



ACTIVITY REPORT

of the Special Investigations Service of the Republic of Lithuania for 2010

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A. Jakšto St. 6, 01105 Vilnius
Phone (8 5) 266 3335, fax (8 5) 266 3307
www.stt.lt, e-mail stt@stt.lt

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The Special Investigations Service of the Republic of Lithuania is a state law enforcement agency functioning on the statutory basis, accountable to the President of the Republic and the Seimas, which develops and implements corruption prevention measures, detects and investigates corruption related crimes.

Article 2 of the Law on the Special Investigations Service of the Republic of Lithuania

INTRODUCTION

In Lithuania, similarly to other countries, the following two tools are traditionally used to measure the prevalence of corruption: statistical indicators of crime and results of sociological studies.

STATISTICAL INDICATORS OF CRIME

Statistical indicators of crime serve as a traditional method for the evaluation of the status of crime. Crime statistics show only data on registered crimes; therefore, it is difficult to evaluate changes in the prevalence of corruption only on the basis of them because of especially high latency characteristic to this crime.

In Lithuania, corruption-related criminal acts are detected and investigated by several law enforcement agencies. According to the information of the Information Technology and Communications Department under the Ministry of the Interior, the following corruption-related criminal acts were registered in Lithuania in 2010 (including those registered by the Special Investigations Service):

- 87 cases of bribery¹ (Article 225 and Article 226 of the Criminal Code), i.e. 6 criminal acts, or 6 % less than in 2009;
- 449 cases of graft² (crimes under Article 227 and Article 226, and misdemeanours under Article 223 of the Criminal Code), i.e. 65 criminal acts, or 17 % more than in 2009;
- 384 cases of abuse of office³ (Article 228 of the Criminal Code), i.e. 29 criminal acts, or 7 % less than in 2009.

In 2010 the numbers of persons suspected of the commission of criminal acts (Articles 25, 226, 227, 228, and 229 of the Criminal Code) in Lithuania were as follows:

- 46 persons suspected of bribery (Article 225 of the Criminal Code), i.e. 16 persons, or 53 % more than in 2009;
- 1 person suspected of bribery of an intermediary (Article 226 of the Criminal Code), i.e. 3 persons less than in 2009;
- 400 persons suspected of graft (Article 227 of the Criminal Code), i.e. 58 persons, or 16 % more than in 2009;
- 110 persons suspected of abuse of office (Article 228 of the Criminal Code), i.e. 15 persons, or 16 % more than in 2009;
- 34 persons suspected of failure to perform official duties (Article 229 of the Criminal Code), i.e. 26 persons, or 325 % more than in 2009.

In 2010, 920 corruption-related criminal acts (cases of bribery, graft, or abuse of office) were registered in Lithuania, i.e. 3 % more than in 2009 (890).

In 2010, 591 persons suspected of the commission of corruption-related criminal acts were registered in Lithuania, i.e. 23 % more than in 2009 (479).

¹Access via the Internet:

http://www.vrm.lt/fileadmin/Image_Archive/IRD/Statistika/html_file.phtml?metai=2010&menuo=12&ff=EK-ITI&fnr=61.

²Access via the Internet:

http://www.vrm.lt/fileadmin/Image_Archive/IRD/Statistika/html_file.phtml?metai=2010&menuo=12&ff=EK-ITI&fnr=62;

http://www.vrm.lt/fileadmin/Image_Archive/IRD/Statistika/html_file.phtml?metai=2010&menuo=12&ff=EK-ITI&fnr=85.

³Access via the Internet:

http://www.vrm.lt/fileadmin/Image_Archive/IRD/Statistika/html_file.phtml?metai=2010&menuo=12&ff=EK-ITI&fnr=63.

RESULTS OF SOCIOLOGICAL STUDIES

Sociological studies are often used for the evaluation of the prevalence of corruption. Quite frequently, they disclose only subjective opinion of people on corruption because their experiences, perception, and evaluation of the situation differ. Sociological studies reflect the perception of corruption as a phenomenon and demonstrate the public concern about the problem of corruption and its urgency compared to other social problems.

Every year, the international organisation Transparency International (TI) publishes the Corruption Perceptions Index (CPI), whereby countries of the world are classified according to perceptions as to how wide corruption is spread among public servants and politicians. This study is one of the best-known corruption perception studies in the world and discloses achievements of countries of the world in the control over corruption. The current situation is evaluated using a ten-score scale, where 0 means an absolutely corrupted country and 10 means a highly transparent country. It is considered that countries whose CPI is higher than 5 scores (out of 10 possible scores) encounter severe corruption problems and fail to curb corruption.

In the CPI study 2010, Transparency International assigned 5.0 scores to Lithuania and ranked it 46 among 178 countries. Lithuania's CPI was 4.9 in 2009, 4.6 – in 2008, and 4.8 – in 2007.

In 2010, Lithuania for the first time ranked among countries whose CPI is 5 scores or higher.

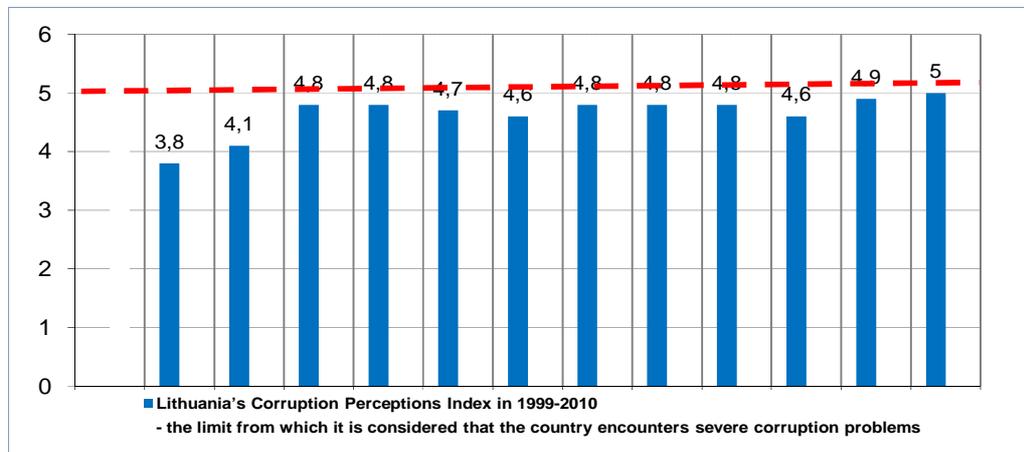


Fig. 1. Lithuania's CPI in 1999–2010

Lithuania was the only country in the group, which also includes the neighbouring Estonia and Latvia whose CPI in 2010 was higher than in 2009. Although Estonia was assigned the highest score in the group, its CPI decreased from 6.6 to 6.5, while that of Latvia dropped from 4.5 to 4.3.

The CPI study 2010 is topped by Denmark (9.3), New Zealand (9.3), and Singapore (9.3), with Afghanistan (1.4), Myanmar (1.4), and Somalia (1.1) closing the list.

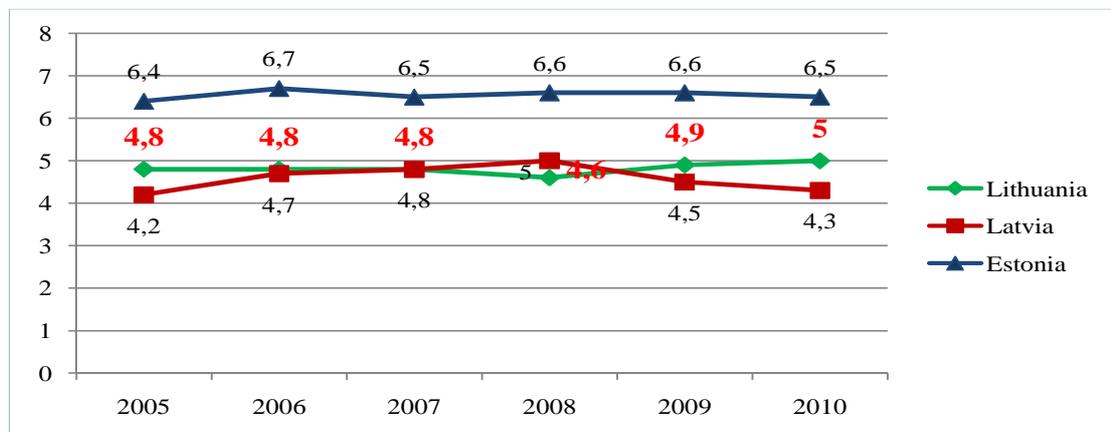


Fig. 2. Lithuania, Latvia, and Estonia's CPI in 2005–2010

The Global Corruption Barometer conducted by Transparency International is the biggest international opinion survey, during which information on the public views and experiences related to corruption is collected. In 2010, the survey of the Barometer involved more than 91 500 people from 86 countries. Owing to this, the Global Corruption Barometer 2010 became the most comprehensive publication since its establishment in 2003. During this survey, public opinions on the level of corruption and governments' efforts in the fight against corruption in different countries are studied and compared. It also includes studies of the frequency of bribery, causes of bribe-paying in the last year, and views on notices of cases of corruption.

The main conclusions of the Global Corruption Barometer 2010 are as follows:

- In the past 3 years, the level of corruption has been increasing in the world.
- Political parties are identified as the most corrupted institutions in the world.
- Experience of minor bribery is wide-spread (at the same level as in 2006).
- Actions of authorities in the fight against corruption are often considered to be ineffective.
- Official institutions do not enjoy much trust in the fight against corruption.
- The public is confident that its role in curbing corruption is significant because it wants to disclose cases of corruption.

Observing common upward trends in corruption levels in the global context, the achievements of Lithuania and, namely, the Special Investigations Service (SIS) of the Republic of Lithuania, in the fight against corruption acquire higher significance because in 2010 Lithuania for the first time ranked among countries whose CPI is 5 scores or higher. In addition, public trust in the Service remains sufficiently high.

TRUST IN THE SIS

Trust in the Service is the main indicator of cooperation between the society and the SIS and the successful guarantee of prevention of corruption-related criminal acts.

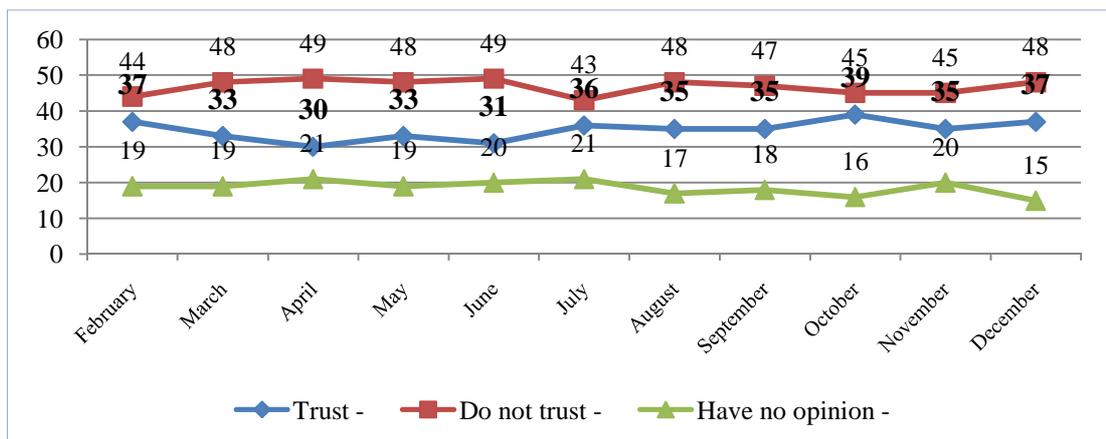


Fig. 3. Trust in the SIS in 2010

According to the data of the public opinion survey, which was carried out by Baltijos Tyrimai, UAB, published in the media in February – December 2010 (the survey was not conducted in January), the numbers of those trusting and non-trusting in the SIS, as well as in other institutions mentioned in the survey, is constantly fluctuating.

Compared to the data of the surveys conducted in 2008 and 2009, the number of respondents trusting in the SIS decreased. The best trust indicator in 2010 was observed in October, when it reached 39 %. The worst indicator, 30 %, was recorded in April, and it was the lowest level since 2008.

Every day, the mass media contains very much negative, pessimistic information about allegedly or actually squandered state funds, non-transparent public procurement cases that affected the interests of both the state and the whole population, unfair acts of public servants and officers, and abuse of office.

