



# 2014 PERFORMANCE REPORT OF THE SPECIAL INVESTIGATION SERVICE OF THE REPUBLIC OF LITHUANIA

FOREWORD

WHY WE EXIST AND WHAT WE SEEK?

OUR TEAM

HOW WE ARE ASSESSED ABROAD?

HOW WE ARE ASSESSED AT HOME?

CORRUPTION PREVENTION

CRIMINAL PROSECUTION

ANTI-CORRUPTION EDUCATION AND AWARENESS RAISING

OUR CO-OPERATION PARTNERS

LEGAL CONDITIONS FOR OPERATION

AIMS 2015



## FOREWORD

*The year 2014 represented the appreciation and new challenges corroborating that consistent and strategically well-planned fight against corruption yields positive results. The strategic goal – to devote special attention and resources to the disclosure, investigation and prevention of large-scale corruption cases – set by the Special Investigation Service a few years ago justified itself. The number of instituted pre-trial investigations into grave crimes and the number of the disclosed complex corruption-related criminal acts has been increasingly rising.*



*The priorities pursued by the Special Investigation Service of the Republic of Lithuania in 2014 included making public and administrative service more transparent and easing the administrative burden for businesses; promoting publicity of the activity and receipt and use of funds by the public sector; and strengthening the control of financing political parties. Special Investigation Service encourages and supports the initiatives of state and municipal institutions and undertakings oriented towards the reduction and prevention of petty corruption. The systemic corruption prevention raises public trust both in the Special Investigation Service and the state at large.*

*The Lithuanian Map of Corruption 2014 revealed the growing public intolerance towards corruption – the number of people who would not give a bribe because it goes against their convictions dramatically increased. It is vitally important that the number of businessmen who had any corruption-related experience has significantly dropped. The survey findings prove that only 6% of businessmen paid bribes last year which is far fewer than in previous years. International assessment of the Lithuanian fight against corruption has been also improving: Corruption Perception Index (CPI) has advanced and the fourth evaluation round report on Lithuania drawn up by the Council of Europe's Group of States against Corruption admits its progress in the of corruption prevention area. These positive improvements help us raise new ambitious objectives.*

*Special Investigation Service in co-operation with the Ministry of Justice has developed a new National Anti-Corruption Programme for 2015-2025 aimed at curtailing the extent of corruption and raising the level of transparency and openness not only in the public but also in the private sector. We find it encouraging that these strategic goals are also supported by the business community: individual undertakings and associated business structures more and more often voice their expectation and resolution to work transparently both in developing business and competing. We hope that positive developments and innovative ideas in the anti-corruption will help implement one of the top priority objectives of Lithuanian foreign policy – become a member of the Organisation for Economic Co-operation and Development (OECD) and adhere to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.*

*Saulius Urbanavičius  
Director of the Special Investigation Service of the Republic of Lithuania*



## WHY WE EXIST AND WHAT WE SEEK?

Special Investigation Service of the Republic of Lithuania (further – STT/ Service) is a statutory law enforcement institution accountable to the President and Parliament of the Republic of Lithuania that detects and investigates corruption-related criminal acts and develops and implements corruption prevention measures.

Reduction of the spread of corruption is a common task of the state authorities and the public at large. Therefore, STT plays a facilitator's role in putting together anti-corruption activities into a consistent and streamlined system.

**MISSION** is to reduce corruption as a threat to human rights and freedoms, the principles of the rule of law and economic development.

**VISION** is an independent agency controlling occurrences of corruption.

**STT strategic goal** is to reduce and control corruption in the country.

### **STT work strands:**

1. Criminal prosecution for corruption-related criminal acts.
2. Corruption prevention.
3. Anti-corruption education and awareness-raising.

### **STT objectives:**

1. Swift, thorough and lawful detection of corruption offences.
2. Detection and elimination of causes and pre-conditions for corruption.
3. Building total intolerance to corruption and increasing trust in the agency.

**STT programme.** The fight against corruption-related criminal acts and law violations and other types of offences and prevention (01.004) is continuous and long-term.

The implementation of the programme involves performance of the tasks provided for in the Law on STT, i.e. protecting and defending the person, society and the state from corruption, prevention and detection of corruption.

This programme is linked to the National Anti-Corruption Programme for 2011–2014 and its Implementation Plan and the draft National Anti-Corruption Programme for 2015–2025 which see corruption as a threat to a political system, civil society and national security. As a result, they provide for the measures underpinned by a streamlined and efficient anti-corruption policy.



## OUR TEAM

In 2014, STT structure comprised Corruption Prevention Department, five field offices (Vilnius, Kaunas, Klaipėda, Šiauliai and Panevėžys Departments), Administration, First and Second Departments and Financial, Planning, Security, Public Relations and Internal Audit Divisions.

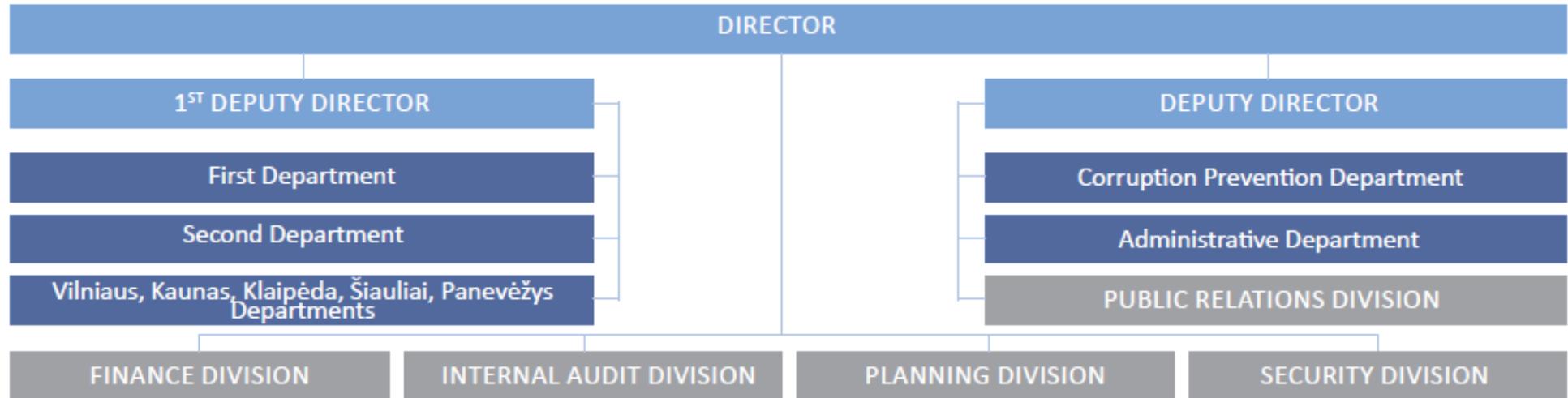


Fig. 1. STT organisational structure

STT structural units differ in their special purpose and general functions. The responsibility for the detection and investigation of corruption-related crimes is directly assigned to Vilnius, Kaunas, Klaipėda, Šiauliai, Panevėžys, First and Second Departments and Complaints Division of the Administration Department; the same responsibility is also placed on the Security Division, IT Division and Legal and International Co-operation Division of the Administration Department as units performing special functions. For example, experts of the IT Division carry out the search for evidence (electronic information) on corruption offences in the course of criminal intelligence and pre-trial investigations.

