initiated in 2021. The former Director of the Institute is accused of using a legal entity set up jointly with his spouse, as well as 15 other related companies, to accept bribes from private persons in return for favours in future public procurement procedures carried out by the Institute, and to legalise criminally-acquired funds and to unlawfully enrich themselves. The total amount of potentially received bribes, unlawfully gained wealth, and criminally laundered assets mentioned in the indictment amounts to nearly 300 thousand euros. The prosecutors from the European Delegated Prosecutor's Office in Lithuania, together with the investigators from the Special Investigation Service (STT) and anti-corruption intelligence analysts, conducted an analysis of more than several hundred economic and financial operations, correspondence, contacts, movements, and other data in this case. They uncovered a sophisticated criminal scheme: project implementers and other interested parties, acting through intermediary companies and their executives, simulated various service procurements and sale transactions, carried out fictitious financial operations in order to conceal the criminal agreements, namely, bribery, money laundering and illicit enrichment.

Systemic corruption

Systemic corruption is evident in the most important areas of state activity and such actions cause not only material damage. Due to its dangerousness and scale, systemic corruption poses a threat to the security of society and the state. Cases of systemic corruption are characterised by a large number of investigated criminal offences and individuals under investigation. These cases involve complex corruption schemes, which require not only legal knowledge, but also specialised knowledge in the relevant

field, as well as the analysis of a large number of documents, data and other evidentiary material.

In 2023, pre-trial investigations into systemic corruption, initiated both in the previous year and in the reporting year, continued. Cases of corruption in the areas of insolvency administration, construction, agriculture, veterinary, the provision of public and administrative services were investigated. The largest of these pre-trial investigations simultaneously examined as many as 225 criminal offences.

SYSTEMIC CORRUPTION AND CRIMINAL FINANCIAL SCHEMES IN WASTE MANAGEMENT

In 2023, a joint pre-trial investigation was launched by the Special Investigation Service and the Financial Crimes Investigation Service under the Ministry of the Interior of the Republic of Lithuania into systemic corruption and financial crimes related to large-scale bribery, graft, trading in influence, abuse of office, misappropriation of foreign property, document forgery, submission of false income data, and fraudulent financial accounting identified in the field of waste management in the Vilnius region. It is suspected that more than 1 million euros may have been unaccounted for and misappropriated, with the total amount of unpaid taxes to the State potentially exceeding 360,000 euros. Bribes totalling more than 100,000 euros may have been paid from unaccounted funds.

Cases of foreign bribery

In 2023, the STT conducted six pre-trial investigations of cases of foreign bribery, five of which were initiated in 2023. These investigations are important not only in the context of protecting national interests, but also demonstrate that Lithuania carries out its international obligations.

In four investigations, Lithuanian citizens or companies registered in Lithuania sought to bribe civil servants or officials in third countries, while in two other investigations, attempts by foreign companies to bribe Lithuanian civil servants for the benefit of their own businesses were identified. When attempting to bribe public officials in Lithuania, in one case, the aim was to secure the winning of a public procurement tender, while in another, it was to ensure smooth certification of exported goods.

Duration of pre-trial investigation

Not only high-quality but also fast pre-trial investigation is the goal of every law enforcement institution. This is an axiom of law enforcement activities, as disregarding this principle can have negative consequences for both the participants in the process, the realization of justice interests, and the state as a whole.

The duration of pre-trial investigations conducted by the institution is mostly influenced by cases of large volume, which involve numerous criminal episodes committed by many interconnected natural and legal persons. This is particularly characteristic of cases of systemic corruption. These features invariably lead to longer pre-trial investigation durations, thus necessitating additional measures to counterbalance the impact of factors contributing to the prolonged duration of pre-trial investigations.

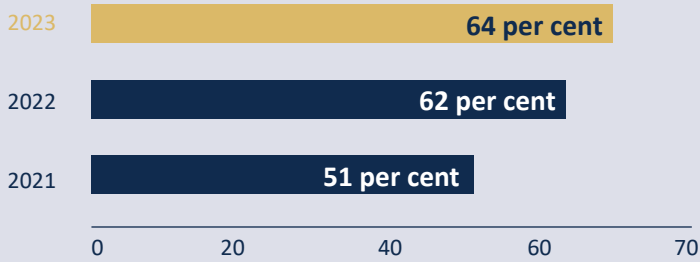
Nevertheless, the main reason prompting the STT to constantly look for ways to expedite processes is that cases investigated by the STT often receive exceptional public attention. Meanwhile, excessively long pre-trial investigations not only diminish the likelihood of investigative success but also undermine public trust and confidence in the effectiveness of the fight against corruption, which is a necessary precondition for progress in this area within the state.

In 2023, a significant achievement was made as pre-trial investigations lasting up to 9 months accounted for 64 per cent of all pre-trial investigations conducted by the Service. However, it should be noted that in the other part of the cases under investigation – from their initiation to their referral to court – the duration of the investigation is significantly longer.

In 2023, as many as 16 pre-trial investigation cases were referred to court, in which the pre-trial investigation lasted up to 24 months, and 11 cases in which the pre-trial investigation lasted longer than 24 months. Most of these cases are related to systemic corruption.

Both the STT and the broader legal community believe that it is necessary to review the regulation of criminal proceedings and the practice that has developed on its basis, in order to simplify, optimise, and expedite the stages of pre-trial investigation and judicial inquiry.

PRE-TRIAL INVESTIGATIONS LASTING UP TO NINE MONTHS



COURT DECISIONS

Both in discussions at the national level and in assessments by foreign observers and international experts, it is noted that in Lithuania, penalties for corruption-related offences are not sufficiently proportionate and deterrent, therefore the situation has to be changed through joint efforts of law enforcement institutions, the prosecution, and the judiciary.

Imprisonment sentences, as in the previous year, are applied very rarely. A continuing practice is observed where imposed fines are not only significantly lower than the average sanction but are also imposed regardless of the rules specifically formulated for corrupt activities, according to which the penalty cannot be lower than the value of the bribe, damage caused, or financial benefit gained.