The fact that prejudicial investigations and judicial consideration of cases last for a very long time, often several years, has an adverse impact on trust of the society in the SIS. For objective reasons, the amount of information disclosed on the progress of cases as well as on judgements made by courts, especially unappealable ones, is very limited. An impression of unpunishability preconditions a highly

unfavourable background for the fight against corruption in Lithuania, putting into the shade the statistics of cases investigated by the SIS, the number of persons convicted for corruption-related crimes, and improving indicators of international anti-corruption studies.

MISSION, TASKS, AND KEY ACTIVITY LINES



The SIS is one of the component parts of the anti-corruption system of the state.

The task is to protect and defend the person, society, and state against corruption and to exercise prevention and detection of corruption.

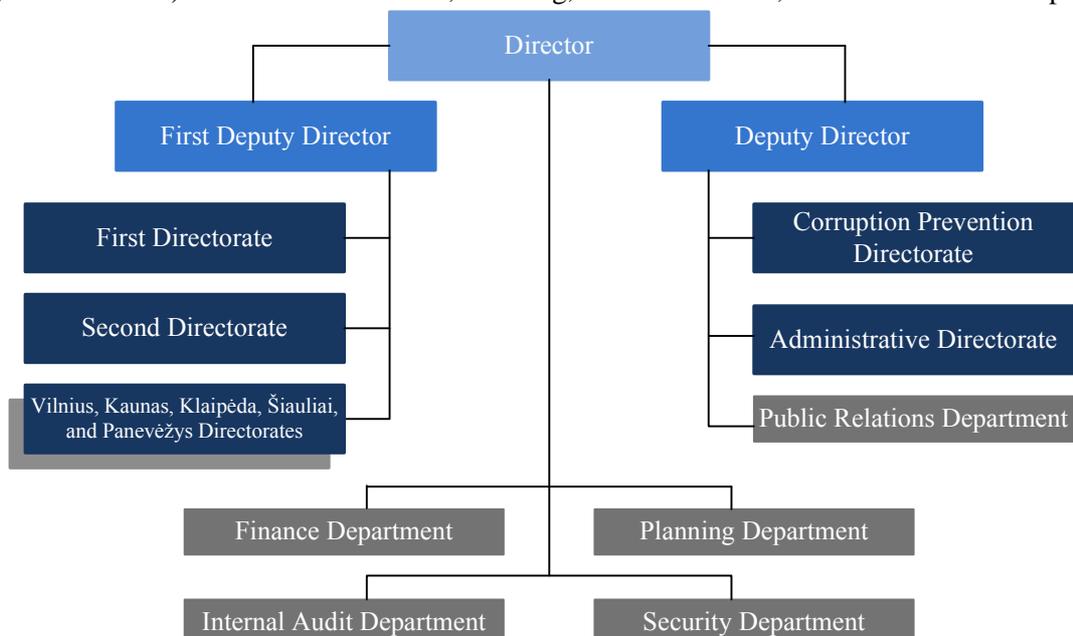
Activity lines. The SIS activities are developed in three mutually complementing lines:

1. Criminal prosecution (the objective is to promptly and comprehensively detect corruption-related criminal acts).
2. Corruption prevention (the objective is to identify and eliminate causes and conditions for the emergence of corruption in cooperation with other institutions in the public and private sectors).
3. Anti-corruption education and awareness raising of the public (the objective is to raise public awareness about corruption).

INTERNAL ADMINISTRATION

STRUCTURE

In 2010, the structure of the SIS comprised the Administrative Directorate, First Directorate, Second Directorate, Corruption Prevention Directorate, 5 area divisions (Vilnius, Kaunas, Klaipėda, Šiauliai, and Panevėžys Directorates) as well as the Finance, Planning, Public Relations, and Internal Audit Departments.



PERSONNEL

As of the end of 2010, the staff of the SIS was formed by 230 officers.

In 2010, 10 officers were recruited, and 17 officers were released from office. The staff decreased by 7 persons in 2010 compared to 2009. The decrease in the number of officers was determined by the fact that high qualification requirements are set for persons seeking service in the SIS. Besides, as a result of amendments introduced to legal acts recently, the salary of the SIS officers decreased most compared to salaries in other law enforcement agencies. Therefore, the attractiveness of the SIS as an employer declined remarkably, and it became more difficult to compete with other state agencies in terms of salaries and working conditions.

Qualifications of officers according to acquired education:

- 5 (2 %) have academic degrees;
- 202 (88 %) have higher university education;
- 16 (7 %) have higher non-university education;
- 7 (3 %) have secondary education.

In order to retain highly-qualified specialists, measures ensuring staff motivation, qualifications improvement and career opportunities, and reinforcing undertakings towards the service are being implemented.

In 2010, 159 officers improved their qualifications, including 16 officers abroad (in 2009, 56 officers improved their qualifications including 12 officers abroad). The total number of hours assigned for qualifications improvement was 9 208 including 6 170 hours (67 %) when officers of the SIS were trained in accordance with the EU project “The Qualification Improvement of the Staff of the Special Investigations Service”.

FINANCING

LTL **17 115 000** of assignments including LTL **16 620 000** for expenses and LTL **495 000** for the acquisition of assets were allocated to the SIS from the Lithuanian state budget in 2010 in accordance with the programme “The Fight against and Prevention of Corruption-Related Crimes and Offences”.

CRIMINAL PROSECUTION

The objective is to quickly and comprehensively detect corruption-related criminal acts.

PREJUDICIAL INVESTIGATIONS

As well as in the previous years, in 2010 the SIS focused most of its attention and resources on criminal prosecution, i.e. detection of corruption-related criminal acts. Although constant irregularity of statistical indicators is inherent in the line of criminal prosecution, it was activity results in those statistical categories, which depend on the performance of the SIS officers, which improved in 2010 most of all. It can be stated that the activities of the SIS in the area of criminal prosecution in 2010 was even more active than a year before. This activeness was possibly caused by the fact that sufficiently big investments were made in the upgrading and development of the infrastructure of the SIS, the material and technical base was renewed, and considerable funds were assigned for the qualifications improvement of the SIS officers during several previous years. Also, preconditions were formed for achieving better results in the area of criminal prosecution despite reduced financing of the SIS.

Identified corruption-related criminal acts. 615 criminal acts were identified in the prejudicial investigation cases investigated by the SIS in 2010 compared to 424 in 2009, i.e. 45 % more criminal acts were identified in 2010.

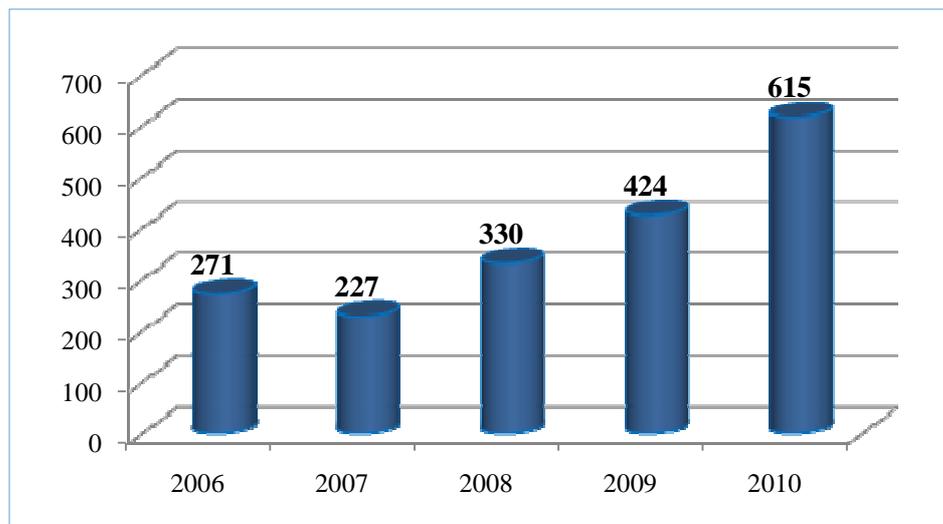


Fig. 4. Criminal acts identified in 2006–2010

In 2010, the following criminal acts were identified in the prejudicial investigation cases investigated (being investigated) by the SIS in accordance with the Criminal Code:

- 113 – concerning bribery (Article 225 of the Criminal Code);
- 8 – concerning bribery of an intermediary (Article 226 of the Criminal Code);
- 129 – concerning graft (Article 227 of the Criminal Code);
- 157 – concerning abuse of office (Article 228 of the Criminal Code);
- 19 – concerning failure to perform official duties (Article 229 of the Criminal Code);
- 189 – concerning other criminal acts.

Cases of abuse of office showed the highest number of offences in this group in 2010 – 157 cases (25.5 % of the identified criminal acts). Besides, 189 criminal acts (30.7 % of all the identified acts) other than

those to be classified under Chapter XXXIII “Crimes and Misdemeanours against Civil Service and Public Interest” of the Criminal Code were identified. Other criminal acts, for example fraudulent management of accounts, swindling, forgery of a document, unauthorised engagement in economic, commercial, financial or professional activities etc are often committed in the course of performing civil service; therefore, the number of cases other than those to be classified under Chapter XXXIII of the Criminal Code is unavoidable.

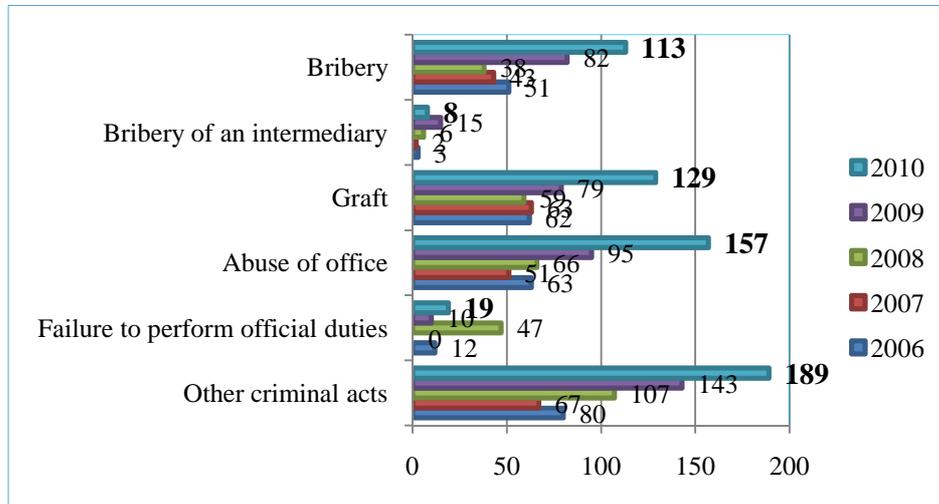


Fig. 5. Criminal acts identified in 2010

Instituted prejudicial investigation cases. In 2010, the SIS instituted 88 prejudicial investigation cases, i.e. the same number as in 2009. Besides, on the basis of materials collected by officers of the SIS in 2010, the prosecutor’s office instituted 5 prejudicial investigation cases.

This indicator reflects a qualitative rather than a quantitative criterion because the scopes of prejudicial investigation cases and their specific costs differ in each particular case. Therefore, when assessing activity results, it is more reasonable to be focused on qualitative rather than quantitative criteria.

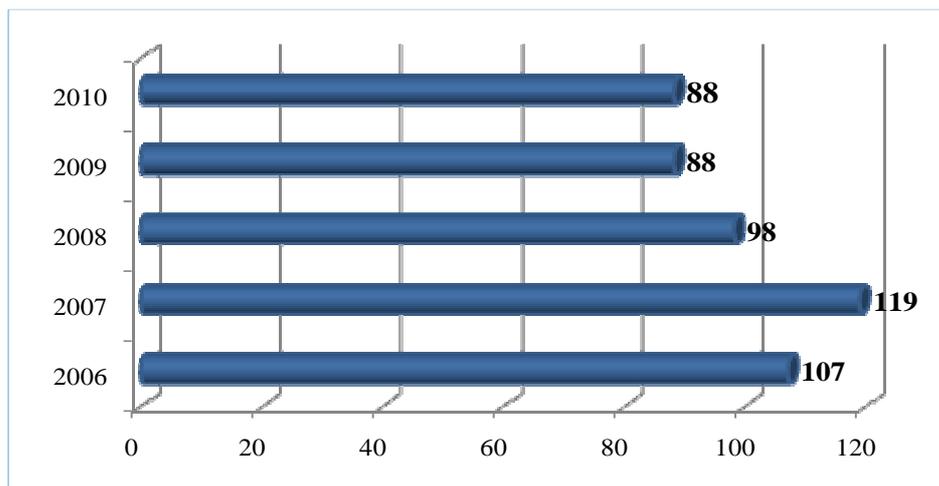


Fig. 6. Prejudicial investigation cases instituted in 2006–2010

Certain high-profile prejudicial investigation cases instituted in 2010, which caused biggest public response, need to be mentioned:

- Bribe-paying to the Deputy Minister of Health.
- Possible bribery, graft, forgery of documents, and possession of a forged document in the course of carrying out public procurement by Vilniaus Vandenyys, UAB.