Corruption Prevention Department, Corruption Prevention Subdivisions at field offices, the First Department and Legal and International Co-operation Division bear responsibility for the detection and eradication of causes and conditions for corruption. The First Department provides information on individuals seeking or holding a position at a state or municipal institution or enterprise. Legal and International Co-operation Division, within the realm of its competence, drafts legal acts so as to eliminate causes and pre-conditions for corruption. Public Relations Division is in control of building up overall intolerance towards corruption, awareness raising and reinforcing positive standing of the Service, whereas Administration Department, Planning Division and Finance Division are assigned the responsibility for the management of human, material and financial resources.



Human resources constitute a pivotal element of the Service because a proper and effective implementation of institutional objectives and tasks develops and fosters the institution's value. The need for exceptionally qualified staff remains relevant; therefore, STT officials have to satisfy high requirements related to qualifications and knowledge as well as reputation and personal and professional competences. STT employees have to comply with more rigid standards of physical fitness and health state and accept the restrictions on, *inter alia*, political and trade union activity and work in the capacity of employed workers and experts.

*STT employed 240 people in 2014.*

In 2014, STT had 240 employees, including 211 officials (statutory civil servants) and 29 contract employees. 150 (63%) of the STT staff performed the functions of criminal prosecution, 25 (10%) employees carried out corruption prevention functions, 4 (2%) had the function of anti-corruption education and awareness raising and 61 (25%) employees fulfilled administrative functions.

According to the information as of 31 December 2004, STT had a total of 94 female employees (39%) and 146 male employees (61%).

Each year, the number of people employed by STT exceeds the number of those made redundant (see Fig. 2). In 2014, the turnover of STT employees accounted for 9.5% (29 people were made redundant and 31 employee was engaged). It is common that STT officials leave the Service for the private sector employment due to the improving economic situation; therefore, it becomes increasingly difficult for the statutory civil service to compete in the labour market. This trend is only too well-corroborated by the fact that as few as 7 out of 20 officials were made redundant due to retirement.

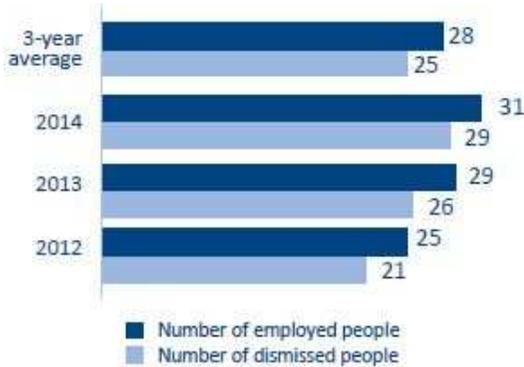


Fig. 2. Change in the number of employed and dismissed people

The change in the number of engaged and dismissed people over the last three years predetermined the necessity to rebuild the appeal for the Service. With this in mind, the amount of funds for training in 2015 was increased. The investment in knowledge will bring rich dividends in the form of performance efficiency, encourage professional motivation, reduce the staff turnover and enable more effective adjustment to modern challenges and conditions.

To reinforce the institutional standing, STT took an active part in the career days organised by Mykolas Romeris University in April 2014 where students met with the STT officials, discussed their concerns and learnt about the STT activities in a more detail. In the *Social Partners' Café* STT officials made a presentation on the STT and its activities as well as discussed career prospects. The *Contact Fair* hosted the STT information stand with information materials for students who used the opportunity to discuss the internship and career prospects.



STT officials were also actively engaged in the project *Academy of Possibilities*. The aim of the project is to prepare young lawyers for practice. Professional knowledge and experience was shared with law students not only by STT but also by other project partners such as Prosecutor General's Office, Chamber of Notaries, Chamber of Bailiffs and National Courts Administration, to name but a few. One participant from the *Academy of Possibilities* had done a one-month internship in the STT where he was exposed to investigations enabling him to apply theoretical knowledge in practice.



Fig. 3. Change in the number of appropriations provided for STT (EUR)

### APPROPRIATIONS

In 2014, the amount of appropriations allocated to STT amounted to €6.811,573, including €5.734,766 spent on work pay, pensions, social security contributions and social benefits, €568,524 used for goods and services and €516,103 earmarked for the acquisition of long-term assets.

A part of the allocated appropriations was intended for the most relevant institutional needs such as human resources, infrastructure and other. Another part of the appropriations was spent like in the previous years for criminal prosecution to ensure a swift, thorough and lawful detection of corruption offences. Even larger appropriations could have enabled STT to balance its institutional capacities and implement holistic rather than individual corruption prevention and anti-corruption education measures which turn out to be effective facilitators for eradicating corruption risks as well as deterrents to corrupt practices since a robust preventive system, according to international recognitions, is the most effective way of fighting corruption.



## HOW WE ARE ASSESSED ABROAD?

*Lithuanian anti-corruption system earned high international appraisals.*



One of the most prominent international sociological surveys – Corruption Perception Index 2014 – ranked Lithuania 39<sup>th</sup> among 175 surveyed nations. Negotiations on Lithuania’s membership in the Organisation for Economic Co-operation and Development embracing 34 strongest world economies are intended to start in 2015.

OECD is the key international organisation mandated to develop and implement the best practices of its member states in view of the global economic conditions. Lithuania initiated co-operation with the OECD back in 1996, when it together with Latvia and Estonia submitted a joint declaration of intention to become a full member of the Organisation.

Lithuania seeks to become a fully-fledged member of the OECD Working Group on Bribery in International Business Transactions and adhere to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. A subsequent step would lead towards a fully-fledged membership in this international organisation.

Membership in the OECD and the OECD Working Group on Bribery in International Business Transactions is one of the top priorities of the Lithuanian foreign policy entrenched in the Programme 2012-2016 of the 16<sup>th</sup> Government. STT plays an active role in the achievement of these objectives by participating in the meetings of the Working Group on the OECD Accession Issues set up by the Ministry of Foreign Affairs and taking part in the OECD Working Group on Bribery meetings and Anti-Corruption Network events. In 2014, in co-operation with the Ministry of Justice and the OECD Secretariat, STT arranged the international seminar “Towards Accession to the OECD Anti-Bribery Convention: Challenges and Best Practices” that brought about major positive effects.

Lithuania’s membership in the OECD would imply the recognition of its stability and economy and attraction of new investments.