The exemption from liability of a person, when the pre-trial investigation is terminated for non-rehabilitative reasons, but applying criminal sanctions, should not be seen as a failure. This is one of the forms of implementing responsibility in a broad sense, completely suitable for rationally concluding the process for less dangerous corruption-related criminal offences.

The number of acquitted individuals is significant both in itself and considering the longer-term trend, where gradually decreasing convictions and, correspondingly, decreasing numbers of convicted individuals result in an increase in the number of acquittals.

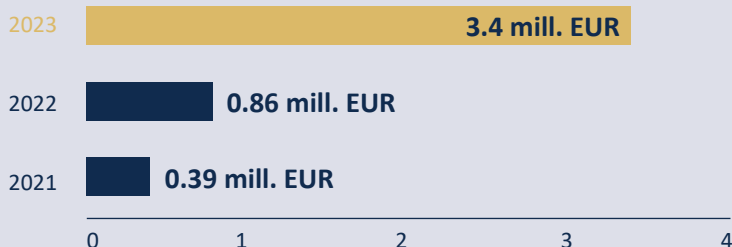
Considering the percentage of the acquittals, it is necessary to engage in public discussion with legal professionals, including the judiciary, the decision-makers and wider society about the current situation and trends: the disproportionately high standard of proof, which is also criticised by evaluators from the Organisation for Economic Cooperation and

Development (OECD); the inconsistent, and therefore unpredictable, jurisprudence of the judiciary; and the possible cause-and-effect link between the high standard of proof and the public status of the accused and of the institution that carried out the pre-trial investigation.

DECISIONS

	2021	2022	2023
Total number of the accused in cases where pre-trial investigation was carried out by the STT	97	105	84
Pre-trial investigation completed on non-rehabilitative grounds	15	76	97
Fines imposed	22	60	93
Sentenced to imprisonment	0	2	8
Execution of sentence suspended	12	10	12
Relieved from criminal liability	6 out of 62	4 out of 103	14 out of 172
Acquitted	18 out of 62	29 out of 103	47 out of 72

THE TOTAL AMOUNT OF FINES IMPOSED BY COURTS



It should be noted that of the total amount of fines of 3.4 million euros, the largest share is accounted for by the fine imposed by a court decision in one case - 1.85 million euros, i.e. more than half. In 2023, other court judgments sentencing 108 persons resulted in fines totalling 1.6 million euros. The average fine imposed on a natural person is 16,449 euros.

THE AMOUNT AWARDED FOR THE BENEFIT OF THE STATE



Maximum amount awarded in favour of the state in a single case –
4.8 mill. EUR
 damage caused to nature

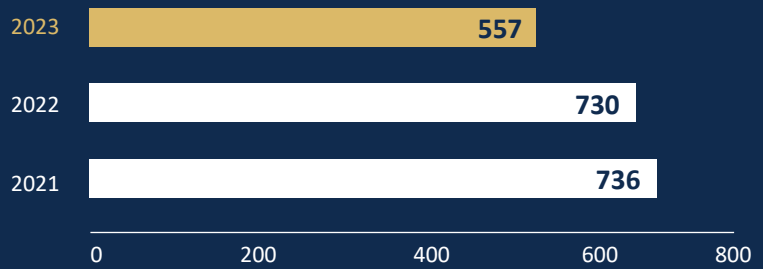
Applying asset confiscation (CC, Art. 72) in 2023, the amount confiscated was
755 thou. EUR

CORRUPTION PREVENTION

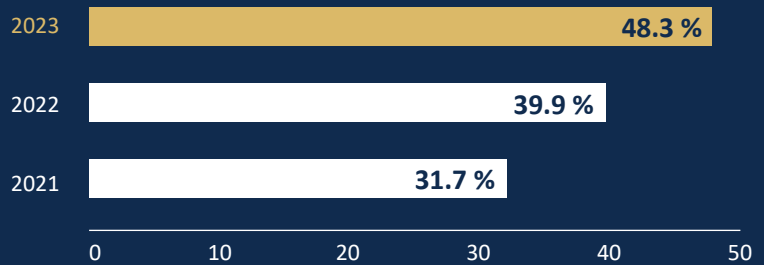
Effective prevention of corruption creates conditions for identifying corruption risks and threats before they escalate into corruption-related offences. By implementing corruption prevention measures, the aim is to establish legally, administratively and financially resistant decisions, transparency, and impartiality in public sector activities, thereby deterring undue influence.



REMARKS ON IDENTIFIED CORRUPTION RISK FACTORS



THE AVERAGE OF CRITICAL ANTI-CORRUPTION REMARKS ON CORRUPTION RISK FACTORS THAT DIRECTLY CREATE OR COULD CREATE CONDITIONS FOR CORRUPTION



IDENTIFICATION AND MANAGEMENT OF CORRUPTION RISKS BY PERFORMING CORRUPTION RISK ANALYSES AND ANTI-CORRUPTION ASSESSMENTS OF LEGAL ACTS AND THEIR DRAFTS

Corruption risk analyses and anti-corruption assessments of legal acts or their drafts conducted by the Service significantly contribute to the identification of corruption risks and their factors existing in the legal framework and the activities of public sector entities.

Corruption risk analysis is a corruption prevention measure that assesses, from an anti-corruption perspective, an area or process of the state or municipality, covering the activities of one or more public sector entities, in order to identify systemic corruption risks and factors that may cause the most damage to the State, as well as other factors that may create an opportunity for employees or others to commit a corruption-related violation. Once a corruption risk analysis has been carried out and corruption risks or corruption risk factors have been identified, measures are proposed to manage them.

The anti-corruption assessment of legal acts or their drafts is a corruption prevention measure that helps to form systemic resistance to corruption in the state and provides opportunities to avoid the possible consequences of implementing flawed legislation, prevents the emergence of corruption risk factors at the initial stage of drafting a legal act or enables the identification of existing corruption risks in the current legislation. Following the anti-corruption assessment of legal acts or their drafts and identifying corruption risks or corruption risk factors, measures for managing corruption risks or corruption risk factors are proposed.