- Possible bribe-paying to the prosecutor of the Prejudicial Investigation Control Department of the General Prosecutor's Office of the Republic of Lithuania.
- Possible abuse of office in the course of organising the innovation of multi-apartment buildings in Šiauliai District.
- Possible abuse of office, forgery of documents, and squandering of other persons' property of a high value (more than LTL 500 000) by the Mayor of Alytus City.

Although the number of instituted prejudicial investigation cases remained the same as in 2009, there was an increase in the number of cases which were instituted on the basis of identification of elements of a criminal act by officers of the SIS.

Out of the **88** instituted prejudicial investigation cases:

- 29 cases (33 %) were instituted upon receipt of a complaint, statement, or notice regarding a criminal act;
- 59 cases (67 %) were instituted on the basis of identification of elements of a criminal act by officers of the SIS.

In 2010, most of prejudicial investigation cases were instituted on the basis of identification of elements of a criminal act by officers of the SIS. The fact that the number of cases instituted in 2010 upon receipt of a complaint, statement, or notice regarding a criminal act was relatively low does not reflect real activeness of the society non-tolerating manifestations of corruption.

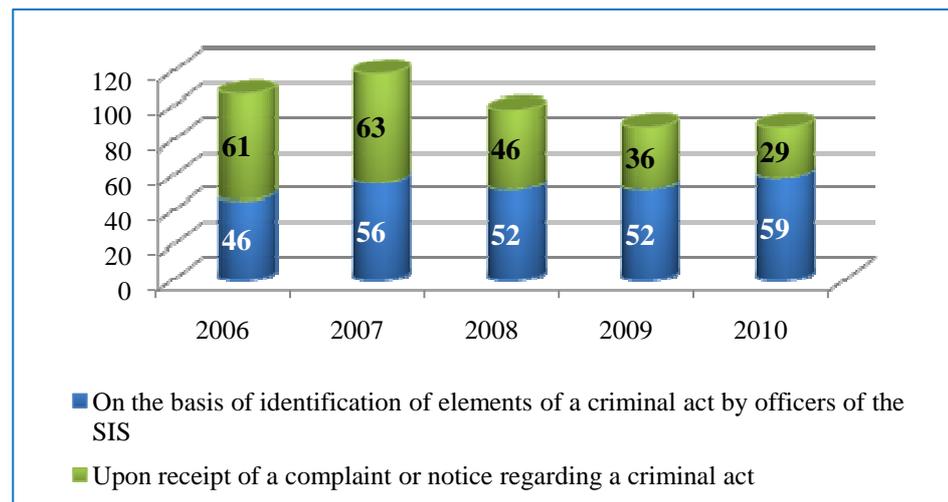


Fig. 7. Prejudicial investigation cases by the information source (%) in 2006–2010

In 2010, **67** decisions to refuse institution of prejudicial investigation were made after checking the information on corruption-related criminal actions provided in statements and complaints of individuals. In 2009, **39** rulings to refuse institution of prejudicial investigation were drawn up, and in 2008 the corresponding number was **43** rulings.

Received prejudicial investigation cases. In 2010, prosecutors of the SIS received **45** prejudicial investigation cases, out of which **5** were instituted **on the basis of materials collected by the SIS**.

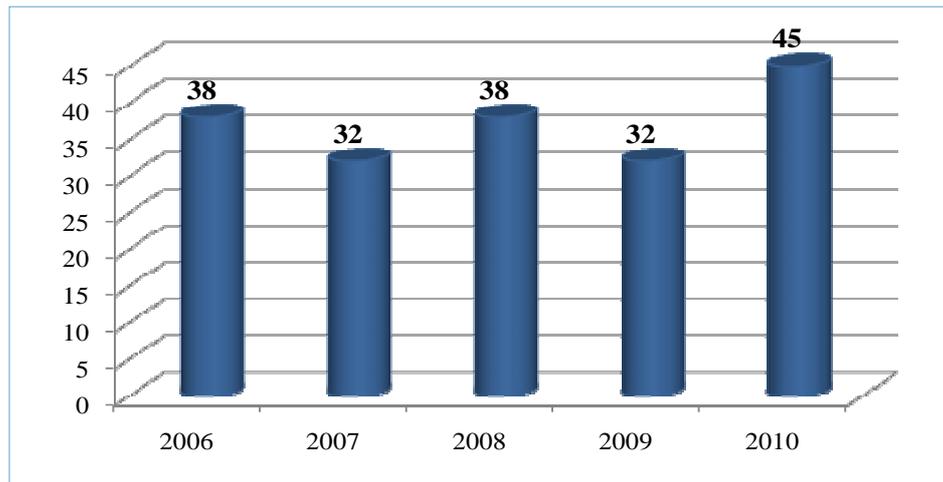


Fig. 8. Prejudicial investigation cases received in 2006–2010

The SIS pays particular attention to cooperation with the Prosecutor's Office, entities of operational activities (exchange of operational information in accordance with the competence of each entity, organising and performing joint operational actions etc), and other governmental institutions of the Republic of Lithuania. In 2010, **18** prejudicial investigation cases were investigated **jointly** with other prejudicial investigation agencies.

3 prejudicial investigation cases were instituted in cooperation with the Division of Organised Crimes and Corruption Investigation of the Prosecutor's Office of the Republic of Lithuania were instituted. Because of the importance and complexity of the investigations, the cases were taken over by the Division of Organised Crimes and Corruption Investigation of the Prosecutor's Office of the Republic of Lithuania, and the investigations are carried out jointly with the SIS.

Some of them can be mentioned:

- Bribery of an intermediary of a Member of the Council of Panevėžys City Municipality.
- Abuse of office and incitement to abuse of office and forgery of documents of a judge of the Panevėžys District Administrative Court.

Declared suspicions. In 2010, the SIS declared suspicions in prejudicial investigation cases to 312 persons including 158 civil servants and officers and 9 representatives of legal persons. In 2009, suspicions were declared to 221 persons including 84 civil servants and officers and 6 representatives of legal persons. In 2010, the number of persons to whom suspicions were declared increased by as much as 41 %.

The increase in the number of identified criminal acts and persons detected as suspected of having committed criminal acts could be influenced by the fact that most of the prejudicial investigation cases were instituted on the basis of identifying elements of a criminal act by officers of the SIS.

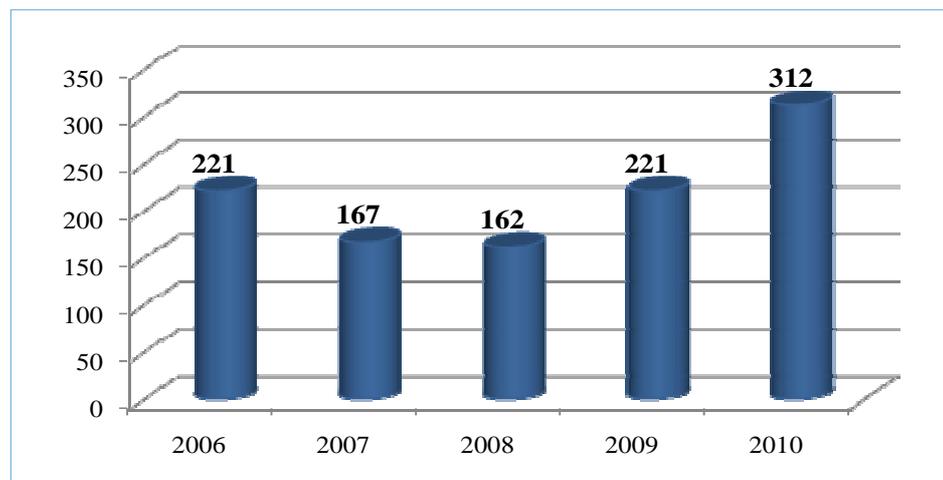


Fig. 9. Persons detected as suspected of having committed criminal acts 2006–2010

Investigations instituted on the initiative of officers of the SIS cover a longer period of time and a bigger number of persons.

Usually, in such prejudicial investigation cases, more criminal acts are identified and more persons are detected as suspected of having committed criminal acts.

When a prejudicial investigation case is instituted on the basis of a complaint or statement filed by a person, the investigation usually covers a particular criminal act commissioned by one person.

Completed prejudicial investigations

Prejudicial investigation cases are to be completed with drawing up an indictment, statement regarding the completion of proceedings by a penal order of court, or statement regarding the consideration of the case in accordance with the accelerated procedure. In 2010, 56 prejudicial investigation cases were completed with drawing up an indictment, statement regarding the completion of proceedings by a penal order of court, or statement regarding the consideration of the case in accordance with the accelerated procedure, including:

- 46 – with drawing up an indictment;
- 2 – by a statement regarding the consideration of the case in accordance with the accelerated procedure;
- 8 – by a statement regarding the completion of proceedings by a penal order of court.

In 2009, 38 prejudicial investigation cases were completed on these grounds. The number of cases completed with drawing up an indictment, statement regarding the completion of proceedings by a penal order of court, or statement regarding the consideration of the case in accordance with the accelerated procedure increased by 47 %.

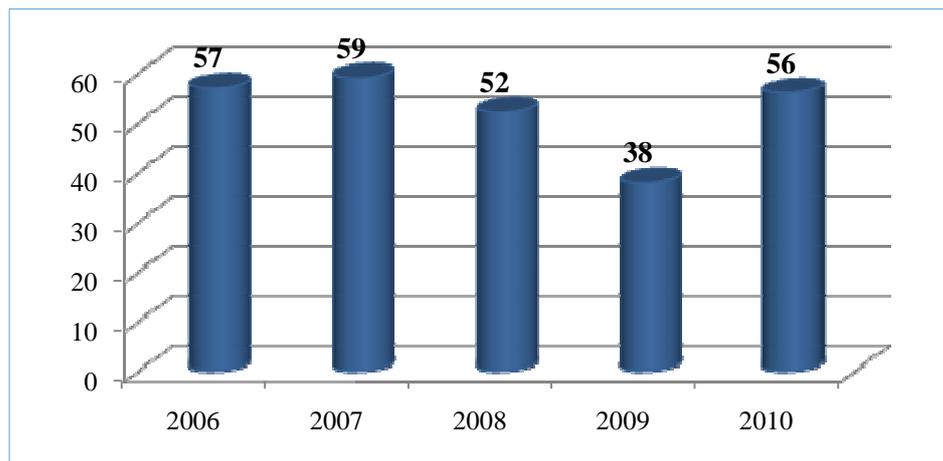


Fig. 10. Prejudicial investigation cases completed with drawing up an indictment, statement regarding the completion of proceedings by a penal order, or statement regarding the consideration of the case in accordance with the accelerated procedure in 2006–201.

The following prejudicial investigation cases handed over in 2010 should be mentioned:

- Regarding the construction of the public toilet within the area of Kaunas Tower. The case consisting of 9 volumes with the indictment was transferred for consideration to Kaunas County Court. It was established during the prejudicial investigation that in the course of the construction of the public toilet within the area of Kaunas Tower, Kaunas City Municipality unlawfully paid more than LTL 527 000 to a private limited liability company. It was also discovered that the construction of that object was unlawful.
- Regarding the crimes committed against civil service by the former Head of the Construction Permits and Codes Department of the Administration of Klaipėda District Municipality. From the beginning of February to the end of June 2009, the official, in his office in Gargždai, encouraged individuals for paying bribes to him and accepted them for the registration of technical projects of various constructions, their consideration by the Permanent Construction Commission, and issuance of construction permits.

- Regarding bribe-paying on a large scale to V. A., a Member of the Council of Kupiškis District Municipality, who acted as a bankruptcy administrator. V. A., as a person held equal to a civil servant, i.e. administrator of enterprises in bankruptcy, promised to the owner of an enterprise to negligently execute bankruptcy administration procedures: to organise the audit of the economic and financial activities of the enterprise in a formal manner and, in case any infringements were detected, not to respond to them appropriately. For such services, bankruptcy administrator V. A. required from the owner of the enterprise a bribe of LTL 60 000. From October 2009 to July 2010, bankruptcy administrator V. A. received from the owner of the enterprise a total of LTL 25 000.
- Regarding abuse of office (in accordance with Article 228 (2) of the Criminal Code) and forgery of a document (in accordance with Article 300 (1) of the Criminal Code) by the former Director of the Territory Planning and Construction State Supervision Department of the Administration of Kaunas County Governor and a civil servant of the Department
- Regarding bribe-paying to the Head of the General Psychiatry Department of Rokiškis Psychiatry Clinic.