**Corruption Perception Index (CPI)** is one of the most outstanding annual worldwide surveys measuring the perception levels of corruption. In 2014, Lithuania had a higher CPI score compared to that of the previous years placing it among the countries who are effective in controlling corruption of public servants and politicians and who are seeking to become even more transparent. Lithuania scored 58 points on a scale of 100 where 100 denotes a very transparent country and ranked as high as 39<sup>th</sup> among 175 surveyed countries.

CPI is a composite index – a combination of world-renowned polls – reflecting the opinion voiced by specific countries and international experts and businessmen rather than a realistic corruption situation in the country. It is based on perception of the extent of corruption in the country as well as statistics and other public information on the country's general economic, political and social situation, on-going reforms, stability, population's financial capacities, etc. The CPI continues to be a vital source of information for international political institutions and business and financial structures that dwell on the issue of investment and development of new projects in some particular country.

In 2014, STT focused, *inter alia*, on making public and administrative services more transparent, easing administrative burden for businesses, promoting publicity of the public sector activities, including the receipt and use of funds, and intensifying control of financing political parties. The increasing CPI score for Lithuania to a certain extent revealed the effectiveness of national anti-corruption policy and focused anti-corruption activities.



In March 2014, **the EU's first anti-corruption report** was published. The report explains the situation in each Member State: what anti-corruption measures are in place, which ones are working well, what could be improved and how.

The report maintains that Lithuania's extensive legal framework has demonstrated its commitment to prevent and fight corruption. It also states that Lithuania's national anti-corruption policies are absolutely right and proper.

The report also draws attention to the need for seeking out innovative and more effective ways of ensuring the control of funding political parties and campaigns and lobbying activities, transparent public procurements, proper declaration of private and public interests, responsibilities and improving corruption prevention in other areas.

The European Commission's anti-corruption report enables to see, by way of a self-assessment, the level of appropriateness of anti-corruption efforts and advantages and disadvantages of the anti-corruption policies in the context of the European Union.



## HOW WE ARE ASSESSED AT HOME?

### THE LITHUANIAN MAP OF CORRUPTION 2014

In 2001, a sociological survey on corruption – the Lithuanian Map of Corruption – was initiated in Lithuania. It was aimed at mapping institutional and geographical spread of corruption on the basis of other national sociological surveys. The purpose of the study was to evaluate Lithuanian residents' and businessmen' attitudes to corruption, analyse the interviewees' personal experiences when faced with corruption and measure anti-corruption potentials, i.e. efficiency of anti-corruption measures.

By mid-2014, a total of 8 representative surveys were carried out in 2001, 2002, 2004, 2005, 2007, 2008, 2011 and 2014. By 2008, the surveys included only Lithuanian residents and businessmen (enterprise managers), though since 2008 the surveys have taken in civil servants as well. In 2014, a total of 1000 Lithuanian residents over the age of 18, 510 enterprise managers and 508 civil servants were interviewed.

The Lithuanian Map of Corruption revealed that the situation of corruption prevalence in Lithuania has notably improved – as few as 4% of enterprise managers indicated that the level of corruption had considerably increased over the last 5 years (18% in 2011) and as many as 23% of the managers claimed that the level of corruption had gone down during the last five years (18% in 2011). 14% of the residents surveyed held that corruption had considerably increased over the last 5 years (27% in 2011) and 15% of them responded that the level of corruption had slightly dropped over the last 5 years (9% in 2001). Even better results were achieved from the assessment of the 12-month period – as few as 3% of enterprise managers, 9% of residents and 15% of civil servants claimed that the level of corruption had dramatically grown.

The number of optimistic attitudes towards Lithuania's prospects overarches the pessimistic ones because 21% of residents, 33% of enterprise managers and 41% of civil servants agreed that corruption would diminish in the course of 3 years.

According to the findings of the Lithuanian Map of Corruption 2014, the level of general perception of institutional spread of corruption and assertiveness while ranking institutions as *very corrupt* declined as compared to the findings of the previous surveys. Even though institutions perceived as the most corrupt like health care institutions, courts, police and local government authorities remain unchanged, the significant change has been that the level of corruption, according to all the respondent groups, in most of the institutions has reduced, as compared to 2011. For example, 93% and 80% of residents named the Parliament as very corrupt or partly corrupt in 2011 and 2014 respectively and 86% and 63% of enterprise managers indicated that courts had been very corrupt or partly corrupt in 2011 and 2014 respectively.



*The number of people ready to pay a bribe declined.*

The number of enterprise managers ready to pay a bribe as a facilitating payment decreased from 40% to 21% in 2011 and 2014 respectively and the number of residents ready to bribe fell from 57% to 48% in 2011 and 2014 respectively.

There was also a remarkable reduction in the number of businessmen arguing that “corruption cuts the time of administrative procedures” (from 50% in 2011 to 27% in 2014) and that “facilitating payments must be paid to civil servants” (from 34% in 2011 to 19% in 2014).

Although the 2014 findings revealing the opinion of 43% of businessmen, 54% of civil servants and 69% of residents on a bribe as a facilitator do not make us happy at all, the very tendency seems to be encouraging in the sense that the number of those with this perception has been diminishing. In 2011, 65% of managers, 67% of civil servants and 79% of residents agreed with the statement that bribes facilitate the solving of their problems. It should be also noted that reasons for not giving a bribe have been changing and the number of people who think that bribing runs contrary to their values has been going up – the number of businessmen having this perception grew from 25% to 34% in 2011 and 2014 respectively and the number of residents holding this opinion increased from 21% in 2011 to 24% in 2014.

Parliament (54%), Government (53%), law enforcement institutions (48%) and STT (43%) were most often mentioned as institutions/social groups that could make the biggest contribution to curtailing the levels of corruption.

The Lithuanian Map of Corruption 2014 suggests that the anti-corruption environment in Lithuania has been improving. The findings have also been influenced by the improving business environment (e.g. public procurement reform, reorganisation of institutions responsible for the supervision of economic entities), growing economy and mainstreamed corruption prevention policy.



## NATIONAL ANTI-CORRUPTION PROGRAMME 2015–2025

In order to head off corruption-related offences, it is essential to have a clear-cut, well-grounded and consistent long-term anti-corruption strategy embracing both control and prevention measures of corruption offences not only in the public but also in the private sector.

### *Updated National Anti-Corruption Strategy.*

In 2014, STT together with the Ministry of Justice drafted the National Anti-Corruption Programme for 2015–2025 and it was approved by the Government on 8 December 2014.

The improving situation in Lithuania will be reinforced by positive changes that would result from the implementation of the National Anti-Corruption Programme from 2015 through 2025. The Programme will ensure sustainable and effective control of corruption and contribute to the creation of innovative, modern and robust democracy because its strategic goal is to increase transparency and openness in the public and private sector, raise public anti-corruption awareness and by 2025 secure Lithuania as one of the most transparent democracies amongst the European Union member states.