Since 2022, in the conclusions of corruption risk analyses and anti-corruption assessments of legal acts or their drafts, the distribution of the

remarks and proposals provided to public sector entities according to their significance has begun. This categorization into critical anti-corruption remarks, anti-corruption remarks, and other remarks helps public sector entities to assess the significance of the provided remarks from an anti-corruption perspective and pay more attention to the most relevant issues identified by the STT.

Although the overall number of the remarks submitted in 2023 decreased, the proportion of critical anti-corruption remarks provided in relation to corruption risks and factors that could directly facilitate or create conditions for corrupt practices increased each year and constituted 48.3 per cent of all remarks submitted in 2023. This indicates that through corruption prevention measures, the primary goal is to identify and mitigate corruption risk factors that could cause the most harm to the State.

The corruption risk analysis and the anti-corruption assessment of legal acts or their drafts, focusing on major corruption threats, allow for the application of effective corruption risk management measures before they escalate into criminal offences or to prevent them in the future. When selecting topics for corruption risk analyses and assessments of legal acts or their drafts, analytical anti-corruption intelligence, reports from individuals, and other sources are often used.

In 2023, corruption risk analyses were performed in relation to high-profile corruption cases³¹, and to possible corrupt activities identified by the STT³² – this is aimed at preventing further potential violations.

³¹ Available online: <https://www.lrt.lt/naujienos/lrt-tyrimai/5/1817868/lrt-tyrimas-neskaidrioje-zemes-privatizavimo-schemoje-kauno-mero-seima>

Available online: [https://www.tv3.lt/naujiena/video/viciunu-gyventojai-apie-visvaldo-matijosaicio-sunaus-supirktus-sklypus-matijosaiciai-isprievartavo-viciunus-n1200033](https://www.tv3.lt/naujiena/video/viciunu-gyventojai-apie-visvaldo-matijosaicio-sunaus-supirkтус-sklypus-matijosaiciai-isprievartavo-viciunus-n1200033)

³² Available online: https://www.stt.lt/naujienos/7464/_2022/vi-regitra-vairavimo-egzaminuotojai-itariami-korupcija:3504

The following conclusions on corruption risk analyses are noteworthy

CORRUPTION RISKS IDENTIFIED IN RELATION TO RESTORATION OF LAND OWNERSHIP RIGHTS IN KAUNAS CITY MUNICIPALITY

The STT officials, having carried out analytical anti-corruption intelligence actions and corruption risk analysis in the processes of restoration of ownership rights to land in Kaunas city, ascertained that the restoration of ownership rights to land parcels is carried out by persons who have or had connections with Kaunas City Municipality and the National Land Service. It was also established that five groups of related persons can be linked, directly or through controlled legal entities, to 185 land parcels acquired in 2016-2022, which were formed for the restoration of property rights and returned to the former owners or their heirs, and a company managed by Kaunas municipal politicians claims to be actively involved in land restitution procedures. Furthermore, in Kaunas City Municipality, the procedures for identifying vacant (unbuilt up) plots of land are insufficiently regulated, and there is an inconsistency noticed in the practice of Kaunas City Municipality in marking preliminary (vacant) unoccupied plots of land. This creates conditions to either form land plots in some cases or not to form them in other cases and to indicate that preliminary unoccupied (vacant) land does not exist in the respective site. It was also established that the authorised representatives of the individuals entitled to the restoration of land ownership rights often acted in their personal interests rather than in the interests of the person they represented, i.e. with the aim of acquiring the returned land plots or to assist persons related to them to acquire them.

CORRUPTION RISKS IN THE PROCESSES OF THE DRIVING TEST AND ISSUANCE OF DRIVING LICENCES

Following a pre-trial investigation initiated by the STT into cases of corruption among the employees of the State Enterprise Regitra, a corruption risk analysis was carried out in the processes of testing candidates for drivers and issuing driving licences. It was determined that due to an insufficient legal regulation, there are risks of opaque agreements between examiners and examinees, pre-agreed test results and potential abuse in managing customer queue procedures. It has been established that video and audio data from practical driving tests are irreversibly destroyed automatically after a certain period of time, and the lack of a minimum retention period and traceability of the data may lead to risks of abuse. There may also be insufficient supervision and control of the examiners' actions, as well as objective handling of disputes, complaints and requests not only within the State Enterprise Regitra but also at the judicial level. In addition, the supervision of examiners and the monitoring of the quality of their work by the State Enterprise Regitra may not be effective in ensuring transparent and impartial management of the driving practice testing processes. According to the established procedure, the indicators of monitoring of examiners are potentially low, as only 2 per cent of the tests conducted are reviewed annually. In the opinion of the STT, such control is inadequate and cannot serve as an effective preventive measure. Due to the identified insufficiently strict personal accountability for violations of legal acts regulating the procedures for taking a driving test, cases of fraud and dishonesty may recur, and due to the possibility of unlimited retakes of theoretical knowledge tests for drivers, conditions may arise after passing it to collect information with the aim of distributing or defrauding it.

CORRUPTION RISKS IDENTIFIED IN RELATION TO PERFORMANCE OF LABORATORY TESTS AT THE NATIONAL FOOD AND VETERINARY RISK ASSESSMENT INSTITUTE

After conducting a corruption risk analysis, it was established that although 1.3 million laboratory tests were performed at the National Food and Veterinary Risk Assessment Institute (hereinafter referred to as the Institute) in 2022 with 70 per cent of the samples being taken by specialists of the State Food and Veterinary Service (hereinafter referred to as VMVT) during state inspections, the Institute lacks an effective system for coding the received samples. Sealed sample packages are labelled with entries that allow the Institute's staff to identify the customer (client), manufacturer or owner of the sample at later stages of the testing process, and the heads of the departments responsible for conducting the tests and the staff members in charge of the tests may be in direct contact with the customers, manufacturers or owners of the sample, which may give rise to the risk of collusion and misuse of the sample. In addition, the information system used by the Institute is insufficiently functional - the allocation of tasks is not automated, there is a lack of direct access to (interface with) the information system of the VMVT, the process of signing the sample test protocols and the submission of test results to the customers is not digitised, which could give rise to risks of corruption. Taking this into consideration, it was proposed to automate the process of allocating sample testing tasks at the Institute, to improve the sample coding system and to ensure the secure storage of the sealed or original sample packages. It was also suggested that the one-stop shop principle should be applied and the practice of direct communication with the customers by the staff of the units performing the tests be abandoned, that more attention should be devoted to the control of public and private interests of the Institute's staff and to the management of potential conflicts of interest. It is noteworthy that the analysed subjects plan to implement all the proposed measures to address and/or reduce the risks and factors identified in the conclusion of the corruption risk analysis.