Terminated prejudicial investigation cases. In 2010, 78 prejudicial investigation cases were terminated. In 2009, 49 prejudicial investigation cases were terminated, i.e. the number of terminated cases increased by 59 % in 2010.

There were no amendments to legal acts, which would have any impact on the increase in the number of terminated prejudicial investigation cases. Most of the terminated cases had been instituted upon receipt of notices of individuals or institutions regarding allegedly committed crimes, and investigators had no possibility to refuse institution of a prejudicial investigation case without having performed prejudicial investigation actions.

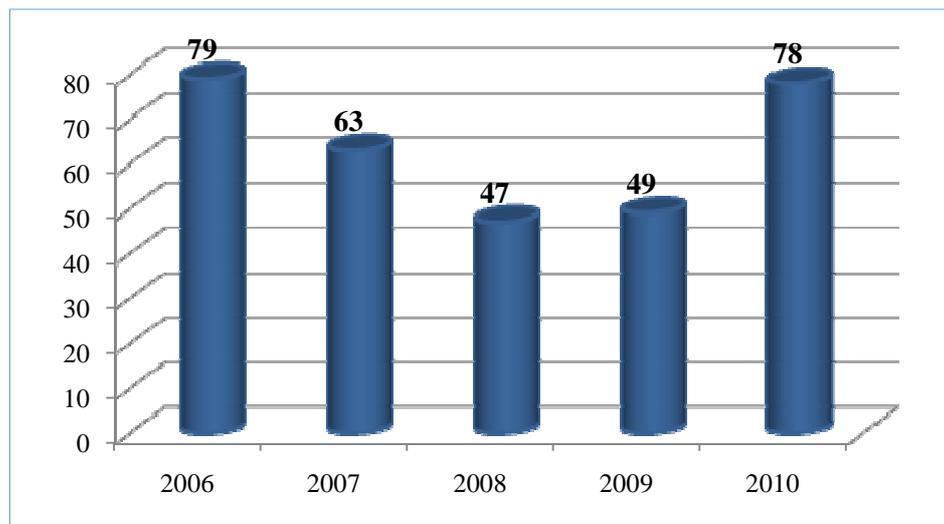


Fig. 11. Prejudicial investigation cases terminated in 2006–2010

Besides, a considerable portion of terminated cases is formed by cases which were received from the prosecutor's office and other prejudicial investigation agencies. For example, 12 (50 %) out of the 24 cases terminated in Vilnius Directorate were received from the prosecutor's office and other prejudicial investigation agencies.

CONVICTED AND ACQUITTED PERSONS

According to the available information, 75 persons were convicted and 7 persons were acquitted in 2010 in criminal cases where prejudicial investigation was performed by the SIS.

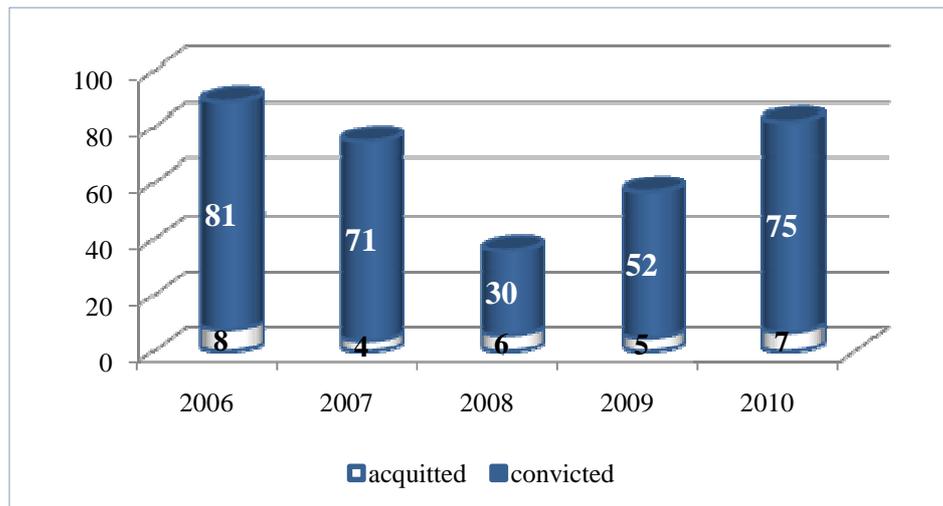


Fig. 12. Persons convicted and acquitted in 2006–2010

It should be noted that this category of data shows the performance of the Service in the area of criminal prosecution for a period several years ago because the period from the institution of prejudicial investigation to the adoption a convicting/acquitting judgement takes quite a long time: the judicial process in courts of all instances lasts one to five years.

Besides, in investigations performed and transferred to court in 2010, there were judgements whereby persons were acknowledged guilty of having committed criminal acts but were released from criminal liability on bail in accordance with Article 40 of the Criminal Code while transferring the offender into the responsibility of a trustworthy person, namely: 2 persons in respect of criminal acts provided for in Article 225 of the Criminal Code; 6 persons in respect of criminal acts provided for in Article 227 of the Criminal Code.

The following cases considered in courts in 2010, under which convicting judgements were made, should be mentioned:

- The judgement of the 3rd District Court of Vilnius City in respect of the former Deputy Minister of Health A. S. The Court imposed punishment in the form of two-year imprisonment with suspension for two years.
- The judgement of Vilnius County Court in respect of the former Deputy Director of the Fire and Rescue Department under the Ministry of the Interior Z. P. He was acknowledged guilty for the crime stipulated in Article 228 (1) of the Criminal Code (abuse of office). The Court imposed on Z. P. punishment in the form of three years of deprivation of the right to engage in civil service.
- The judgement of Kaunas City District Court in the criminal case, under which officers of the State Fire Inspectorate of Kaunas City Fire and Rescue Service of the Fire and Rescue Department under the Ministry of the Interior including Head D. N., Senior Inspector G. M., and Inspector J. A. B. were accused of abuse of office and forgery of documents. D. N. and G. M. were also incriminated graft, and the Head of the State Fire Inspectorate of Panevėžys Fire and Rescue Service J. P. was incriminated bribery and forgery of documents. A legal person, F. K., UAB and its managers B. P. and A. P. were also subjected to criminal liability in respect of graft and forgery of documents.
- The judgement of Vilnius County Court to uphold the ruling of the 3rd District Court of Vilnius City announced on 25 November 2009, whereby the Head of the State Medicines Control Agency A. K.-G. was acknowledged guilty for abuse of office (Article 228 (1, 2) of the Criminal Code) and forgery of a document (Article 300 (1) of the Criminal Code) and was subjected to a penalty of LTL 5 200 and punishment in the form of three years of deprivation of the right to engage in civil service.
- The judgement of the Court of Appeal of Lithuania to uphold the ruling announced by Vilnius County Court on 29 May 2009 in respect of the Senior Prosecutor of the Division of Organised Crimes and Corruption Investigation of the Prosecutor's Office of the Panevėžys County G. M. and businessman D. K.

- The judgement of Panevėžys County Court in respect of the Deputy Director of Rokiškis Primary Personal Healthcare Centre A. G. acknowledging him guilty for bribery and forgery of documents. The Court imposed on him a fine of LTL 5 200, confiscation of property to a value of LTL 10 000, and punishment in the form of three years of deprivation of the right to engage in civil service and work in public institutions related to management of subordinate employees and possession of material values. The judgement may be appealed against in accordance with the procedure of appeal.
- The judgement of Panevėžys County Court in respect of the former Member of the Council of Panevėžys City Municipality and owner of the Holistic Health Clinic G. B. He was acknowledged guilty for bribery of an intermediary. The Court imposed on him three-month imprisonment, with suspension of the punishment for one year, and a penal sanction in the form of payment of 5 minimal living standard amounts (LTL 650) to the fund of the persons who suffered from the crimes. The judgement may be appealed against in accordance with the procedure of appeal.
- The judgement of Šiauliai County Court in respect of the former Members of the Council of Šiauliai City Municipality R. Č and I. S. The politicians were acknowledged guilty for bribery (according to Article 225 (3) of the Criminal Code) and were subjected to punishment in the form of four-year imprisonment.

INVESTIGATION OF COMPLAINTS AND NOTICES OF INDIVIDUALS

In 2010, the SIS received 973 complaints and notices of individuals, including 171 anonymous ones (18 %), on possibly caused infringement of personal rights and lawful interests by actions, failure to act, or administrative decisions of public administration entities. These complaints and notices were considered in accordance with the procedure stipulated by the Law on Public Administration.

Besides, 346 persons addressed the SIS with requests and complaints on the phone in 2010. In all cases, persons were provided with comprehensive information on the phone and, in case there was information related to the competence of the SIS, complaints were accepted.

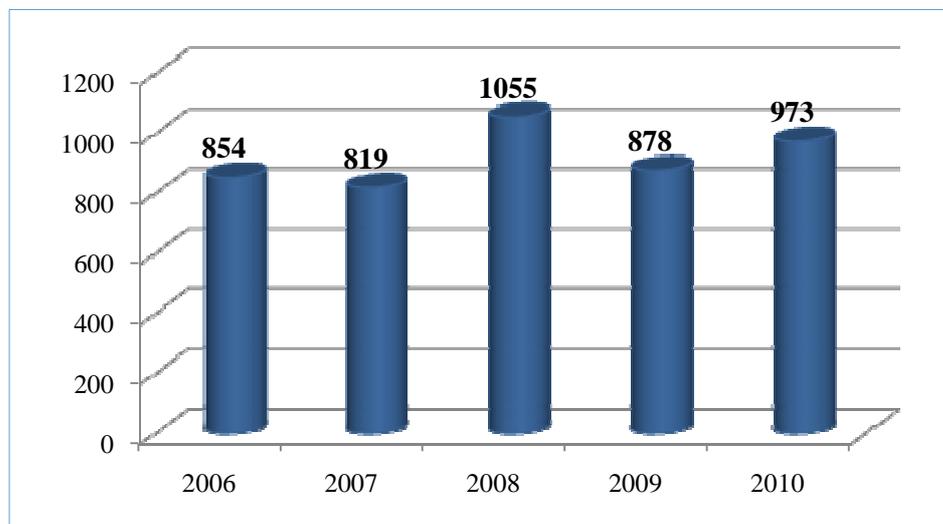


Fig 13. Complaints and notices of individuals received in 2006–2010

In 2010, the number of complaints and notices increased by 11 % compared to 2009.

When addressing the SIS, persons most often complained about county administrations and self-government institutions (29 %), law enforcement and legislative institutions (25 %), utilisation of financial funds, customs authorities, public procurement, and privatisation (12 %).

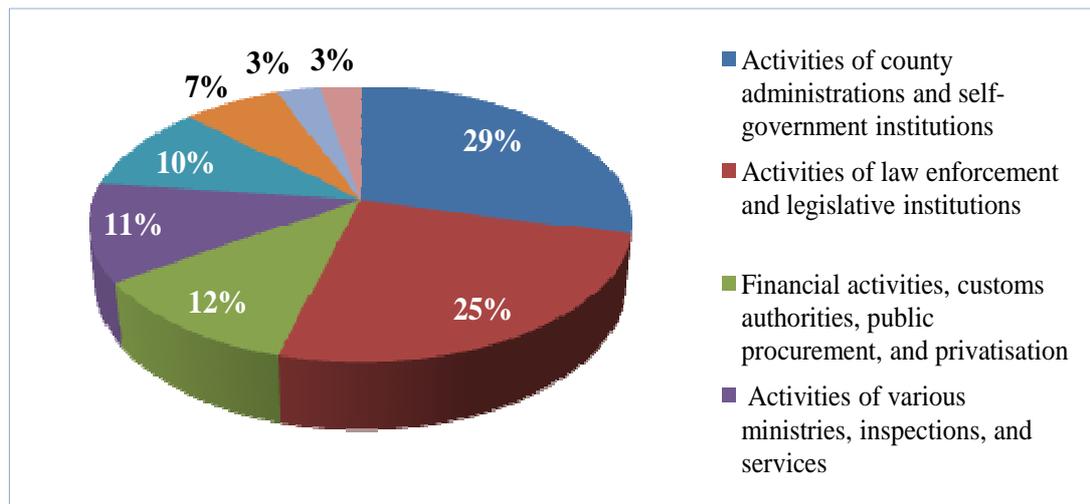


Fig. 14. Institutions which were complained about by individuals most often in 2010

Out of the complaints and notices received in 2010, 707 (73 %) were considered, and administrative decisions were adopted in respect of them, i.e. obligatory actions in the consideration of the personal complaint, notice, or possibly caused infringement of personal rights and lawful interests were performed and a decision was made (a reply to the applicant was prepared) including:

- 185 ones (19 %) were transferred to other institutions in accordance with their competence, i.e. in those cases when the SIS was not authorised to make an administrative procedure decision on the issue set forth in the complaint, the complaint was transferred to the public administration entity that was appropriately authorised;
- on 17 ones (2 %), prejudicial investigation cases were instituted;
- under 16 ones (2 %), cases of office offences were identified;
- under 8 ones (1 %), cases of infringement of public interest were identified;
- under 4 ones (0.4 %), cases of conflict of public and private interests in civil service were identified;
- 1 case of administrative law offence was identified.