The Programme as one of the four national long-term programmes for strengthening security sets long-range anti-corruption objectives and measures in order to tackle core systemic corruption-related issues and make a direct impact on curtailing corruption. With this in mind, the National Anti-Corruption Programme includes only the most important inter-institutional anti-corruption measures with a major focus on sectoral and institutional anti-corruption programmes designated to address sector-specific problems.

The National Anti-Corruption Programme 2015–2025 devotes special attention to transparent activities and decisions of state institutions and bodies, fostering corruption prevention in the areas especially prone to high corruption risks such as public procurements, provision of health care services, waste management as well as anti-corruption public education, awareness raising and building overall intolerance to corruption.

The existing National Anti-Corruption Programme 2011–2014 was amended and brought up to date whereas the new Programme for 2015–2025 was approved by the Government on 8 December 2014 and will come into effect after the parliamentary approval.



## CORRUPTION PREVENTION

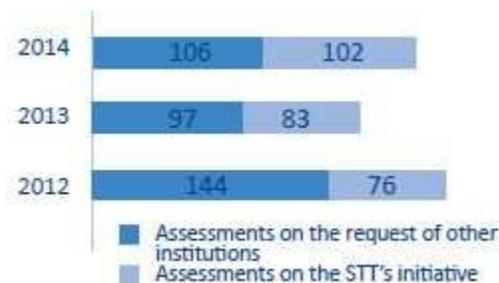
Corruption as a social, economic, political, ethical and legal issue exists in the most of the countries worldwide, notwithstanding efforts put by the states and international organizations. In the modern world of global civilization and changing values and technologies it is vital to continue the implementation of anti-corruption measures that have been already applied for over a decade because the benefit of eradicating causes for corruption (commission of corruption-related criminal acts) has been too explicit in the light of both national and international sociological surveys.

### ANTI-CORRUPTION ASSESSMENT OF LEGAL ACTS OR DRAFT LEGAL ACTS

Assessment of draft legal acts must be carried out by a drafter, where they are meant to regulate certain public relations. The assessment of draft legal acts and effective legal acts may be undertaken by STT on its own initiative or on the proposal by the President of the Republic, the Chairman of the Parliament, the Prime Minister, a parliamentary committee, a commission or a parliamentary group.

*208 complex/relevant legal acts or draft legal acts were assessed from the anti-corruption point of view.*

In 2014, 136 laws or draft laws and 72 implementing legal acts or draft implementing legal acts were assessed. 76% of the STT conclusions resulting from the anti-corruption assessments were taken, in full or in part, into consideration.



Anti-corruption assessments are meant to identify shortcomings in the existing and foreseeable legal regulation that may create conditions for corruption or dishonest, wrong, non-transparent and unfair behaviour. In 2014, STT sought to carry out more anti-corruption-assessments of legislation and draft legislation on its own initiative. In the given year, STT assessed 106 legal acts or draft legal acts on the request of other institutions and 102 legal acts or draft legal acts on its own initiative (see Fig. 4).

Fig. 4. Change in the number of legal acts or draft legal acts assessed from the anti-corruption point of view



## CORRUPTION RISK ANALYSIS

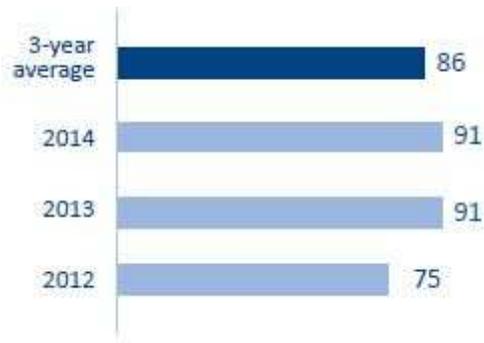


Fig. 5. Change in the number of the received conclusions on the probability of corruption manifestation

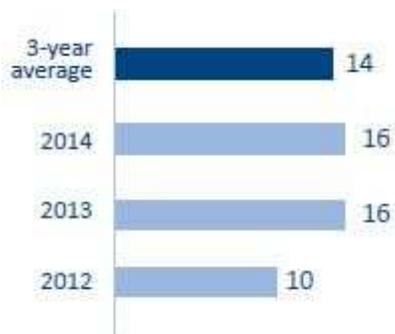


Fig. 6. Change in the number of conducted corruption risk analyses

Each year, state and municipal institutions submit to STT their conclusions on the areas of the activity most prone to corruption. STT takes a decision of whether to make a corruption risk analysis in view of the received conclusions, its own activity priorities and other relevant information.

In 2014, STT examined 91 conclusions submitted by state and municipal institutions and provided them with its comments on the conclusions and proposals to be taken into account while implementing corruption prevention measures in future.

Nevertheless, a faulty practice still prevails where state and municipal institutions identify the most corruption-prone areas and make their assessment in a formal way. The formalistic approach stems from the absence of separate (additional) funding for the performance of these functions and the need to apply extensive knowledge in the activity that yields obscure results. Municipal institutions argue that they have no trained and competent staff able to engage in proper and effective corruption prevention. In view of the challenges to the implementation of this corruption prevention measure, STT drafted several legal acts for a more effective identification of the probability of corruption occurrences and corruption risk analyses.

In 2014, 16 risk analyses were devoted to the anti-corruption assessment of institutional activities (procedures) in order to identify the risks (linked to legal regulation, application of law and processing of documents) and formulate proposals for eliminating or controlling the established risks.

In 2014, the following corruption risk analyses were made in the light of the priorities given to corruption prevention:

- *Energy*. National Commission for Energy Control and Prices: legal regulation of price caps for transmission, distribution and public supply of electricity; setting price caps for transmission, distribution and public supply of electricity; issue of licences for transmission, distribution and public supply of electricity; supervision of licenced transmission, distribution and public supply of electricity.



- *Management, use and disposition of assets.* Directorate General of State Forests under the Ministry of Environment and local government authorities:
  - use of the trust state assets by the Directorate General of State Forests;
  - assessment of performance of forest enterprises and development of measures for more effective use of the trust state assets by forest enterprises;
  - sale, lease, assignment of property by the right of use or trust of the owned or otherwise managed tangible fixed assets (land plots, buildings, structures);
  - administration and lease of social housing; control of public procurements.
  
- *Sale of land.* National Land Service under the Ministry of Agriculture: sale of new state land plots otherwise than by auction; sale of the used land plots; sale of state agricultural land plots otherwise than by auction.
  
- *Environment.* Directorate General of State Forests under the Ministry of Environment: coordination of timber harvesting.
  
- *Health care.* National Transplant Bureau under the Ministry of Health and State Non Food Product Inspectorate under the Ministry of Economy:
  - coordination and organisation of human organ donation and transplantation; supervision of the activities of health care institutions providing human organ donation and transplantation services; implementation of consumer protection policy;
  - monitoring the market of non food products and safety thereof.