The more complex problems the Service's officials identify that could potentially create conditions conducive to corruption, the longer it may take to implement the proposals. The implementation of the proposals is often associated not only with refining

provisions of secondary legislation but also with the amendments to laws characterised by complex and lengthy law-making processes. During 2023, proposals were implemented, mainly in relation to corruption risks and risk factors identified in the previous periods.

The following conclusions from anti-corruption assessment and the results of implementing proposals presented therein are noteworthy

PROPOSALS TO BROADEN THE SOURCES OF FUNDING FOR POLITICAL PARTIES BY OBTAINING LOANS FROM CREDIT UNIONS ASSESSED

An anti-corruption assessment and data analysis of the draft amendment to the Law on Political Parties of the Republic of Lithuania, which proposes to broaden the sources of funding for political parties and political committees by means of loans obtained from credit unions, has revealed that one out of every three directors of almost 60 credit unions operating in Lithuania, or his/her spouse or a close relative, is a member of a political party.

Attention should also be drawn to the relatively low requirements that have to be met to establish a credit union. In this case new credit unions could also be set up for a particular political organisation to finance its political campaign. Considering that the majority of credit unions operate in regions, in different municipalities, according to the STT assessment, this change would increase the risk of potential opaque relationships between local politicians and a credit union operating in that region. If a political organisation were to become a member of a credit union and participate in its governance, this would be inconsistent with the goals and purposes of the activities of political organisations. The main Committee on Legal Affairs of the Seimas of the Republic of Lithuania approved of the conclusion of the anti-corruption assessment and made the decision to reject the draft law submitted by the initiators.

ANTI-CORRUPTION ASSESSMENTS CONDUCTED IN THE ENERGY SECTOR

Anti-corruption assessments were carried out to identify corruption risk factors in relation to the legal regulation of the use of electricity infrastructure, the use of solid biofuels for heat generation, and the construction of offshore and onshore wind farms. The anti-corruption assessments identified corruption risk factors in the legal framework that are necessary to eliminate in order to improve access to the electricity infrastructure for users of renewable energy resources, to prevent abuse of direct transactions in the purchase of solid biofuels, which determines the final price of heat for consumers, to abolish the possibility of altering the obligations of the participants in the tenders for the wind parks after the tenders. Most of the remarks submitted by the Service have been taken into consideration and the legal regulation has been improved or is undergoing the process of legal improvement. During the consideration of the issue regarding electricity infrastructure in the Seimas, the Ministry of Energy, in response to the issues raised in the anti-corruption assessment and the remarks and proposals made therein, plans to provide 82 million EUR in support for increasing the capacity of the electricity networks.

PREVENTION OF UNJUSTIFIED SALE OF UNCUT STATE FOREST ON PREFERENTIAL TERMS

Following the procedure approved by the Minister of Environment, which created the possibility for victims affected by natural disasters to purchase uncut state forest land (up to 50 per cent cheaper) under preferential conditions (up to 50 m³ for individuals, up to 300 m³ for legal entities), an anti-corruption assessment revealed that the existing procedure does not ensure the objectivity of the decisions taken and the impartiality of the individuals involved in the decision-making process, that discretionary conditions for the members of the Commissions were created, and there is a possibility of acting unfairly. Although the state institution defined in the procedure does not issue required mandatory documents justifying the grounds for providing the support, in the period between 2018 and 2022, significant quantities of uncut state forest (6 853.55 cubic metres, with a preliminary estimated value of around 120 000 euros) were sold to individuals on preferential terms. On the basis of the above-mentioned conclusion of the anti-corruption assessment, by Order No. D1-160 STT of the Minister of Environment of the Republic of Lithuania of 25 May 2023, the legal act assessed by the STT was declared null and void, thus preventing the continuation of the practice of unjustified and harmful sale of state forest under preferential conditions that has been carried out since 2002.

PREVENTION OF SALE OF WOOD RAW MATERIAL PRODUCED IN STATE FOREST AT UNREASONABLY LOW PRICES

Having conducted anti-corruption assessments regarding four draft descriptions of the procedure for trade in raw material produced in state forests and forest residues, the Service submitted critical and other anti-corruption remarks. In the process of improving the drafts, proposals provided by the STT were implemented, and provisions allowing the sale of raw material at prices lower than the initial price established in primary auctions were repealed. Discretionary conditions for a forestry enterprise to decide on the sale of timber at a price lower than the direct timber preparation costs were also removed. Furthermore, provisions allowing buyers to submit bids 20 per cent lower than the initial price established in at the sequent auctions were also repealed.

ASSISTANCE IN CREATING AN ANTI-CORRUPTION ENVIRONMENT AND IMPLEMENTING THE LAW ON THE PREVENTION OF CORRUPTION

Two years after the amendment to the Law on the Prevention of Corruption, the implementation of the new model of creating an anti-corruption environment in Lithuanian public sector entities is showing positive trends. Although it has to be acknowledged that compliance with the formal requirements of an anti-corruption environment is more frequently observed in the public sector, the effectiveness of measures and (or) their implementation is often lacking.

The Service's monitoring of the implementation of the Law on the Prevention of Corruption in the public sector highlights improving trends in the implementation of the Law's requirements, however, insufficient attention is paid to the contents of the measures to be applied, the identification of corruption risks and their factors, as well as the precise selection and application of targeted measures to eliminate or reduce these factors.