The following more complex complaints and notices of individuals considered in 2010 should be mentioned:

- On 17 March 2010, an administrative procedure was instituted in respect of possibly unlawful acts of civil servants of Vilnius Region Environmental Protection Department (hereinafter referred to as VREPD). It was established in the course of the investigation that officers of Vilnius District Agency of VREPD drew up a report on factual circumstances stating that forest was cut barely and litterfall was destructed unlawfully. Pursuant to the Procedure for the Compensation of Damages to the Environment Caused by Unlawful Activities of Natural and Legal Persons in Forests, the amount of damages caused to the environment as a result of unlawfully destroyed litterfall was LTL 1 135 000 (one million, one hundred and thirty-five thousand litas). This calculation was preliminary and covered only the damages as a result of the destruction of litterfall. Later on, it transpired that VREPD filed a claim with court requiring to adjudge LTL 29 493 (twenty-nine thousand, four hundred and ninety-three litas) from the defendant for unlawfully cut trees; however, it did not file any claim regarding compensation of damages for the destruction of litterfall; therefore, the state did not receive compensation amounting to approximately one million litas for the damage caused to the environment. The County Prosecutor's Office of Vilnius District informed the SIS that Prejudicial Investigation No 57-2-034-10 regarding possible abuse of office was instituted on 9 April 2010; therefore, all materials collected by the SIS were forwarded to the County Prosecutor's Office of Vilnius District for attaching to the materials of the prejudicial investigation.
- On 23 November 2010, an administrative procedure was instituted in respect of the circumstances of organising the tender for the lease of Kalvarijų Marketplace. It was established in the course of the

investigation that the Provisions for the Lease of Kalvariju Marketplace approved by Decision No I-1619 of the Council of Vilnius City Municipality dated 30 June 2010 stipulates that “the right of the lease of Kalvariju Marketplace (together with the right to the lease of land) can be mortgaged to credit institutions without separate consent of the Council of the Municipality”. It was established that such provisions of the document approved by the Council of Vilnius City Municipality possibly contradicted the provisions of Article 9 of the Law of the Republic of Lithuania on the Management, Use, and Disposal of Assets of the State and Municipalities. Such regulation of legal relationships would form preconditions for the infringement of public interest. By Decision No 1-1776 of the Council of Vilnius City Municipality dated 24 November 2010, Decision No I-1619 of the Council of Vilnius City Municipality dated 30 June 2010 regarding the approval of the Provisions for the Lease of Kalvariju Marketplace was acknowledged as having ceased to be in force, and the Administration of Vilnius City Municipality was obligated to terminate the procedures of the tender for the lease of Kalvariju Marketplace. Pursuant to the provisions of Article 20 (5) of the Criminal Code stating that the State, a municipality, a state and municipal institution and agency as well as international public organisation shall not be held liable under that Code, no criminal case was instituted in respect of the Decision of the Council of Vilnius City Municipality. The results of the investigation were reported to the representative of the Government of the Republic of Lithuania in Vilnius County and to Vilnius City Municipality on 23 December 2010.

- On 1 October 2010, an administrative procedure was instituted in respect of possibly unlawful actions of Pakruojas District Municipality in the course of carrying out the public tender for the lease of Pakruojas Manson.
- It was established in the course of the investigation that the content of the draft contract for the lease of Pakruojas Manson approved by Decision No T-81 of the Council of Pakruojas District Municipality dated 26 March 2009 and of the Lease Contract signed later on, on 1 April 2009 (with further amendments) fails to comply with the provisions of the Procedure for the Public Tender for the Lease of Pakruojas Manson approved by Decision No T-192 of the Council of Pakruojas District Municipality dated 29 May 2008 and the Terms and Conditions of the Public Tender for the Lease of Pakruojas Manson (with further amendments) approved by Order No A-262 of the Director of the Administration of Pakruojas District Municipality. These inconsistencies narrowed the obligations of the lessee, Pakruojo Parkai, UAB, while the obligations of the lessor, Pakruojas District Municipality, were broadened. It was established that the decisions of Pakruojas District Municipality possibly contradicted the principles stipulated in Article 8¹ of the Law of the Republic of Lithuania on the Management, Use, and Disposal of Assets of the State and Municipalities. Since, pursuant to the provisions of Article 20 (5) of the Criminal Code, the State, a municipality, a state and municipal institution and agency as well as international public organisation shall not be held liable under that Code, no criminal case was instituted in respect of the Decision of Pakruojas District Municipality; however, on 3 December 2010 the General Prosecutor’s Office of the Republic of Lithuania was addressed with a request to resolve the issue whether the concluded transaction (contract) infringed public interest or not.

CORRUPTION PREVENTION

The objective is to detect and eliminate causes and conditions for the emergence of corruption in cooperation with other institutions in the public and private sector.

CORRUPTION RISK ANALYSIS

Pursuant to the provisions of Article 6 of the Law on Prevention of Corruption and Resolution No 1601 of the Government dated 8 October 2002 regarding the approval of the Procedure for the Performance of Corruption Risk Analysis, the state or municipal institutions, upon identifying areas of activities which are particularly prone to corruption, shall provide their conclusions to the SIS which, having evaluated the receive conclusion and other information, shall make a decision on the performance of corruption risk analysis.

In 2010, the SIS received 65 conclusions regarding the risk of corruption which were presented by ministries, municipalities, and other institutions. In 2009, a total of 69 conclusions were received.

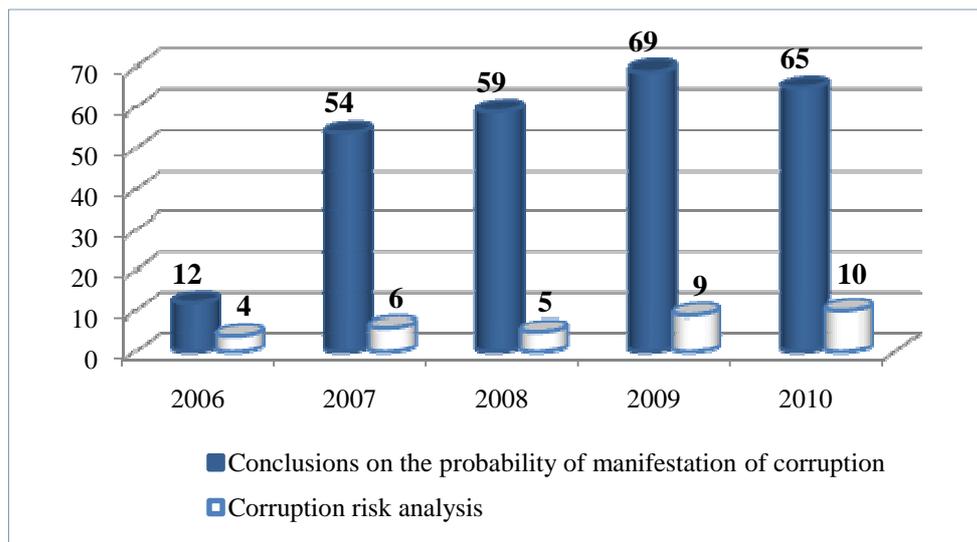


Fig. 15. Conclusions on the probability of manifestation of corruption and corruption risk analyses performed in 2006–2010

It should be noted that not all institutions execute requirements of legal acts and provide their conclusions on areas of activities which are particularly prone to corruption. Four ministries failed to identify the risk of corruption in 2010: the Ministry of Social Security and Labour, the Ministry of Foreign Affairs, the Ministry of Education and Science, and the Ministry of Culture. 11 of 60 municipalities (18 %) failed to provide information on the risk of corruption. It demonstrates that sufficient attention for the execution of this measure is not paid, and preconditions for taking timely appropriate measures for the management of the risk of corruption are not formed.

In 2010, 10 corruption risk analyses were performed:

- in the Ministry of Economy;
- in the State Medicines Control Agency under the Ministry of Health;
- in the Environmental Projects Management Agency of the Ministry of Environment;
- in the Ministry of Education and Science;

- in Alytus District Municipality;
- in Kretinga District Municipality;
- in Mažeikiai District Municipality;
- in Panevėžys City Municipality;
- in Šiauliai City Municipality;
- in Švenčioniai City Municipality.

As a result of the corruption risk analysis performed in the Ministry of Economy, the procedures for the financing and administration of the priorities of the action programmes financed from the structural support of the European Union, which are assigned to the competence of the Ministry, were evaluated in anti-corruption terms. The following recommendations were presented:

- To clarify the regulation of the procedures for the financing and administration of the priorities and measures of the action programmes financed from the structural support of the European Union while harmonising the procedure for the formation of the list of national projects with the provisions of Resolution No 1443 of the Government of the Republic of Lithuania dated 19 December 2007.
- To separate the functions of the Ministry of Economy and the Lithuanian Business Support Agency by organising the selection of projects to be chosen in accordance with the tender procedure.
- To prepare the model provisions of the Work Regulation of the Selection Committee.
- To ensure transparent dissemination of information on the selection of projects.
- To establish quantitative and qualitative criteria for the acceptance of information necessary for making a decision on the financing of the project.
- To establish clear and quantitatively measurable project evaluation criteria in the methodology for the evaluation of eligibility and evaluation of quality and benefit.

The procedures for the certification, candidate selection, salary establishment, coordination, and assignment as well as activity control of bankruptcy and restructuring administrators were also evaluated in anti-corruption terms.

As a result of the corruption risk analysis performed in the State Medicines Control Agency under the Ministry of Health, the procedure for the registration of pharmaceutical products, the procedure for the re-registration of pharmaceutical products, the procedure for parallel imports of pharmaceutical products, and control procedures were evaluated. The following proposals and recommendations were presented:

- To establish clear selection criteria for assessors participating in the procedure for the registration and re-registration of pharmaceutical products.
- To establish clear criteria for the registration of pharmaceutical products and re-registration of pharmaceutical products.
- To bring under regulations the mechanism of formation of the Medicines Registration Board and to establish clear criteria for candidates seeking membership in the Medicines Registration Board.
- To publish decisions related to the registration of pharmaceutical products and re-registration of pharmaceutical products.
- To eliminate any possibility for employees performing the procedure of parallel imports of pharmaceutical products to interpret separate stages of the procedure at their own discretion.
- To establish clear criteria for the evaluation of the activities of the entities being checked.

When performing the corruption risk analysis in the field of the activities of the Environmental Projects Management Agency of the Ministry of Environment (hereinafter referred to as the EPMA), it was evaluated how the EPMA was implementing corruption prevention measures. Besides, anti-corruption analysis of the selection and project administration actions of the EPMA as the institution implementing the evaluation of application for projects financed from the structural support of the European Union for 2007–2013 was performed. As a result of the systematic evaluation of corruption prevention measures performed in the EPMA, it was established that most of the corruption prevention measures were not performed or were performed only partially. It was also established that legal regulation stipulating the actions of the EPMA as the institution implementing the actions for the evaluation of applications, selection and project administration for projects financed from the structural support of the European Union for 2007–2013, forms

preconditions for corruption because it enables employees of the EPMA to make decisions at their own discretion, and some procedures are regulated insufficiently clearly.

As a result of the analysis of the legal regulation of the structural support of the European Union for 2007–2013 in the management field of the Ministry of Education and Science of the Republic of Lithuania (hereinafter referred to as the MES), it was established that the legal regulation stipulating the utilisation of the structural support of the EU for Lithuania for 2007–2013 in the management field of the MES was defective in anti-corruption terms because not all relationships were legally regulated, big possibilities of discretion were left, and control was insufficient. It was also established that the requirements of the legal acts regulating the procedures for the utilisation of the structural support of the EU for Lithuania for 2007–2013 were observed not in all cases.