- *Social security.* State Labour Inspectorate under the Ministry of Social Security and Labour and State Non Food Product Inspectorate under the Ministry of Economy:
  - supervision of implementing the laws and other regulatory acts on safety and health at work and employment relations; examination of administrative offences related with labour laws, breaches of regulatory acts on safety and hygiene at work and imposition of administrative penalties; implementation of the consumer protection policy;
  - licencing of maintenance activities of potentially dangerous equipment in order to ensure a secure operation of the equipment and protection of human lives, health and environment from potentially harmful effects.
  
- *Law enforcement.* Police Department and several traffic police services under the Ministry of the Interior:
  - processing of data recorded with speed measuring devices and control of the processing of this data;
  - execution of decisions on the imposition of penalties in cases of administrative offences related with traffic regulations and control of this execution.

### **INSTITUTIONAL ANTI-CORRUPTION PROGRAMMES**

STT officials analyse the activity of state or municipal institutions from the anti-corruption point of view and submit to them proposals on how the identified risks should be managed and effectiveness of corruption prevention should be increased as well as recommendations on drawing up or improving institutional anti-corruption programmes.

In 2014, STT corruption prevention units assessed and made proposals with regard to 23 institutional anti-corruption programmes and action plans for these programmes.

With a view to making institutional anti-corruption programmes even more effective, STT produced the Recommendations for Developing Corruption Prevention Programmes both for State Institutions and Municipal Institutions.



## METHODOLOGICAL ASSISTANCE WITH THE IMPLEMENTATION OF CORRUPTION PREVENTION MEASURES

High quality methodological assistance rendered by the STT resulted in the increased number of meetings with the officials from state and municipal institutions meant to share good practices. Assistance was received by 902 representatives of state and municipal institutions, the number twice as high compared to the previous year. It is expected that corruption prevention measures and advices offered by STT will be successfully followed by the increasing numbers of state and municipal bodies.

### PROVISION OF INFORMATION ON INDIVIDUALS

With the Cabinet reshuffle in 2014, STT on its own initiative provided the President and Prime Minister with information collected, within the scope of its competence, on potential risks associated with civil servants of political confidence meant to work in the newly formed Government.

This information coupled with political will lead to a lower occurrence of corruption-related risk factors.

*Information collected and submitted by STT, within the scope of its competence, is a filter that protects the public service and other national areas of major importance.*

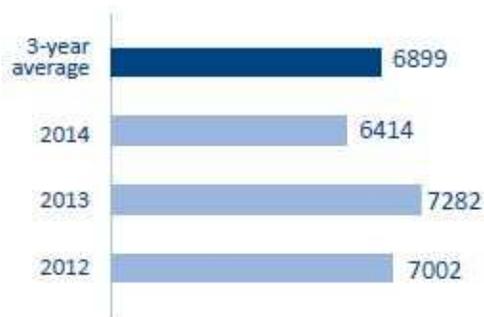


Fig. 7. Number of persons about whom information was submitted

In the given year, STT submitted information on 6 414 individuals (see Fig.7) who sought or held a position at a state or municipal institution or enterprise, sought to obtain an authorisation to handle or familiarise with classified information, security clearance for an enterprise or state award, planned to engage in the privatisation of state/municipal assets or participated in the activities of banks, credit institutions or payment institutions, etc.

Change in the number of screened persons is mostly affected by external (economic, social, political) factors, e.g. staff turnover and elections. Nevertheless, the high number of vetted people implies a concern for their reputation, credibility and potential impact on the extent of corruption.

To make corruption prevention policy even more streamlined, in the reported year STT furnished information, in accordance with the Law on Corruption Prevention, about 1 921 persons seeking or holding a position at a state or municipal institution or enterprise, European Union or international judicial and other institution:

- about 221 persons to the Office of the President of the Republic of Lithuania;
- about 15 persons to the Government of the Republic of Lithuania;
- about 6 persons to the Parliament of the Republic of Lithuania;
- about 511 persons to ministries and bodies and enterprises subordinate to the ministries;
- about 295 persons to municipal institutions or bodies and enterprise subordinate thereto;
- about 873 persons to law enforcement institutions and criminal intelligence or intelligence entities.

## CRIMINAL PROSECUTION

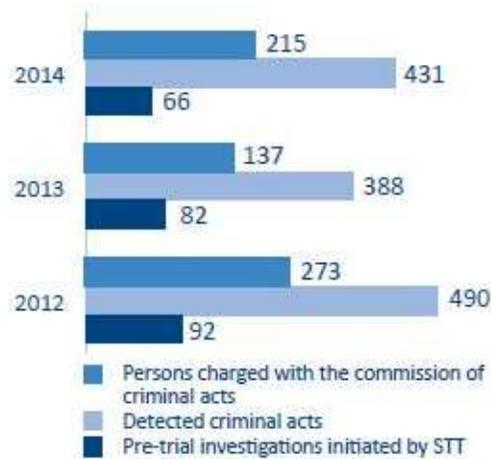


Fig. 8. Change in the number of suspects, detected criminal acts and instituted pre-trial investigations

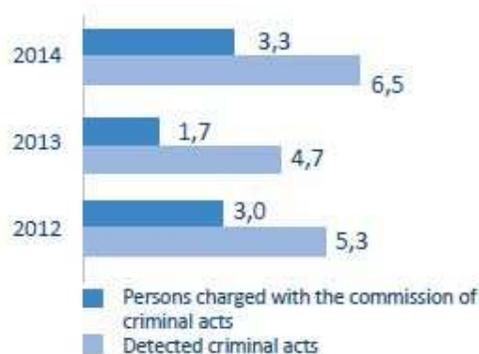


Fig. 9. Change in the average of detected criminal acts and suspects per one pre-trial investigation

In order to ensure an effective and expeditious management of information on the progress and results of criminal prosecution, STT created and put in place a new information processing sub-system enabling to take strategically important decisions and alter the processes of criminal prosecution.

To detect and investigate the most complex corruption-related criminal acts that cause the severest damage to the state in a targeted and purposeful manner, STT initiated 66 pre-trial investigations where 431 criminal acts were detected and 215 persons were charged with the commission of criminal acts.

Compared to 2013, certain activity results of 2014 prove the existence of positive trends in the criminal prosecution:

- in 2014 the number of detected criminal acts grew by 11% (43 criminal cases) compared to 2013,
- in 2014 the number of persons charged with the commission of criminal acts rose by 57% (78 persons) as compared to the last year,
- higher average of the number of detected criminal acts and suspects per one pre-trial investigation.

In 2014, most of the pre-trial investigations (70%) were instituted on the basis of criminal intelligence obtained by STT (see Fig. 10).