IMPLEMENTATION OF THE LAW ON THE PREVENTION OF CORRUPTION

	State and municipal institutions	State-owned enterprises	Municipally owned enterprises
Individuals appointed to be responsible for creating an anti-corruption environment (<i>prevention specialists</i>), per cent	91	78	70
Prevention specialist subordinate to the Head of the institution, per cent	82	92	87
Mandatory measures of the Law on the Prevention of Corruption are being implemented, per cent	78	81	53
Openness of the anti-corruption activities to the public (<i>publicising mandatory information</i>), per cent	37	70	39

INSUFFICIENT ATTENTION

	State and municipal institutions	State-owned enterprises	Municipally owned enterprises
Assessment of corruption risk management, per cent	50	37	44
Lack of examples of potential corruption risk cases in anti-corruption standards of conduct, per cent	47	27	53
Internal channels for reporting offences not implemented, per cent	11	8	54
	Ministries	Municipal administrations	Other independent bodies
In independent institutions the function of a prevention specialist is not primary, per cent	12	42	79

In evaluating the trends in the public sector observed during the provision of methodological assistance and monitoring, the greatest attention should be focused on the following:

- insufficient leadership in creating an anti-corruption environment;
- formal compliance with legal requirements;
- ineffective application of the principle of subsidiarity (management of areas and (or) subordinate entities);
- insufficient anti-corruption potential of local self-government.

Although according to the Map of Corruption in Lithuania, more and more companies are raising anti-corruption awareness among their employees, the absence of mandatory requirements in the Law on the Prevention of Corruption regarding the creation of an anti-corruption environment in the private sector means that the involvement of businesses in the creation of an anti-corruption environment remains more passive and is based on a purely voluntary basis, with the exception of the companies seeking to do business with, or working for, large foreign partners who also apply transparency standards to their business partners.

Seeking to strengthen the competences of the public and private sectors in creating an anticorruption

environment and to assess progress, in 2023, the Service did the following:

- organised 19 methodological assistance events on creating an anti-corruption environment for leaders of public sector entities, entities responsible for creating an anti-corruption environment, newly elected mayors of municipalities, and members of anti-corruption and ethics commissions, which were attended by more than 1,970 people;
- updated the guidelines for creating an anti-corruption environment for business³³, so that they become an attractive practical application tool offering possible measures for creating an anti-corruption environment, their explanation, examples of measures already implemented by other companies, transparent and accountable business associations and initiatives, non-governmental organizations sharing good practice, contacts. The guidelines were presented at the Integrity Academy event³⁴, with the participation of representatives from business associations, ‘Transparency International’ Lithuanian Chapter and companies³⁵;
- while implementing a technical assistance project, experts from the Organisation for Economic Cooperation and Development prepared a Guide for Creating an Anti-Corruption Environment for small and medium-sized enterprises in Lithuania, which is planned to be presented to private sector representatives in 2024.

³³ Available online: <https://www.stt.lt/data/public/uploads/2023/04/gaires-verslui.pdf>

³⁴ Available online: <https://skaidrumoakademija.lt/diskusija-apie-skaidrumo-versle-nauda/>

³⁵ Effective Implementation of the National Anti-Corruption Strategy, No. 21LT14.

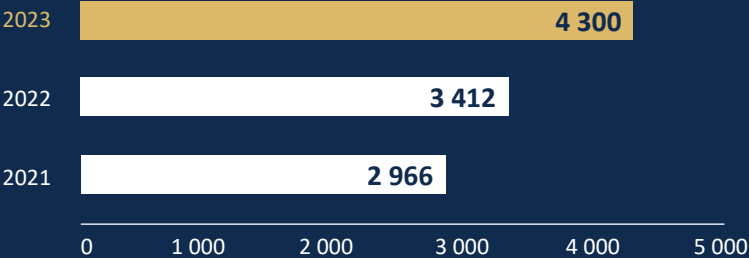
ANALYTICAL ANTI-CORRUPTION INTELLIGENCE

The goal of analytical anti-corruption intelligence is to collect, process and cross-referencing information about corruption and related phenomena in order to identify corruption-related threats and risks before they escalate into criminal corruption offences. Seeking to achieve that data-driven decisions significant in terms of reducing the prevalence of corruption to be made within the State, the Service provides decision-makers with information about identified corruption threats and risks.

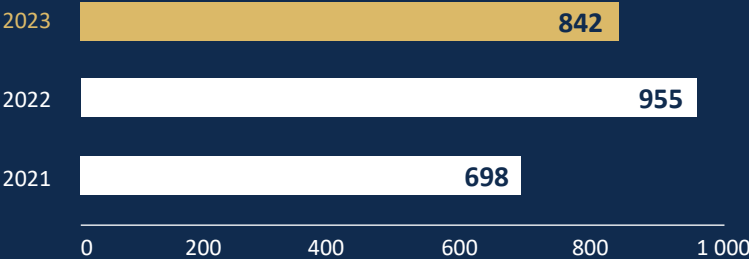




INFORMATION ON NATURAL PERSONS PROVIDED TO PUBLIC SECTOR ENTITIES IN ORDER TO MANAGE RISKS RELATED TO TRUSTWORTHINESS OF PERSONNEL



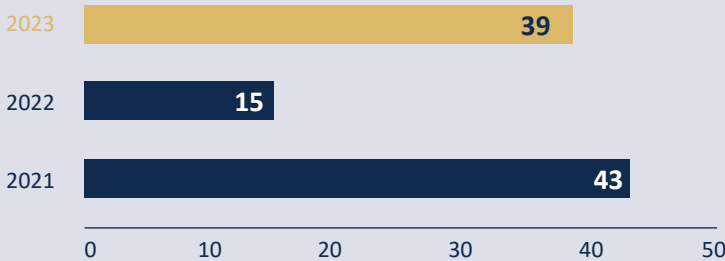
NATURAL AND LEGAL PERSONS ASSESSED FOR POTENTIAL RISKS AND THREATS TO NATIONAL SECURITY IN STRATEGICALLY IMPORTANT ECONOMIC SECTORS



In 2023, the Service analysed data contained in state registers and information systems, cross-referencing it with other information available to the Service, and conducted investigations and/or inspections in the fields of national security, energy, communications, healthcare, agriculture, political activities, and other areas in order to identify possible corruption threats and risks.

Seeking to manage the identified risks, 39 analytical reports were submitted to state or municipal institutions and officials authorised to take decisions in terms of reducing the prevalence of corruption.