The corruption risk analysis performed in Švenčioniai District Municipality disclosed that corruption prevention in the institution was performed in a formal manner: insufficient attention was paid to as many as 7 of the 8 measures specified in the Law on Corruption Prevention. Also, systematic breaches were detected in civil service management, when persons convicted for corruption-related criminal acts continued working in civil service and when persons who do not possess a certificate proving relevant qualifications carried out functions for which this requirement was mandatory.

ANTI-CORRUPTION EVALUATION OF LEGAL ACTS AND DRAFT LEGAL ACTS

In 2010, the SIS performed anti-corruption evaluation of 146 legal acts and draft legal acts including 130 laws and 16 law implementing legal acts. On its own initiative, the SIS evaluated 46 legal acts and drafts thereof. In 2009, the SIS performed anti-corruption evaluation of 115 legal acts and draft legal acts including 104 laws and 11 law implementing legal acts. In 2009, the SIS evaluated 17 legal acts and drafts thereof on its own initiative.

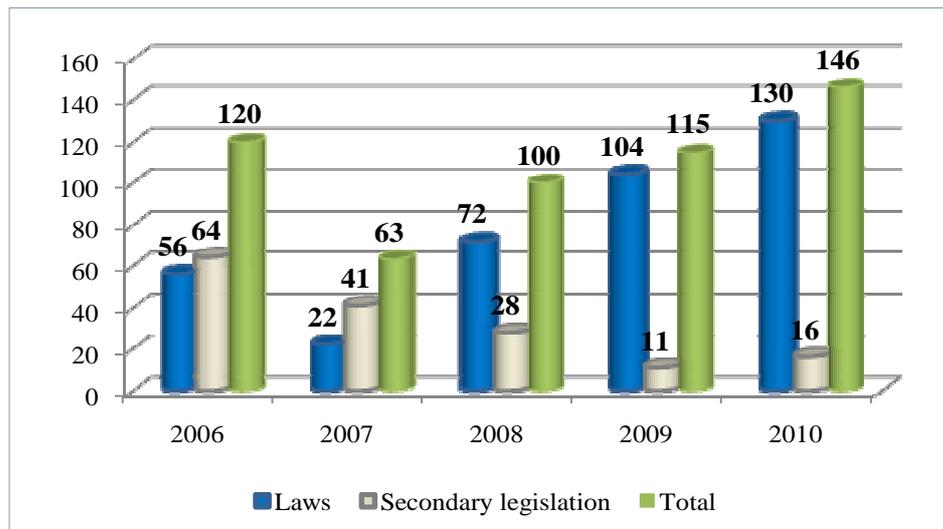


Fig. 16. Legal acts and draft legal acts evaluated in terms of anti-corruption in 2006–2010

In our opinion, the most important legal acts and draft legal acts subjected to anti-corruption evaluation in 2010 are as follows:

Heat sector. In the opinion of the SIS, the pricing mechanism for heat produced from bio-fuel provided for in Law No XI-803 on the amendment of Article 10 of the Law of the Republic of Lithuania on the Heat Sector, which was not signed by the President of the Republic of Lithuania, allows heat producers to gain at the expense of consumers. It was proposed to improve the draft law. The President of the Republic of Lithuania vetoed the Law.

Waste management. As a result of the anti-corruption evaluation of the draft Law No XIP-1036 on the amendment and supplementation of Articles 2, 4, 25, 27, 28, 30, 31, 34, and 35 of the Law of the Republic of Lithuania on Waste Management, it was established that conflict of interests and abuse of administrators of the municipal waste management system may arise because of some provisions of the draft Law, and transparent selection of municipal waste management enterprises would not be ensured. Adoption

of the provisions proposed in the draft Law may result in the formation of conditions for unjustified obligation of owners of immovable property objects to conclude service provision agreements with waste management enterprises irrespective of the fact of waste management and the owner's possibility to utilise waste in the ways allowed by the law, i.e. in agriculture, for energy production or other needs in a manner safe to the environment and human health. In the opinion of officers of the SIS, it is necessary to take into account not only the fact of possession of real property in accordance with the right of ownership, but also the factual circumstances of possession of waste, while the conclusion of contracts for the provision of obligatory municipal waste management services provided for in the draft Law should be based on the fairness of the service provider: the price and quality of services should be objective and be based on the quantities of waste actually transferred by the owners of the real property object to the waste managing entity.

Public procurement. According to Article 10 (5) of the effective Law of the Republic of Lithuania on Public Procurement (Official Gazette (Valsybės Žinios), 1996, No 84-2000; 2010, No 25-1174) (hereinafter referred to as the Law), the requirements of the Law shall not apply if the contracting authority concludes a contract with an entity which receives at least 90 % of its sale income from the activities intended for satisfying the needs of the contracting authority (hereinafter referred to as internal transactions). The Ministry of Economy of the Republic of Lithuania presented draft Law No XIP-2625 on the amendment and supplementation of Articles 2, 4, 6, 8, 9, 10, 18, 19, 20, 21, 22, 23, 24, 25, 27, 33, 37, 38, 40, 41, 56, 57, 71, 73, 81, 82, 83, 85, 86, 91, 92, 94, 95 (1) and 97, the name of Chapter V, Annexes 1, 2, and 4 and the Addendum of the Law of the Republic of Lithuania on Public Procurement (hereinafter referred as the draft Law), whereby it was proposed to cancel the provisions envisaging the exception for internal transactions. The SIS agreed that the aforementioned provisions were defective in anti-corruption terms.

According to the SIS information, internal transactions in municipalities are carried out in a highly non-transparent manner, while the provisions of the effective Law stipulating the exception for the aforementioned transactions fail to ensure their control and form preconditions for non-transparency and corruption. Irrespective of the remarks we presented, the Economics Committee of the Seimas (Parliament) of the Republic of Lithuania presented an alternative draft Law No XIP-2625(3), whereby (without cancelling the defective provisions) it was proposed to supplement the Law with provisions which, as a matter of fact, did not improve the existing situation, i.e. did not ensure the aforementioned control. The Anti-Corruption Commission of the Seimas (Parliament) of the Republic of Lithuania was informed about that fact; however, the Law (No XI-1255) was adopted. In draft Law No XIP-2423 on the amendment and supplementation of Articles 39 and 90 of the Law of the Republic of Lithuania on Public Procurement (hereinafter referred as the draft Law), it was proposed to apply an exception to construction works and to establish for them principles of evaluation other than those for the evaluation of other proposals, i.e. to establish that *construction works shall be purchased from the supplier who proposed an acceptable price lower than the arithmetic average of the prices of all the presented proposals* rather than to apply the evaluation criterion of the lowest price and economic efficiency.

Officers of the SIS stated that the provisions proposed by the draft Law were not in compliance with legal acts of the European Union because the former stipulated only the two aforementioned evaluation criteria. In our opinion, it shall not be ruled out that if the provisions proposed in the draft Law were adopted, favourable conditions for cartel agreements between construction companies would remain (or the number of such cases would increase), and prices of construction work in the public sector would increase unreasonably. Besides, construction companies would be more interested to know the number of enterprises participating in the public procurement procedure (when the number is known, it is easier for agreeing enterprises to calculate the approximate arithmetic average of the price of the public procurement procedure). Due to the aforementioned reasons, the number of cases of corruption would not decrease because enterprises could seek ways to receive, for unlawful remuneration, information they need from contracting authorities, while preconditions for the latter to abuse would be formed. The Seimas (Parliament) of the Republic of Lithuania took into account all the remarks of the SIS and turned down the draft Law.

Lawmaking. Having performed the anti-corruption evaluation of the draft Law No XIP-2111(2) of the Republic of Lithuania on the Grounds of Lawmaking (hereinafter referred to as the draft Law), the SIS expressed its doubts concerning the formation of the new Register of Legal Acts and (in case of adoption of the draft Law) the survival of the right of the society to have gratuitous access to legal acts. The SIS also presented remarks of anti-corruption character including remarks concerning the possibility to form

commissions and working groups for the preparation of draft legal acts, whose members would be remunerated for the aforementioned work (in our opinion, the situation when the chairperson of the commission or head of the working group, who in all cases will be the entity initiating the preparation of the legal act or its authorised state politician, officer, civil servant or employee, will be able to receive remuneration for work in the commission or working group, may form conditions for abuse on the part of entities initiating the preparation of the legal act and encourage them to simulate the need in the preparation of legal acts for remuneration), concerning the vagueness of the mechanism of the selection into the aforementioned commissions and working groups, concerning the separation and binding character of anti-corruption evaluation of legal acts and evaluation of the expected impact of the legal regulation, equal regulation of the particularities of consulting with the public in municipalities etc. Taking into account these remarks of the SIS, the Committee on Legal Affairs of the Seimas (Parliament) of the Republic of Lithuania (the key Committee) presented its proposal to form a working group for the preparation of the aforementioned law and to include an officer of the SIS into that group.

Energy sector. The anti-corruption evaluation of the draft Law No XIP-1749 on Renewable Energy Resources (hereinafter referred to as the draft Law) was performed. In the course of the evaluation, the SIS presented a number of remarks concerning the provisions of the draft Law related to the transparency of the processes of production, disposal, realisation, and promotion of energy from renewable resources, possibilities of abuse and conditions for corruption. The Committees of the Seimas (Parliament) of the Republic of Lithuania took into account most of the remarks when considering the draft Law.

With a view to ensuring more effective anti-corruption evaluation of legal acts and draft legal acts, the SIS signed cooperation agreements with Vilnius University, Šiauliai University, and the Faculty of Law of Mykolas Romeris University. Proposals have been presented to representatives of the Public Institution ESTEP (European Social, Legal, and Economic Projects), who carry out the project “The Assessment of the Impact of Decisions in Lithuania” in accordance with the service agreement with the Board of the Prime Minister of the Republic of Lithuania.

The essence of these proposals is to separate the anti-corruption evaluation of draft legal acts from the assessment of the impact of decisions. In this case, developers of draft legal acts would ensure it more effectively that anti-corruption evaluation in all cases would be performed for draft legal acts under preparation, whereby it is intended to regulate public relationships stipulated in Article 8 of the Law on Corruption Prevention, which would result in improved quality of the preparation of draft legal acts.

NATIONAL ANTI-CORRUPTION PROGRAMME

In the course of the monitoring of the National Anti-Corruption Programme of the Republic of Lithuania approved by Resolution No XI-259 of the Seimas (Parliament) of the Republic of Lithuania (hereinafter referred to as the Programme), the SIS collected and summarised information on the progress of the execution of the Programme in 2009, and presented its conclusion to the Interdepartmental Commission for the Coordination of the Fight against Corruption (hereinafter referred to as the ICCFC) on 17 February 2010.

On 10 August 2010, the ICCFC was provided with the updated conclusion on the implementation of the Programme covering the period of 2009 and the first half of 2010, wherein it was stated that 44 % of the measures of the Programme had been implemented, 30 % of the measures of the Programme had been implemented partially, and 26 % of the measures had not been implemented.

Currently, there remains the problem that the mechanisms for the preparation, implementation, and control of the update of the Programme are ineffective.

It should also be noted that as a result of the approval of the Programme, the functions of the SIS related to the coordination, monitoring, and updating of the Programme (Clauses 51.4, 51.5, 51.6, 52, 54, and 55 of the Programme) were expanded. In order to perform these functions, it had been planned to set up a separate division in the SIS; however, no additional positions were assigned as the country faced a severe economic situation.

SCREENING OF PERSONS SEEKING OR HOLDING POSITIONS AT STATE OR MUNICIPAL INSTITUTIONS

In order to ensure that only persons of high moral standing hold office at a state or municipal institution, and pursuant to the provisions of Article 9 of the Law on Corruption Prevention and the Resolution of the Government of the Republic of Lithuania regarding the procedure for the provision of information on a person seeking or holding a position at a state or municipal institution, in 2010 the SIS received a total of 421 requests for the provision of information on persons. Information on 405 persons seeking or holding positions at a state or municipal institution was provided.