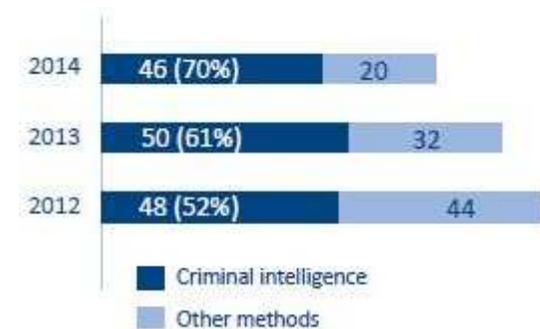


Fig. 10. Change in the number of pre-trial investigations instituted by ways and measures of obtaining criminal intelligence

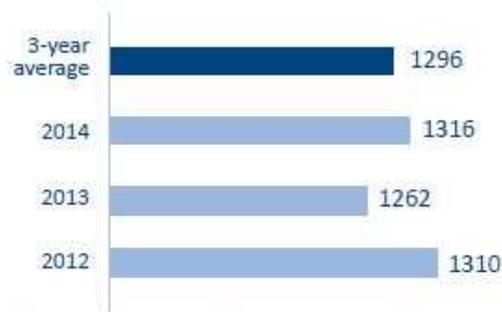


Fig. 11. Number of received complaints, statements and reports

STT is well aware that it is impossible to eradicate corruption without public support and assistance, therefore, it continually encourages active civic involvement of the population, including reporting potential corruption cases to STT. In 2014, the number of the received complaints, statements and reports (further - reports) reached 1316, i.e. 54 (4.3%) more as compared to 2013 (see Fig. 11).

Having filed 1316 reports, STT:

- opened 25 pre-trial investigations;
- adopted 84 decisions to refuse to institute pre-trial investigations;
- detected 2 infringements of public interests (constituent elements) and 2 administrative offences (constituent elements) and referred them to other competent authorities;
- referred 283 reports to other institutions for examination within the limits of their competence;
- did not initiate administrative procedures with regard to 466 reports (furnished replies to the reporters within 5 working days);
- did not examine 177 reports in compliance with the provisions set down in the Law on Public Administration<sup>1</sup>.

Out of all the reports filed in 2014 384 (29%) were anonymous. A persistently high number of the anonymous reports may be explained by the existing legal acts that do not incite civic involvement based on whistleblowing. Furthermore, no legal measures have been put in place that could ensure confidentiality of whistle-blowers as they often encounter various impediments in their further working lives such as dismissals, worsened working conditions, business disruptions by means of regular inspections or ungrounded fines, etc. With this in mind, the Ministry of Justice submitted proposals to the Government on the methods for ensuring confidentiality of personal data belonging to persons who reported administrative offences, misconducts in office or infringements of official duties allegedly committed or being committed by officials, public servants and contract employees.

The number of anonymous reports is expected to decline in 2015 because in 2014 more favourable conditions were laid down for persons willing to report corruption-related criminal acts.

<sup>1</sup> Article 23 (3). Complaints submitted anonymously, not specifying the name and surname of a person or the name of a legal entity, its address or signature, may remain unconsidered by decision of the head of an entity of public administration or an official or civil servant authorised by him.

Article 23 (6). The complaint shall not be considered, if the court or an entity of public administration itself has already adopted the decision on administrative procedure on the same issue and a person does not provide any new factual data that would enable to appeal against the decision, and also in the case when more than one year has passed since the violations indicated in the complaint and the submission of the complaint.

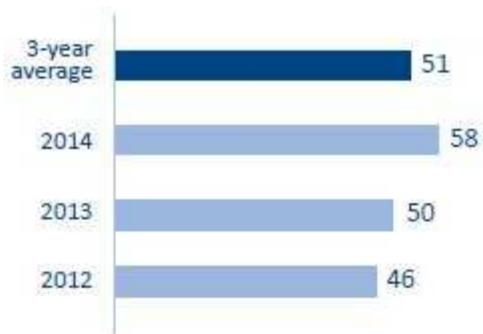


Fig. 12. Change in the number of pre-trial investigations submitted to court

According to the data of the previous three years, in 2014 the number of pre-trial investigations submitted to court was higher (see Fig. 12) and the number of discontinued pre-trial investigations was lower (see Fig. 13).

Another positive trend in the criminal prosecution represents the shorter span of pre-trial investigations compared both to 2013 and 2012 (see Fig. 14). The time-frame of 50% pre-trial investigations submitted to court accounted for up to 9 months (28% in 2013, 46% in 2012).

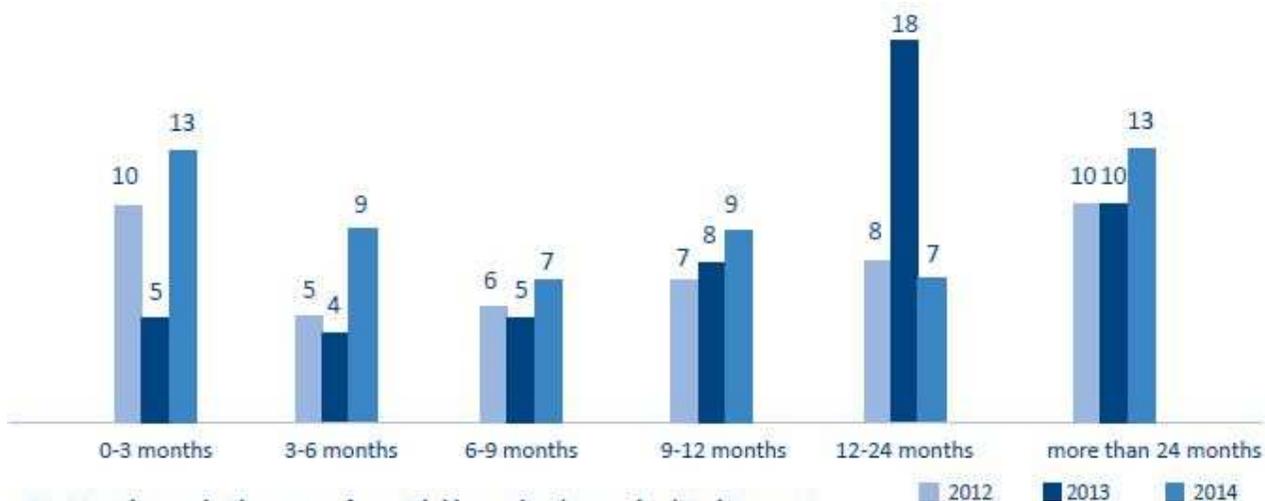


Fig 14. Change in the span of pre-trial investigations submitted to court



Fig. 13. Change in the number of discontinued pre-trial investigations

Pre-trial investigations conducted by STT resulted in a:

- determination of material damage of €1.488,521 (€470,421 in 2013, €46,156 in 2012);
- prevention of material damage accounting for €197,427 (€7,240 in 2013, €0 in 2012);
- voluntary compensation for damage amounting to €11,962 (€1,858 in 2013, €41,976 in 2012);
- temporary restriction on the right to assets, with a value of €1.227,332 (€87,611 in 2013, €0 in 2012);
- seizure of assets and money for a total amount of €9,131 (€57,201 in 2013, €2,896 in 2012).