ANALYTICAL REPORTS ON CORRUPTION RISKS IN THE AREAS OF NATIONAL SECURITY AND DEFENCE, ENERGY, COMMUNICATIONS, AGRICULTURE, HEALTHCARE, POLITICAL ACTIVITIES AND OTHER FIELDS PROVIDED TO STATE AND MUNICIPAL INSTITUTIONS AND ENTERPRISES



Noteworthy results of investigations and/or inspections conducted

POTENTIAL RISKS RELATED TO THE ALIGNMENT OF PUBLIC AND PRIVATE INTERESTS IN THE CIVIL SERVICE HAVE BEEN ASSESSED, ALSO OTHER CORRUPTION-RELATED RISKS ASSOCIATED WITH EMPLOYEES OF THE PUBLIC SECTOR ENTITIES HAVE BEEN IDENTIFIED

The assessment identified relationships between civil servants or equivalent individuals working in the public sector entities responsible for the implementation of state functions in the fields of communications, land administration, spatial planning and state construction supervision, administration of state support for agriculture and rural development, and social security, which may raise the likelihood of conflicts between public and private interests. Having additionally assessed other relationships between the persons that may create conditions for risks related to the functions they perform, collected and analysed information for the purpose of risk monitoring and management, was submitted to relevant institutions capable of making decisions significant for reducing the prevalence of corruption.

CORRUPTION RISKS ASSESSED IN THE NATIONAL DEFENCE SYSTEM

During the inspection conducted, potential risks related to public procurements carried out by the National Defence System subjects, as well as support received and provided, and the interrelationships between the individuals working in the system were evaluated. The information was provided to the Second Department of Operational Services under the Ministry of National Defence of the Republic of Lithuania for the preparation of the assessments of threats and risk factors to the security of the National Defence System of the Republic of Lithuania.

PROVISION OF INFORMATION IN ACCORDANCE WITH THE LAW ON THE PROTECTION OF OBJECTS OF IMPORTANCE TO ENSURING NATIONAL SECURITY

The Service conducts assessments of investors and counterparties to help ensure the protection of state interests in economic sectors of strategic importance to ensuring national security. In 2023, assessments were conducted of 842 individuals and legal entities seeking to invest or engage in transactions in the finance and credit, transportation, energy, and de-

fence industries in order to safeguard national security interests and protect them against risk factors.

The trend of manipulating the difficult to verify data or concealing relationships with hostile states was observed when conducting assessments of natural persons and legal entities.

PROVISION OF INFORMATION ABOUT INDIVIDUALS

For the purpose of implementing a corruption prevention measure designed to create a corruption-resilient environment, namely, ensure trustworthiness of the personnel stipulated (established) in the Law on the Prevention of Corruption, the Service collects and provides the head of the public-sector entity who appoints a candidate with the information about the individuals applying for or holding positions. This information is provided to make informed

and motivated decisions on the appointment of individuals to positions, determination of areas of responsibility, refusal to appoint to positions, dismissal from positions or other decisions related to the formation of personnel in a public sector entity.

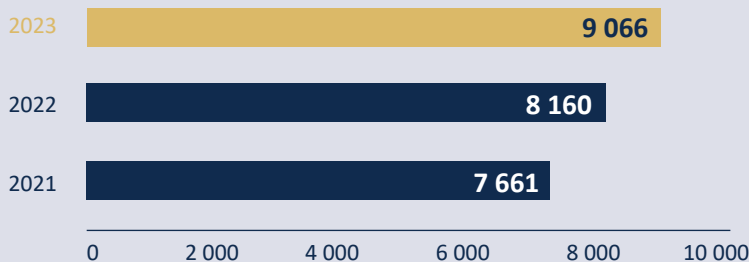
In 2023, information about 4,300 individuals was provided to 652 public sector entities to manage risks related to trustworthiness of personnel.

PROVISION OF INFORMATION ABOUT NATURAL AND LEGAL PERSONS TO PUBLIC SECTOR ENTITIES

The Service participates in statutory vetting processes to implement the provisions of the Law on State Secrets and Official Secrets, the Laws on Banks, on State Awards, on Public Procurement, etc.

In 2023, the Service verified and provided information about 9,066 natural and legal persons to different public sector entities.

NATURAL AND LEGAL PERSONS VERIFIED IN ACCORDANCE WITH THE PROVISIONS OF THE LAWS ON STATE SECRETS AND OFFICIAL SECRETS, ON BANKS, ON STATE AWARDS AND OTHER LAWS



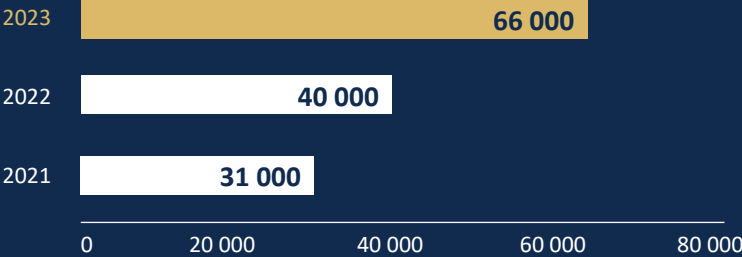
RAISING ANTI-CORRUPTION AWARENESS

By raising anti-corruption awareness – carrying out one of the Service’s activities – it is sought to cultivate anti-corruption attitudes, promote an honest and transparent approach to the processes taking place in the State and to contribute to building a society more resilient to corruption.