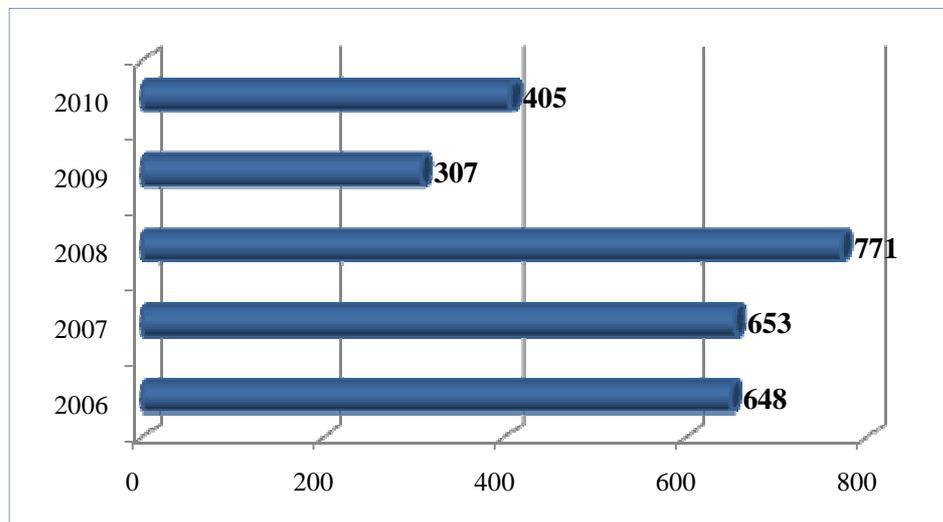


Fig. 17. Persons seeking or holding positions at state or municipal institutions screened in 2006–2010

In 2010, the SIS provided information on persons seeking or holding positions at a state or municipal institution: to the Office of the President of the Republic of Lithuania – 175; the Government of the Republic of Lithuania – 17; the Seimas (Parliament) of the Republic of Lithuania – 1; Ministries and institutions belonging to Ministries – 59; Customs Department under the Ministry of Finance of the Republic of Lithuania – 110; municipalities and institutions belonging to municipalities – 39; State Border Guard Service – 4.

In 2010, no requests for the provision of information on persons were received from the Ministry of Finance, the Ministry of Education and Science, the Ministry of Agriculture, the Ministry of Culture, and the Ministry of National Defence. The Ministry of National Defence and the Ministry of Culture did not submit any requests for information on persons seeking positions of the Deputy Ministers, although the Deputy Minister was replaced after the replacement of the Minister in the Ministry of Culture, and a new Deputy Minister was appointed in the Ministry of National Defence. Pursuant to the laws, a person seeking the position of a deputy minister must be screened in a mandatory manner.

Municipalities and institutions belonging to municipalities submitted to the SIS 37 requests for the screening of persons seeking positions and 2 requests for the screening of persons holding positions. The 2 requests for the screening of persons holding positions were submitted without indicating any information raising substantiated doubts, or the person in respect of whom information was requested was reliable and could hold the position; therefore, no information was provided, and the letters were returned.

ANTI-CORRUPTION PUBLIC EDUCATION AND AWARENESS RAISING

The objective is to form the intolerance of the society towards corruption and to improve trust in the SIS.

ANTI-CORRUPTION EDUCATION OF CIVIL SERVANTS

In order to disseminate relevant anti-corruption information to servants and employees of state and municipal institutions, in 2010 officers of the SIS, at the request of state and municipal institutions as well as on their own initiative, arranged anti-corruption educational seminars and delivered lectures:

- in Ministries and institutions under Ministries – 9;
- in municipalities – 11;
- in police agencies – 28;
- in healthcare institutions – 12;
- in other institutions – 17.

Overall, 77 anti-corruption educational seminars were arranged for servants and employees of state and municipal institutions in 2010. On an average, one lecture was attended by 20-30 persons who were familiarised with anti-corruption information: latest sociological studies on manifestations of corruption, preventive measures of the fight against corruption, issues of legal liability for corruption-related acts etc. In 2010, these lectures were attended by 1 500 to 2 300 civil servants and officers.

ANTI-CORRUPTION EDUCATION IN GENERAL EDUCATION AND HIGHER SCHOOLS

Pursuant to the provisions of the National Anti-Corruption Programme and with a view to implementing anti-corruption educational programmes in general education schools, the SIS actively performed presentations of the anti-corruption education methodical measure “Possibilities of Anti-Corruption Education in General Education Schools” to municipality specialists responsible for education as well as to school principals and teachers in the municipalities of Šiauliai, Palanga City, Šiauliai, Panevėžys, Jonava, Jurbarkas, Kretinga, Šilutė District, Kalvarija, and Kazlų Rūda.

In order to educate the principles of anti-corruption behaviour in pupils, in 2010 officers of the SIS delivered lectures on the topic of the fight against corruption in the following *basic schools*: Dubijos School in Šiauliai and Saulės School in Joniškis; *secondary schools*: V. Kudirka School in Kaunas, Šatrijos Ragana School in Užventis of Kelmė District, Simonas Daukantas School in Papilė of Akmenė District, Sodų School in Mažeikiai, and Šaltinio School in Raseiniai; *grammar schools*: Putinų Grammar School in Alytus, Adolfas Ramanauskas-Vanagas Grammar School in Alytus, Vytautas Didysis Grammar Schools in Trakai, Grammar School of Šiauliai University, Saulėtekis Grammar School in Šiauliai, Julius Janonis Grammar School in Šiauliai, Žagarė Grammar School in Joniškis, L. Ivinskis Grammar School in Rietavas, Žemyna Grammar School in Klaipėda, and L. Rėza Cadet School in Juodkrantė (Neringa).

The SIS contributed to organising the pupils’ legal knowledge contest *Themis* in schools of Panevėžys District and Šiauliai City and Šiauliai County.

The anti-corruption knowledge and creative work contest *Be Fair* was organised for pupils of Kaunas general education schools.

Also, the SIS contributed to arranging the anti-corruption contest of debates between general education schools of Kaunas *Corruption in the Modern Society*. The participants of the contest included teams of 22 general education and grammar schools of Kaunas City.

In order to commemorate the International Anti-Corruption Day, contests of pupil’s anti-corruption essays and posters were initiated in the municipalities of Kaunas City and Panevėžys City as well as of Alytus, Anykščiai, Klaipėda, Tauragė, Trakai, and Šilutė Districts. The traditional pupil’s civil event *We Are against Corruption, We Are for...* was held in Stasys Šalkauskis Grammar School in Šiauliai. Arranged with the assistance of students of Šiauliai University, the event attracted 11 school teams from Šiauliai City.

Various topical lessons, discussions, debates, contests, and performances devoted to the International Anti-Corruption Day were arranged by more than 250 Lithuanian schools.

In higher schools. With a view to educating principles of anti-corruption behaviour and promoting more active interest in problems caused by corruption, the SIS actively cooperated with Lithuanian higher schools. Owing to the efforts of the SIS and heads of higher schools, it was achieved that anti-corruption education is carried out in many Lithuanian higher schools in various forms. Anti-corruption education is integrated into study programmes in 10 of the 15 state-run universities and in 8 of the 15 state-run colleges.

As well as in previous years, students were offered topics for their bachelor and master's graduation theses. Also, officers of the SIS delivered anti-corruption lectures in the Faculty of Law and Faculty of Political Sciences and Diplomacy of Vytautas Didysis University, Kaunas University of Technology, Mykolas Romeris University, Klaipėda University, Faculty of Social Sciences of Šiauliai University, Faculty of Medicine and Social Science of Panevėžys College, and Faculty of Business and Technologies of Panevėžys College.

The SIS also contributed to organising the round-table discussion between students and teachers *Corruption Prevention by Educating the Community* held in Šiauliai University, at which the cooperation agreement between the SIS and Šiauliai University was signed. Another cooperation agreement, which, in addition to other areas, provides for cooperation in the implementation of anti-corruption education projects and initiatives and in preparation and execution of joint scientific studies, was signed with the Faculty of Law of Mykolas Romeris University in 2010.

6 students of Šiauliai University took the combined studies internship in Šiauliai Directorate of the SIS.

PUBLIC AWARENESS RAISING

In 2010, the SIS prepared and initiated 22 anti-corruption publications in the national and regional media. Officers of the SIS participated in more than a dozen of TV and radio programmes devoted to discussing corruption problems.

In 2010, the SIS prepared and distributed 253 media releases on the relevant issues of the fight against corruption.

In 2010, the SIS responded to 44 questions of visitors of the website www.stt.lt (the website of the SIS) submitted in the section *Klausimai (Questions)* <http://www.stt.lt/lt/klausimai/duk/uzduoti-klausima/> about the activities of the SIS as well as provided recommendations as to how behave in cases of suspecting possible cases of corruption or encountering corruption.

Together with the Lithuanian Journalists' Union (LJU) and the National Courier Journalist Association (NCJA), in October – December the SIS organised contest *Mass Media against Corruption 2010* aimed at encouraging representatives of the Lithuanian mass media to take more active interest in the fight against corruption, to analyse and study the phenomenon of corruption, and to form the intolerance of the society towards corrupted civil servants and officers. The winners of the categories of city, district, and regional press were awarded as a part of celebrations of the International Anti-Corruption Day on 9 December 2010.

In July 2010, the SIS carried out a campaign in the public transport of Vilnius: information notices intended for passengers and stating that bribery is a crime, with indication of the phone number of the hot line of the SIS, were posted in 30 Vilnius buses.

The public opinion survey conducted on 12-22 November on the initiative of the SIS revealed that four of ten (38 %) of the respondents were sure or most likely to report about corruption-related crimes known to them (27 % would most likely report and 11 % would definitely report). 44 % of adult residents of the country are not inclined to inform the SIS about corruption-related crimes which have been committed, are being committed, or are intended to be committed (31 % most likely would not report 13 % definitely would not report); therefore, in 2011 the SIS will encourage, in various manners, reporting on corruption and will explain how it can be done. The method of reporting corruption-related criminal acts to the SIS, which is known to the public best of all, is direct addressing officers of the Service by visiting an office of the SIS (this method was indicated by 38 % of the Lithuanian residents covered by the survey). The possibility to submit a notice via the internet site of the SIS is known to one sixth (17 %) of the adult residents of the country (this method was more often mentioned by people under 50 years of age, residents of major cities, and students). The possibility to phone by the round-the-clock functioning hot line number (14 %) or to write an e-mail letter (13 %) is known to a bit more than one tenth of the respondents.

According to the respondents, television is the most important source of information about the SIS – it was quoted by as many as eight of ten (81 %) of the Lithuanian residents covered by the survey. More than one fifth mentioned internet (23 %), radio (23 %), and national newspapers (22 %) among the most important sources of information, while one sixth mentioned district newspapers (17 %).

INTERNATIONAL COOPERATION

The objective is to strengthen cooperation with international institutions and agencies of foreign countries involved in the fight against corruption and to expand exchanges and dissemination of best practices.

The Special Investigations Service carries out international cooperation by participating in the activities of international organisations, cooperating with law enforcement agencies of foreign countries, and implementing cooperation projects financed by the European Union, international organisations, and the Republic of Lithuania.

PARTICIPATION IN THE ACTIVITIES OF INTERNATIONAL ORGANISATIONS

The Special Investigations Service participates in the activities of the European anti-corruption organisations: European Partners against Corruption (EPAC) and European Anti-corruption Contact Network (EACN). The SIS was appointed as a member of the EACN by Resolution No XI-657 of the Seimas (Parliament) of the Republic of Lithuania dated 19 January 2010 (Official Gazette (Valsybės Žinios), 2010, No 9-402). The SIS is a member of the working groups of the aforementioned networks. During the reporting period, the SIS took part in the activities of the Finance and Anti-Corruption Institutions Standards Working Groups.

The SIS took part in the activities of the International Anti-Corruption Summer School (IACSS) and in the opening events of the International Anti-Corruption Academy (IACA). The IACA is the first international organisation designed for the professional training of officers serving in agencies for the fight against corruption and investigation of financial crimes, scientific studies in the area of the fight against corruption, and for exchange of best practices as well as for promoting cooperation between civil servants, academicians, students, private sector specialists and experts all over the globe.

The SIS participates in the activities of the European Council's Group of States against Corruption (GRECO), and in 2010 the Service took part in the 47th and 48th Plenary Meetings of the GRECO. Proposals and remarks regarding the implementation of the recommendations of GRECO Tour III were submitted to the Committee on National Security and Defence and the Committee on Audit of the Seimas (Parliament) of the Republic of Lithuania in the course of the preparation of the draft Resolution of the Seimas (Parliament) regarding the implementation of the recommendations to the Republic of Lithuania presented in the Report of the Group of States against Corruption (GRECO).

The SIS participates in the activities for the implementation of the United Nations Convention against Corruption. Officers of the SIS are members of the working group for the preparation of information in accordance with the United Nations Convention against Corruption (Order No 1R-246 of the Minister of Justice dated 10 November 2010). Jointly with representatives of other related institutions, the SIS prepared a comprehensive primary Lithuania's Self-Assessment Report regarding the implementation of Chapter III 'Criminalisation and Law Enforcement' and Chapter IV 'International Cooperation' of the United Nations Convention against Corruption, which was presented to the United Nations Office on Drugs and Crime (UNODC) in November.