It is noteworthy that in 2014 STT instituted pre-trial investigations into corruption-related criminal acts related with public procurements, with a value of about €2.172,150 and those related with the implementation of the EU-funded projects, in value of over €22.011,121.



The available data shows that not a single person was acquitted with regard to whom pre-trial investigation was opened in 2014.

Ninety-nine persons were convicted in cases of corruption offences decided by courts in 2014, including:

- mayor of the district municipality;
- deputy mayor of the district municipality;
- member of municipal council of the city and deputy mayor of the city;
- director of the body subordinate to the ministry;
- director of municipal administration of the district;
- director of the department of municipal administration of the city;
- member of municipal council of the district and chair of the committee;
- director of the Department of the Central Bank of Lithuania;
- judge of the county court;
- judge of the district court.

In the cases investigated by STT in 2014 courts imposed fines amounting to nearly €492,354, including the highest financial penalty, in value of €150,602, imposed on a legal person and the highest financial penalty amounting to €28,238 imposed upon a natural person.

The highest amount of confiscated cash totalled €38,423 and the overall amount of confiscated cash made up €162,850.

Targeted and focused disclosure and investigation of complex and systemic corruption-related criminal acts seems to have incurred potential risks related with the detection of petty corruption cases. This is why it is absolutely vital to make, at a national level, a right and proper distribution of law enforcement capabilities designed to combat corruption.



## ANTI-CORRUPTION EDUCATION AND AWARENESS RAISING

*Building up public intolerance to corruption and promoting understanding that only active individual involvement makes a major contribution*

To build up overall intolerance towards corruption, raise public awareness and increase greater public involvement in the anti-corruption activities, STT, within the realm of its competence, co-implements anti-corruption measures and invites state and municipal institutions to provide 3 social groups – children (pupils), young people (students) and public servants – with anti-corruption training.

### ANTI-CORRUPTION TRAINING FOR PUBLIC SERVANTS

In 2014, STT delivered 105 anti-corruption seminars and training sessions in a variety of state and municipal institutions. Anti-corruption seminars were attended by almost 4,000 public servants with the majority of managerial staff from the public sector. Public servants were provided with targeted information on damages and effects produced by corruption as well as anti-corruption activities of STT and other institutions. Discussions were also held to see which anti-corruption measures should be included in the National Anti-Corruption Programme as the most effective.

In view of STT activity priorities and findings of varying sociological surveys, active co-operation between STT and the Ministry of Health was established in order to provide health sector personnel with anti-corruption training. In the reported year, STT officials held discussions and gave lectures and anti-corruption seminars to the staff of primary health care institutions of all the county municipalities. In addition, 30 more lectures were delivered to the staff of the health sector. These anti-corruption training sessions were attended by over 1,500 medical staff.

In the execution of the Co-operation Agreement between STT and Customs Training Centre, STT experts conducted 9 seminars heard by 240 customs officers.

Moreover, STT arranged anti-corruption lectures and training sessions in fifteen local government authorities. These lectures were attended by municipality personnel responsible for corruption prevention and control in the respective municipality. They were provided with information about anti-corruption assessment of legislation and draft legislation, methodology of identifying risks of corruption and requirements for drawing up corruption prevention programmes.



## ANTI-CORRUPTION TRAINING OF CHILDREN AND YOUNG PEOPLE

STT officials have consistently fostered their ethical values and developed competences needed for shaping young people's civic approach towards corruption. They continued active co-operation with teachers and leaders of general education schools launched in 2005. In 2014, STT officials discussed anti-corruption issues with senior pupils from 26 schools and high schools and provided them with information on anti-corruption provisions and STT activities. They also arranged 13 lectures and meetings with students from higher educational institutions and shared with them valuable knowledge on corruption and ways and means of resisting it.

In 2014, STT officials took an active part in the project *Laboratory of Transparency* within the framework of the new national project *Creating Republic* implemented by the Civil Society Institute and general education schools. The project was aimed at cherishing the culture of transparency in schools, promoting pupils' equity, probity, self-esteem, self-confidence and confidence in others, encouraging pupils' and communities' civic awareness and providing them with practical knowledge on transparent behaviour and means of counteracting corruption. STT officials delivered advice to the project participants on the issues pertaining corruption prevention by e-mail, telephone and social networks, held meetings with over 500 pupils and hosted study visits in STT.

STT continued its participation in the project *Why Do So?* and organized 37 meetings with pupils participating in the project to brief them on the issues of anti-corruption and arranged meetings for pupils with the STT director under the title *A Day with the STT Director*. STT hosted 7 visits with the attendance of 145 pupils.

STT has always supported various anti-corruption non-formal education initiatives and stimulated creative development of civic awareness. Therefore, STT officials regularly participate in various expert working groups to discuss the best ways of ensuring systemic and effective anti-corruption education and training of pupils and the youth.

Moreover, STT officials were involved in the activities of the children's summer school *Knights of Conscience* organized by the Centre for Anti-Corruption. With the help of theoretical and practical exercises and non-formal education methods, widespread corruption schemes and ways of detecting and analyzing them were discussed and anti-corruption activities and means of civic involvement were introduced. Lectures delivered in this summer school portrayed the concept of corruption, risks and effects caused by corruption, corruption prevention measures and STT activities.



## INTERNATIONAL ANTI-CORRUPTION DAY

On 9 December each year, STT initiates and attends the activities related with the International Anti-Corruption Day launched by the United Nations. Law Institute of Lithuania in co-operation with STT held a round table discussion at the President's Office on the potential of responsible business to curtail corruption in the private sector. The discussion focused on the presentation of the research made by the Law Institute aimed at establishing what corruption in the private sector is and how widespread it is. Business community actors brought up best practices – ways and means of preventing corruption of all kinds and forms.

Representatives from the private and public sector discussed the issues of public procurement in Klaipėda City Municipality. STT together with Klaipėda City Municipality and parliamentary group *Creating Lithuania Free of Corruption* held the conference *Public Procurement: Practical Challenges*.

The Anti-Corruption Day was celebrated in a vast number of general education schools and higher educational institutions. Pupils from Šiauliai City organized a civic event *Young People against Corruption!*, Pupils of Kaunas City held an anti-corruption debate *Our Country Has Real Chances to Overcome Corruption* and an anti-corruption poster competition *My Dream Country Free of Corruption*. Students of Vytautas Magnus University met the STT officials from Kaunas Department for a debate on corruption.

## PUBLIC AWARENESS RAISING

In accordance with the provisions of the United Nations Convention against Corruption, knowledge about the prevention of corruption shall be increased and disseminated. To achieve this, STT officials perform the function of public awareness raising and increasing public confidence in STT. They produced and disseminated 203 press releases on the STT activities, in co-operation with the media issued 13 publications about corruption and anti-corruption highlights, organised a press conference and presented and discussed the findings of the Lithuanian Map of Corruption 2014. STT officials passed comments on the Service activities for radio and TV information programmes 30 times. Relevant anti-corruption information has been regularly published on the STT website and Facebook ([www.facebook.com/LRSTT](http://www.facebook.com/LRSTT)).