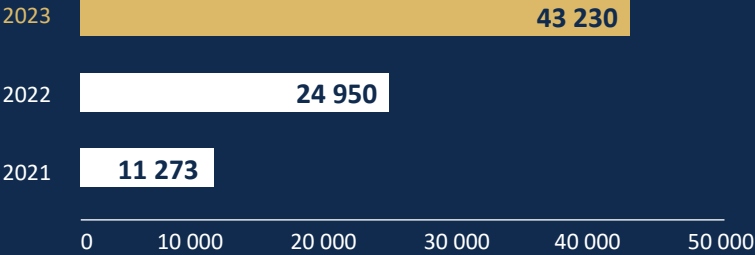




NUMBER OF INDIVIDUALS WHO WERE REACHED BY ANTI-CORRUPTION EDUCATION INITIATIVES



NUMBER OF CERTIFICATES ISSUED ON THE E- LEARNING PLATFORM



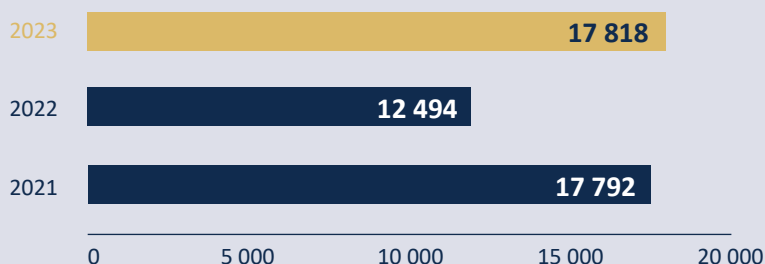
In 2023, anti-corruption awareness-raising initiatives reached 66 thousand individuals, which means that this number of individuals participated in or used anti-corruption awareness-raising measures

provided by the STT: electronic learning platforms, anti-corruption lectures and lessons, seminars and other events.

ANTI-CORRUPTION AWARENESS-RAISING ACTIVITIES ORGANISED BY STT

	2021	2022	2023
Anti-corruption lectures	263	125	116
Anti-corruption lessons	20	22	48
Seminars	9	41	43
Anti-corruption events	45	76	68
Total:	337	264	275

PARTICIPANTS IN ANTI-CORRUPTION LECTURES AND LESSONS, SEMINARS AND OTHER ANTI-CORRUPTION EVENTS



Every year an increase in the number of students actively participating in anti-corruption awareness-raising initiatives is observed. In 2023, as many as 1,955 students were invited to take part in 48 anti-corruption lessons, which is twice as many as in 2022, when 22 lessons were organised with 779 students participating therein. The students' activity also contributed to another initiative of the Service aimed at increasing anti-corruption awareness - the annual national competition for students 'Building Transparency Together', where

transparency badges are awarded to students from grades 8-12 who participate and pass the competition test. In total, during the 2023 competition, 26,154 transparency badges were awarded.

The anti-corruption awareness-raising activities carried out by the Service in 2023 were highly rated. Participants evaluated them at 9.6 out of 10 possible points, which is 0.2 points higher than in 2022, when the overall rating was 9.4 points.

The following anti-corruption awareness-raising activities are noteworthy

SOCIAL CAMPAIGN ‘TO GIVE OR NOT TO GIVE?’

The Service, in collaboration with the Young Doctors' Association of Lithuania, launched a social campaign ‘To Give or Not to Give?’ in 2023. This campaign aims to encourage a dialogue between healthcare professionals and patients, emphasizing the importance of transparency in the medical sector and the negative emotions caused by bribery. In various hospitals, doctors and patients are invited to familiarise themselves with information about the harm caused by petty corruption in healthcare institutions and to express their opinion on how to respond when faced with bribery inducement or offers.

THE HIKE ‘HOW FAR CAN TRANSPARENCY GO?’

In cooperation with the 4th Regional Suvalkija Command of the Lithuanian Riflemen's Union, the Service organised a hike ‘How Far can Transparency Go?’ Young people and representatives of civil society intending to actively and meaningfully spend their leisure time while strengthening their civil and anti-corruption awareness, had the opportunity not only to complete a 15-kilometre route in the Municipality of Kazlų Rūda, but also to familiarise themselves with the activities of the STT, an anti-corruption awareness raising tool - the board game ‘Antikoruptika’ [Anti-corruption], and to have a discussion on the principles of transparency in their everyday life. Almost 500 walkers took part in the hike, most of them were representatives of general education and pre-school education institutions, teachers, students, their parents and members of youth organisations from Marijampolė, Kazlų Rūda, Kalvarija, Šakiai district, Vilkaviškis district and other municipalities. More than 200 members of the Lithuanian Riflemen's Union - riflemen and young riflemen – participated in the hike.

THE ‘INTEGRITY ACADEMY’ INITIATIVE IS BEING DEVELOPED

The ‘Integrity Academy’³⁶ initiated by the President of the Republic of Lithuania three years ago and being implemented by the STT was continued to develop further. Fifteen new organizations that aim to strengthen resilience to corruption became participants in the initiative. Eight new mentors began sharing their experience with the initiative participants. Eight private sector companies also joined the initiative. In strengthening resilience of organizations to corruption, five good practice sharing events were organised in 2023, with more than 2 thousand people participating.

According to the program designed for teachers by the ‘Integrity Academy’, eleven teachers started their training in autumn 2023, with assistance provided by 8 mentors. Eight events were organised for teachers, during which both theoretical insights into the implementation of anti-corruption education in educational institutions and practical activity methods applicable in every school were

shared. More than 3,000 people participated in these events.

In 2023, the ‘Integrity Academy’ initiative brought together 60 participants: 49 organizations and 11 teachers.

In 2023, the ‘Integrity Academy’ graduation certificates were awarded to 12 organizations. Nine teachers completed the ‘Integrity Academy’ programme, and certificates were awarded to them for their active participation and acquired knowledge in the field of anti-corruption education.

During the events of the ‘Integrity Academy’ initiative, good transparency examples are presented, and various organisational practices are publicised on the ‘Integrity Academy’ website, where useful information can be found according to topics. Recordings of the events of the ‘Integrity Academy’ initiative can be found on the STT YouTube channel.

³⁶ Available online: <https://skaidrumoakademija.lt/>

INTERNATIONAL COOPERATION

International cooperation is one of the long-term priorities of the Service's activities. Participation in international activities provides not only practical knowledge about the experience of other countries in combating corruption, but also allows to effectively contribute to the efforts of Lithuania and the international community in fighting corruption, building a democratic, transparent society, strengthening trust in state institutions and ensuring the rule of law and public interest. By engaging in international activities, the STT not only enhances its own image, but also contribute to the image of Lithuania and, at the same time, helps achieve more effective results in other areas of activity.





LEADERSHIP –

The Director of the Service has been elected President of the EPAC/EACN networks for a two-year term of office, the EPAC/EACN Secretariat will be jointly managed by the Service together with the Austrian Federal Bureau of Anti-corruption.

