

CORRUPTION is bribery or any other action performed by responsible persons in the public or private sector who violate their duties to gain undue advantage to him or her or to grant it to somebody else.

BRIBERY is giving or offering financial values, property-related or any other benefits, whether personally or via an intermediary, to a person who using his or her official position would perform or fail to perform an action in the interests of the briber.

A bribe may be any financial or other benefit, including:

- money and securities,
- valuable items,
- services.

Gift or bribe?



**Do not hesitate,
report about corruption!**



If a public official requests a bribe or you have information regarding corruption public institutions (including municipalities), report to the Corruption Prevention and Combating Bureau by either means:

- 1 Attending personally on working days from 8:30 to 17:00 (Brīvības Street 104, 2nd building, Riga),
- 2 Calling phone number 67356161 or hotline **80002070**,
- 3 Sending a submission via mail (Brīvības Street 104, 2nd building, Riga, LV-1001) or electronically by completing the online form at www.knab.gov.lv.



BUSINESS INTEGRITY



Fraud and commercial bribery in the private sector should be reported to the State Police by either means:



- 1 Calling toll-free helpline 110 or applying to the closest Police station,
- 2 Informing Economic Crime Combating Administration of the State Police by calling phone number 67208663 or e-mail enap@vp.gov.lv,
- 3 Sending a submission via mail (Čiekurkalna 1st Lane 1, 4th building, Riga, LV-1026) or e-mail (kanc@vp.gov.lv).

Reasonable promotion items

Public, not secret

No actions or lack of actions is expected in return

Infrequent

Compatible with the usual business practice

Financial and non-financial benefits or services

Handed over secretly

In return, certain actions or lack thereof are expected

Pursuant to a request

Given with selfish purposes

Prevention of corruption risks in the company

1. IDENTIFY CORRUPTION RISKS

To avoid that employees act in bad faith while performing their duties, the company must identify corruption risks both in the organization and business environment.

Within the company it is necessary to identify potential **conflict of interests** of the employees, when personal interests of the employee may affect or create an impression that they affect company's interests.

2. DEVELOP AND IMPLEMENT ANTI-CORRUPTION MEASURES



CHECKLIST FOR A responsible EMPLOYEE

- Is the intended activity in the interests of the company?
- Isn't it contrary to public interests?
- Does it comply with company's values?
- Is it lawful?
- Am I liable for the intended activity in this regard?
- Will these activities impeach company's and my own reputation and integrity?
- Am I willing to tell other people about the decision/intended activity?

Mechanisms to prevent corruption risks:

- ethical standards,
- internal control measures,
- promotion of reporting,
- communication and education.

Bribery of foreign officials

The Criminal Law of Latvia provides for a duty to investigate criminal offences committed not only by the citizens of Latvia, non-citizens or foreigners (with a permanent residence permit in Latvia), but also by any other natural person in a foreign country, if such offences, including bribery, are committed in interests of a legal person, even if these actions are not deemed to be unlawful and punishable in the respective country. The Criminal Law of Latvia provides that bribery of foreign officials is punishable with the same sentences which are applied in the cases of Latvian public officials' bribery.



Bribe in Latvia

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Bribe abroad



Latvian official

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Foreign official

WHAT TO DO WHEN A FOREIGN OFFICIAL REQUESTS OR EXTORTS A BRIBE?

- **Do not give** a bribe, thus involving in criminally punishable activities.
- **Remember** the name, position and appearance of the official; record why, when and where the bribe was requested, as well as its potential subject of the bribe.
- **Know** your rights so that you do not become a victim of fraud or extortion; information may also be available at the Latvian embassy or representation.
- Immediately **report** to law enforcement authorities of the respective country or contact the Latvian embassy.

ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD)

"Good Practice Guidance on Internal Controls, Ethics, and Compliance" recommends to the companies implementation of the effective internal controls measures and ethical standards to prevent and identify bribery of foreign officials, including among other things:

- 1) strong, explicit and visible support and commitment from senior management to the company's internal controls, ethics and compliance programmes
- 2) a clearly articulated and visible corporate policy,
- 3) internal controls, ethics, and compliance programs or measures is the duty of individuals at all levels of the company.

More information: www.knab.gov.lv



Liability for corruption-related offences

NATURAL PERSONS

The Criminal Law provides for the following sanctions for bribery of the public official:

- deprivation of liberty for a time period up to 5 years,
- for a bribery on a large scale or if it is done by a group pursuant to the prior agreement – deprivation of liberty for a time period up to 8 years (with possible confiscation of property),
- if it is done by an organized group – from 2 to 10 years (with possible confiscation of property).



LEGAL PERSONS

If a natural person has bribed in **interests or for the benefit of a legal person** (including state or municipality owned companies), **or due to insufficient supervision or controls thereof**, the following coercive measures may be imposed upon the respective legal person:

- restriction of rights, including rights to receive loans for foreign export or to participate in the state or municipal procurement procedures,
- confiscation of property,
- monetary levy up to one hundred thousand minimum monthly wages (up to 37 million euro),
- liquidation.