In 2014, STT started the first of the public institutions to use Instagram– online mobile photo-sharing, video-sharing and social networking service (<http://instagram.com/lrstt/>).



## OUR CO-OPERATION PARTNERS

*STT plays an active role in co-operation with foreign anti-corruption agencies and dissemination of experience.*



In 2014, STT attended 17 international events and was engaged in the activities of 4 international organisations – Council of Europe’s Group of States against Corruption (GRECO), Anti-Corruption Network for Eastern Europe and Central Asia of the Organisation for Economic Co-operation and Development (OECD ACN), European Partners against Corruption/European Contact-Point Network against Corruption (EPAC/EACN) and OLAF Anti-Fraud Communicators’ Network (OAFCN).

STT was involved in two international development co-operation projects: European Union Twinning Programme Project “Strengthening the System of Supervision of Political Activities and Electoral Campaign Financing” in the Republic of Croatia and monitoring and evaluation activities within the framework of the Istanbul Anti-Corruption Action Plan of the OECD Anti-Corruption Network.

Bilateral co-operation with foreign counterpart institutions was developed by taking part in joint events, conferences, training sessions and seminars as well as by exchanging experience and professional information. STT hosted a visit of the officials from the Corruption Prevention and Combating Bureau of the Republic of Latvia (KNAB) and participated in the annual meeting with the officials from KNAB and Estonian Internal Security Service (KAPO). Also, STT hosted a visit of its counterparts from the Central Anti-Corruption Bureau of the Republic of Poland (CBA) to discuss the issues of corruption prevention, analytical activities, criminal intelligence and international co-operation and participated in the capacity of a partner in the joint European Commission funded project of the STT, KNAB and CBA “Rising of Anti-Corruption Training System” (aimed at training public and private sector representatives in the area of corruption-prevention by arranging training sessions for a total of 4,500 officials and public servants at large and raising public anti-corruption awareness). Last but not least, visits of the STT officials were organised to the development co-operation countries, including Tajikistan, Kosovo and Albania.



In 2014, as in previous years, STT submitted applications for grants under Hercule II Programme 2007-2013 and Hercule III Programme 2014-2020 implemented by the European Anti-Fraud Office (OLAF) of the European Commission. The mission of OLAF is to protect the financial interests of the European Union by investigating fraud, corruption and any other illegal activities.

Within the framework of Hercule II Programme 2007-2013, STT signed the Grant Agreement with OLAF concerning the acquisition of special equipment on 14 December 2013. The action was scheduled for the duration of 12 months (from IV Quarter 2013 through IV Quarter 2014). The total budget of the action accounted for €203,488 with the OLAF contribution amounting to 49.14% of the total eligible costs.

The grant was used to purchase special video and audio recording, transmission and storage equipment for the disclosure and investigation of corruption-related criminal acts.

Hercule III Programme 2014-2020 is also designed to counteract fraud, corruption and any other illegal activity affecting the financial interests of the European Union. The Programmes focuses major attention to co-operation among the competent authorities of the EU member states and envisages providing technical and operational assistance to law enforcement institutions in the EU member states for countering illegal transnational activities and training their personnel.



## LEGAL CONDITIONS FOR OPERATION

In 2014, a number of initiatives were introduced on reforming statutory civil service and civil service at large by making considerable improvements of service conditions for them. Nevertheless, the approval of these drafts would not favour STT in terms of the proposed remuneration, definition of statutory civil servant and constraints on regulating service in STT with special legal acts.

Noteworthy that in 2014, the Parliament registered draft amendments to the Criminal Code that were designed to reduce liability for trading in influence and remove criminal liability of legal persons. If these draft amendments had been approved, they would have had negative impact on the assessment of Lithuania by international organisations such as OECD and GRECO as well as on pre-trial investigations conducted by STT.

Since 2014, quite a few adverse draft legal acts have been proposed regarding the regulation of STT activities; nonetheless there have been positive drafts amendments as well, including:

- amendment to the government resolution pertaining a comprehensive disclosure of causes and conditions for corruption in state and municipal institutions;
- amendments to the Law on Corruption Prevention aimed at a more effective and rationalised vetting mechanism, defining the existing unspecified definitions and making the content of corruption prevention measures, implementing entities and procedures more precise.
- amendments to the parliamentary resolution on the approval of the National Anti-Corruption Programme 2015–2025 focused not barely on the public sector but also, as never before, on the private sector.
- amendments to the Code of Criminal Procedure establishing e-forms of pre-trial investigation cases. E-forms would reduce the time span of pre-trial investigations due to quicker communication among per-trial investigators, prosecutors, pre-trial judges and participants in criminal proceedings and facilitate processing and accounting of procedural documents.
- amendments to legislation aimed at creating a protection system of persons who have reported corruption-related criminal acts.



In 2014, the regulation of administrative procedure was amended and provisions were set down on the protection of personal data of whistle-blowers as well as the effective legal provisions were harmonised and administrative burden of contracting authorities was eased. Rules for Anti-Corruption Assessment of Draft Legal Acts were approved resulting in the establishment of a unified procedure for the anti-corruption assessment of draft legal acts carried out by state and municipal institutions.

In order to simplify and make more flexible the mechanism of remuneration for the provision of valuable information on criminal acts, relieve administrative burden for law enforcement institutions by empowering them to plan funds for remuneration and use them in the most appropriate way, the Government Resolution valid until now was repealed. In the light of the forgoing, STT developed and approved the Description of the Procedure of Remuneration for the Provision of the Special Investigation Service with Valuable Information on Corruption-Related Criminal Acts.

In 2014, STT produced the Recommendations for Developing Corruption Prevention Programmes for State Institutions and Recommendations for Developing Corruption Prevention Programmes for Municipal Institutions.



## AIMS 2015

Having made the analysis of political, economic, social and cultural factors and having taken into account the findings of international surveys, STT, striving to pursue consistent and targeted activities, has set the following priorities for action in 2015–2017 in the field of criminal prosecution for corruption-related criminal acts, corruption prevention and anti-corruption education and awareness raising:

- organisation, conducting, control and supervision of public procurements (where state and municipal budget funds and the European Union funds are used);
- provision, control and monitoring of public and administrative services.

In support of the established priorities, STT will focus its attention to the state's vital energy and infrastructure projects; waste management; building renovation (modernisation); territory planning; sale of land and restitution of property rights; health care and law enforcement.

In 2015, STT is determined to focus on:

- disclosure of complex and systemic corruption-related criminal acts;
- enhancing the appeal of STT enabling it to attract young and promising university graduates;
- in the field of countering petty corruption, effective use of corruption prevention measures and proposals to improve numerous procedures for eliminating causes for corruption.