EXAMPLE –

Our international partners highly respect and trust us and foreign partners frequently adopt the good practice of the Service. In 2023, the Service shared its knowledge with the representatives of anti-corruption institutions from 25 countries.

PROJECTS –

Through the implementation of five EU-funded projects, we fostered development cooperation and the exchange of good practice among our European partners.



LEADERSHIP IN THE ACTIVITIES OF EPAC/EACN NETWORKS

On 2-3 November 2023, at the 22nd Annual Conference and General Assembly of the European Partners against Corruption (EPAC) and the European Union Anti-corruption Contact Network (EACN) held in Dublin, Ireland, Linas Pervanas, Director of the STT, was re-elected President of the EPAC/EACN for a two-year term of office. This is a testimony to confidence European national anti-corruption institutions have placed in the Service, the results it has achieved, as well as the Service's collaboration with the Austrian Federal Bureau of Anti-corruption in performing the functions of the Secretariat of this network as of the beginning of 2022.

It should be noted that in performing the functions of the EPAC/EACN Secretariat, the representatives of the Service have initiated a project for the exchange of good practices among EPAC/EACN members, which will support 48 exchange visits between different European national anti-corruption and police oversight bodies as well as two EPAC/EACN annual conferences. The European Union-funded project was initiated in mid-2023 and will continue for two years.

The EPAC/EACN networks bring together more than 100 national anti-corruption and police oversight bodies from 39 European countries, with the participation of European Union agencies (OLAF, Eurojust, Europol, European Public Prosecutor's Office). During the reporting period, the EPAC/EACN networks continued to grow with new full-fledged network members joining them – national anti-corruption and police oversight institutions from Spain, Hungary, Ukraine and Sakartvel.

During the EPAC/EACN Annual Conference in 2023 the Dublin Declaration was adopted, which addresses the European Union institutions, states, anti-corruption and police oversight bodies providing recommendations to strengthen the fight against corruption.



ORGANISING THE 21ST INTERNATIONAL ANTI-CORRUPTION CONFERENCE (IACC)

A major milestone in the international activities of the Service is the preparation for the 21st International Anti-Corruption Conference (IACC) to be held in Vilnius in 2024.

Taking into account the decision made by the Council of the International Anti-Corruption Conference in 2022 on organising a conference in Lithuania, on 31 May 2023, the Government of the Republic of Lithuania instructed the STT to organise the 21st International Anti-Corruption Conference in Vilnius from June 18 to 21, 2024, and to coordinate the necessary actions of institutions and agencies to achieve this goal. For this purpose, a memorandum of understanding was signed with the International Anti-Corruption Conference Council, the global organisation 'Transparency International' and its Lithuanian Chapter. By the order of the Director of the STT, an interdepartmental working group has been formed and the officials of the STT are actively engaged in organisational and other preparatory work as the global anti-corruption forum in Vilnius approaches.

The IACC is the world's largest and best-known anti-corruption and transparency forum, bringing together world leaders, representatives from the public and private sectors, academia and non-governmental organisations every two years for more than forty years. The event, which will move from Washington, DC, to Lithuania in 2024, is expected to attract more than 1,500 participants from more than 140 countries.

PARTICIPATION IN THE ACTIVITIES OF WORKING GROUPS OF INTERNATIONAL ORGANISATIONS

The STT representatives actively participated in the activities of the European Union, the Organisation for Economic Co-operation and Development (OECD), the Council of Europe, and the United Nations working groups devoted to combating corruption. At the end of the year, the OECD working group on combating bribery of foreign public officials in international business transactions

approved Lithuania's third-phase evaluation report and presented 49 recommendations to Lithuania for strengthening the fight against bribery of foreign public officials. This report positively assesses Lithuania's efforts to combat corruption, as well as highlights the active role of the STT in implementing anti-corruption education and informing the public about international bribery.

STRENGTHENING BILATERAL RELATIONS WITH THE INSTITUTIONS IN OTHER COUNTRIES

In the sphere of bilateral relations, as in the previous year, the STT's main foreign partners are: the Polish Central Anti-Corruption Bureau (CBA), the Latvian Corruption Prevention and Combating Bureau (KNAB), the Estonian Internal Security Service (KAPO), the Estonian Police and Border Guard Service, and a number of other European and U.S. anti-corruption institutions. The cooperation with Ukraine's anti-corruption institutions is being actively pursued and strengthened, as evidenced by a delegation from the STT, led by the Director, visiting Kyiv at the end of the year. During the visit, a cooperation agreement was signed with the National Agency for Corruption

Prevention of Ukraine (NAZK) and discussions were held about the cooperation directions with the leadership of National Anti-Corruption Bureau of Ukraine (NABU), the Specialised Anti-Corruption Prosecutor's Office, and the High Anti-Corruption Court.

Participating in international activities, the STT also aims to actively showcase Lithuania's anti-corruption progress and share good practices. In 2023, representatives of the Service shared their good practice with the representatives from 25 different countries and hosted 21 foreign delegations at the Service.

IMPLEMENTATION OF DEVELOPMENT COOPERATION AND OTHER INTERNATIONAL PROJECTS

Representatives of the Service continued the Twinning project funded by the European Union on the recovery of criminally acquired assets in Azerbaijan, as well as the project 'Support to the Rule of Law Principle in the Republic of Serbia', implemented together with the Central Project Management Agency and foreign partners. Additionally, the Service, in collaboration with the Italian Anti-Corruption Authority (ANAC) applied won the Twinning project in Bosnia and Herzegovina on the topic of combating corruption. The implementation of this project, with a duration of two years, is scheduled to commence in the first half of 2024.

During the reporting period, the Service also completed one and won another project funded by the European Union's anti-fraud programme. The second Baltic Regional Seminar on Good Practices of Law Enforcement Institutions was held in Vilnius in February 2023 as part of the first project. Its objective was to enhance regional and cross-sectoral efforts in combating corruption and fraud. Meanwhile, by implementing the new project in 2024-2025 it is planned to strengthen informational and analytical tools of the Service.

A. Jakšto g. 6, 01105 Vilnius
+370 706 63 335
documents@stt.lt
www.stt.lt