COOPERATION WITH SIMILAR AGENCIES OF FOREIGN COUNTRIES

In 2010, the SIS continued cooperation with the Corruption Prevention and Combating Bureau (KNAB) of the Republic of Latvia. Meetings of the Heads of the SIS and the KNAB as well as of criminal prosecution, criminal intelligence, and operational activity officers for discussing topical issues were held. The SIS participated in the preparation of the joint project of the KNAB, the SIS, and the Anti-Corruption Division of the Swedish General Prosecutor's Office regarding information analysis methods and use of financial information for strategic analysis. Coordination of the draft agreement on renewed cooperation between the SIS and the KNAB continued during the reporting period.

On 9 December 2010, the Director of the SIS took part in the conference devoted to the International Anti-Corruption Day in Warsaw, which was organised by the Central Anticorruption Bureau (CBA) of the Republic of Poland. Cooperation of the two institutions in the fields of corruption prevention and anti-corruption education was discussed at the meeting with Pawel Wojtunik, the Head of the CBA.

Other events

During the reporting period, the Director of the SIS had meetings with the following representatives of foreign countries and international organisations: Huguette Labelle, the Chairperson of the Board of Directors of Transparency International; Anne Derse, the Ambassador of the USA to Lithuania; Paul Vincke, the President of the European Healthcare Fraud and Corruption Network (EHFCN).

Cooperation with the Communication Officer of the Serious Organised Crime Agency (SOCA) of the United Kingdom was carried out in the form of exchange of criminal intelligence information.

A meeting with the Anti-Corruption Department of the Security Service of Ukraine was held at the invitation of that Service. During the meeting, experience in investigation of corruption-related acts and the implementation of international obligations in the area of the fight against corruption was exchanged.

As the receiving institution, the SIS participated in the CEPOL exchange programme (training visits of officers of Turkey and the Member States of the EU).

PARTICIPATION IN DEVELOPING COOPERATION ACTIVITIES

In the pursuance of the strategic lines of Lithuania's European Union Policy for 2008-2013, which are aimed at closer cooperation with the neighbouring countries of the EU, support of European aspirations and integration of these countries, and promotion of the active role of the EU in the strengthening of freedom, security and justice in the neighbouring countries of the EU in the East, the SIS takes part in the developing cooperation activities.

Projects

Since September 2009, the SIS has been implementing the Twinning Project 'Support to the Anti-Corruption Department under the General Prosecutor's Office of the Republic of Azerbaijan' (Project No AZ08/PCA/JH/04-2009/204-728) financed from the European Commission's TACIS Programme. The objective of the project is to contribute to the strengthening of the capacities of the Anti-Corruption Department under the General Prosecutor's Office of the Republic of Azerbaijan (ACD).

In the course of the execution of individual actions under the project, the SIS cooperates with the General Prosecutor's Office of the Republic of Lithuania, the Corruption Prevention and Combating Bureau (KNAB) of the Republic of Latvia, the Austrian Federal Bureau of Anti-Corruption (BAK) as well as law enforcement agencies of Romania, Estonia, and Latvia.

During the reporting period, the execution of the activities provided for in the agreement on the Twinning Project was continued. Besides, three training visits of officers of the ACD including two to Lithuania were arranged during the reporting period.

The implementation of the project will be completed by the end of July 2011.

Other developing cooperation activities

In September 2010, the SIS took part in the meeting of the Anti-Corruption Working Group of the European Union's Eastern Partnership Programme Platform 1, where the Eastern Partnership policy in the area of the fight against corruption and feasibility of the implementation of projects to be executed by Member States of the EU and financed by the European Commission were discussed.

In November-December 2010, work placement of officers of the Centre for Combating Economic Crimes and Corruption (CCECC) of the Republic of Moldova was organised in the SIS in accordance with TAIEX Programme. During the work placement, the officers of the CCECC studied risk identification measures carried out by the SIS including corruption risk analysis and anti-corruption evaluation of legal acts.

In November 2010, a visit of a delegation from Tajikistan to the SIS was arranged on the initiative of the Organisation for Security and Co-operation in Europe (OSCE). During the visit, high-ranked officers of anti-corruption agencies from Tajikistan familiarised themselves with the activities of the SIS and preventive measures implemented by the Service. The OSCE considers Lithuanian anti-corruption practices as a good example of the fight against corruption in the Eastern Europe.

During the reporting period, the SIS continued its participation in the activities of the Anti-Corruption Network of the Organisation for Economic Co-operation and Development (OECD ACN). Two officers of the SIS, in the capacity of experts, participated in the seminar on the issues of corruption-related acts investigation and criminal prosecution organised by the Network and Romanian anti-corruption agencies. Besides, the SIS took part in the meeting of coordinators of the OECD CAN, where possible participation of

Lithuania in the Study of Corruption in the Educational Sector was discussed, and it was proposed that the SIS would arrange an international corruption prevention seminar in March 2011.

During the reporting period, representatives of the SIS participated in good practice dissemination events in the capacity of experts. An officer of the SIS took part in the training event for Armenian civil servants organised by the Armenian Civil Servants Board, the OECD and the European Union's initiative SIGMA, where she delivered a report on Lithuania's experience in the implementation of international anti-corruption standards before and after joining the European Union. Officers of the SIS participated in the international conference devoted to international mechanisms and measures of the fight against corruption, which was organised by the Agency of the Republic of Kazakhstan for Fighting Economic and Corruption Crimes.

PROPOSALS FOR THE UPDATING OF LEGAL REGULATION IN 2011

In order to ensure more effective fight against corruption, in 2010 the SIS prepared and presented the following draft laws:

1. The draft Law on the supplementation of the Criminal Code of the Republic of Lithuania with Article 295¹. The objective of the draft Law is to stipulate adequate sanctions – criminal responsibility by a special norm for a person who, without having appropriate right, dismantled, damaged, destroyed technical equipment used in operational activities or in performing secret preliminary investigation actions, terminated or disturbed otherwise their legal operation forming conditions for performing operational investigation in respect of those acts.

2. The draft Law on the amendment of Articles 224 and 2591 of the Code of Administrative Offences of the Republic of Lithuania and supplementation of the Code with Article 18819. The objective of the draft Law is to stipulate an adequate sanction – administrative responsibility for the infringement of the Law of the Republic of Lithuania on Public Administration and other legal acts regulating the provision of administrative services if that resulted in non-provision of the service timely or in improper provision of the service.

3. The draft Law on the amendment of Article 9 of the Law of the Republic of Lithuania on Operational Activities. The objective of the draft Law is to provide for carrying out operational investigations in respect of criminal acts stipulated in Article 225 (1) and Article 228 (1) of the Criminal Code of the Republic of Lithuania.

4. The draft Law on the amendment and supplementation of Articles 3, 7, 10, 12, and 23 of the Law of the Republic of Lithuania on Operational Activities. The objective of the draft Law is to form possibilities for timely receipt of information on monetary transactions performed by the person committing a criminal act, to identify the proprietary benefit received in a criminal manner, and to take measures for the seizure and confiscation of such benefit in accordance with the procedure stipulated by legal acts.

5. The draft Law on the supplementation of Article 17 of the Law of the Republic of Lithuania on Operational Activities. The objective of the draft Law is to provide for the possibilities to use the information received in the course of operational activities in the investigation of an office (disciplinary) offence or in the judicial proceedings on infringements of the administrative law.

6. The draft Law on the amendment of Article 10 of the Law of the Republic of Lithuania on Operational Activities. The objective of the draft Law is to seek promptness, to properly regulate control over terminal electronic communications equipment, and to ensure more effective control over the legitimacy of actions to be performed by entities of operational activities subject to sanctioning.

7. The draft Law on the amendment of Articles 2, 5, and 9 of the Law of the Republic of Lithuania on Corruption Prevention and supplementation of the Law with Article 9¹. The objective of the draft Law is to improve the legal regulation of one of the corruption prevention measures, i.e. provision of information on a person seeking or holding a position at a state or municipal institution, by defining the content of information to be provided on a person seeking or holding a position at a state or municipal institution, expanding the range of persons in respect of whom the presentation of a request for information shall be obligatory, and specifying and supplementing the procedure for the collection and presentation of information on a person seeking or holding a position at a state or municipal institution.

8. The draft Law No XIP-2562 on the amendment and supplementation of Articles 7, 42, 67, 68, 74, 123¹, 125, 126, 134, 142, 144, 176, 177, 204, 205, 210, 211, 213, 216, 220, 223, 225, 226, 227, 228, 228¹, 229, 230, 253¹, 255, 257, 263, 268, 278, 281, 297, and 308¹ of the Criminal Code of the Republic of Lithuania, supplementation of the Code with Articles 68¹ and 68², and acknowledgement of Articles 44 and 45 of the Code as having ceased to be in force; the draft Law No XIP-2563 on the amendment of Articles 154, 158, 212, 309, 342, 357, and 361 of the Code of Criminal Procedure of the Republic of Lithuania and acknowledgement of Articles 349 and 350 of the Code as having ceased to be in force; the draft Law No XIP-2564 on the amendment of Articles 18 and 183 of the Code of the Execution of Sentences of the Republic of Lithuania and acknowledgement of Chapter VII of the Code as having ceased to be in force; the draft Law No XIP-2565 on the amendment of Article 9 of the Law of the Republic of Lithuania on Operational Activities; the draft Law No XIP-2566 on the amendment of Article 2 of the Law of the Republic of Lithuania on Corruption Prevention and the draft Law No XIP-2567 on the amendment of

Article 2 of the Law of the Republic of Lithuania on the Special Investigations Service; the draft Law No XIP-2568 on the amendment of Articles 35, 207¹⁰, and 207¹² of the Code of Administrative Offences of the Republic of Lithuania. The objective of the draft Laws is to implement the recommendations to the Republic of Lithuania presented in the Report of the European Council's Group of States against Corruption (GRECO).

9. The draft Law on the amendment of Article 2 of the Law of the Republic of Lithuania on the Special Investigations Service and supplementation of the Law with Article 11¹ and the draft Law on the amendment of Articles 8, 11, 13, 32, and 33 of the Statute of the Special Investigations Service of the Republic of Lithuania. The objective of the draft Law is to stipulate office rotation of the First Deputy Director and Deputy Directors of the Special Investigations Service of the Republic of Lithuania as well as of other officers holding high positions at the Special Investigations Service of the Republic of Lithuania (the Heads of Vilnius, Kaunas, Klaipėda, Panevėžys, and Šiauliai Directorates of the Special Investigations Service of the Republic of Lithuania) in order to strengthen management while targeting the activities of the Special Investigations Service of the Republic of Lithuania at better results.

10. The draft Law on the amendment of Article 47 of the Criminal Code of the Republic of Lithuania. The objective of the draft Law is to increase fines for crimes.

11. The draft Law on the amendment and supplementation of Articles 2, 5, 6, and 9 of the Law of the Republic of Lithuania on Individual Property Declaration. The draft Law proposes to expand the list of individuals obliged to declare their property with members of councils and boards of directors, heads of administrations, deputy heads of administrations of credit institutions and their family members; members of councils and boards of directors, heads, their deputies, editors-in-chief, their deputies, editors, their deputies of a public information organiser and/or founder and their family members; persons who at least once, in accordance with the procedure stipulated by laws, acquired the obligation to declare their property. It is proposed to envisage administrative or criminal liability for such individuals in case they avoid submitting declarations, fail to submit declarations in time or completely fail to submit declarations, or indicate information incorrectly.

12. The draft Law on the amendment and supplementation of Articles 4, 9, 11, 13, 15, 16, 16¹, 17, 21, 22, 23, 24, 25, 29, 30, 31¹, 41, 43, 44, 46, and 51 of the Law of the Republic of Lithuania on Civil Service and supplementation of the Law with Articles 3¹, 30¹, and 30². One of the objectives of the draft Law is to regulate the conditions for impeccable reputation of a civil servant and legal consequences in case of loss of impeccable reputation.

13. The draft Law on the amendment and supplementation of Articles 9, 44, and 48 of the Law of the Republic of Lithuania on Civil Service and supplementation of the Law with Article 14¹. The objective of the draft Law is to envisage oath to the Republic of Lithuania for persons seeking a position of a career civil servant.

14. The draft Law on the amendment of the Law of the Republic of Lithuania on Lobbying Activities. The objective of the draft Law is to ensure publicity and transparency of influence on legislative activities and to prevent unlawful lobbying activities. The draft Law regulates contacts of lobbyists and interest groups with state politicians, officers, and servants and regulates lobbying activities and their impact on legislative activities more specifically and comprehensively.

Director

Žimantas Pacevičius