

Latvia

2015 Country Summary

Recommendations

Latvia's GI ranking in Band B places it in the low risk category for corruption in the defence and security sector. The highest risk areas is Operations, which fell in Band E (very high risk of corruption). The Latvian defence leadership has shown commitment to the anti-corruption agenda through participation in the NATO Building Integrity programme; this has been settled within a country-wide drive to lower corruption risks. The Latvian laws and regulations which could prevent corruption are quite detailed and there is follow-up on implementation. The MOD also appears to carry out annual anti-corruption risk assessments, which is a good practice and should be continued. However, challenges remain in the areas of whistleblower protection; military operations; promotions and appointments; and acquisition planning.

Appointments and Promotions

The 2012 NATO BI Peer Review report endorsed the MOD's diagnosis of corruption risks as personnel-and procurement related, including passive bribery, favouritism in employment, and employees holding additional unauthorised jobs. The Latvian legislation on unauthorised employment and on bribery appears robust, but publicly available regulations are less detailed when it comes to promotions and appointments within the armed forces and to selection and oversight of personnel in sensitive positions. While the MOD appears to have established a Certification Board responsible for verifying candidate qualifications, it is not clear whether the Board is outside the chain of command and whether appointments and promotions are independently scrutinised. Since personnel risks have been prominent in the MOD's anti-corruption risk assessment, we recommend the procedures are reviewed and independent oversight is established.

Whistle-blower Protection

Latvian laws and practices providing protection for whistleblowers are based on general labour laws and specific mechanisms which could facilitate reporting do not appear to be in place. While the MOD has made the Audit and Inspection Department the main contact point for whistleblowers, the Latvia assessor has not been able to find any publicly available information regarding hotlines or other ways of making a report. There is also no publicly available information on whether and how signals are followed or on whether whistleblowers were protected from retribution. We recommend that a robust reporting and follow-up system is put in place as a matter of priority, and that information on reporting and following actions is reported publicly.

Operational Risks

Latvia has no military doctrine which would provide guidance on corruption as a strategic risk on operations; it also does not provide training for commanders on the issue and does not deploy corruption monitors in the field. We accept that Latvian troops are likely to be deployed as part of a larger multinational operation. However, this does not mean that they would not come into contact with corruption issues which can affect mission success, or need to notice and counteract ways in which mission activities could entrench or foster corrupt practices. We recommend that guidance and training for missions is introduced, perhaps in partnership with other NATO countries to share the cost.

Procurement

Latvia's military procurement decisions appear to be derived from a publicly available defence strategy; this is verified through audits and parliamentary activity. Nonetheless, detailed information on all aspects of the acquisition planning process does not appear to be publicly available. We recommend that the MOD builds on the already good practices in this area to ensure that acquisitions planning is robust and publicly accessible.

Scorecard

Political	Defence & Security Policy	Legislative Scrutiny	3
		Defence Committee	3
		Defence Policy Debated	3
		CSO Engagement	3
		International AC Instruments	3
		Public Debate	3
		AC Policy	3
		AC Institutions	3
		Public Trust	3
		Risk Assessments	3
	Defence budgets	Acquisition Planning	2
		Budget Transparency & Detail	3
		Budget Scrutiny	3
		Budget Publicly Available	4
		Defence Income	3
		Internal Audit	2
		External Audit	4
		Other Political Areas	Natural Resources
	Organised Crime Links		4
	Organised Crime Policing		3
Intelligence Services Oversight	3		
Intelligence Services Recruitment	3		
Export Controls	2		
Finance	Asset Disposals	Asset Disposal Controls	3
		Asset Disposal Scrutiny	3
	Secret Budgets	Percentage Secret Spending	0
		Legislative Access to Information	4
		Secret Program Auditing	3

		Off-budget Spending in Law	4
		Off-budget Spending in Practice	
		Information Classification	3
	Links to Business	Mil. Owned Businesses Exist	4
		Mil. Owned Business Scrutiny	
		Unauthorised Private Enterprise	4
Personnel	Leadership	Public Commitment	2
		Measures for Corrupt Personnel	3
		Whistleblowing	1
		Special Attention to Sensitive Personnel	2
	Payroll and Recruitment	Numbers of Personnel Known	4
		Pay Rates Openly Published	3
		Well-established Payment System	4
		Objective Appointments	3
		Objective Promotions	3
	Conscription	Bribery to Avoid Compulsory Conscription	
		Bribery for Preferred Postings	
	Salary Chain	Ghost Soldiers	4
		Chains of Command and Payment	3
	Values, Standards, Other	Code of Conduct Coverage	3
		Code of Conduct Breaches Addressed	3
		AC Training	2
		Prosecution Outcomes Transparent	1
Facilitation Payments		4	
Operations	Controls in the Field	Military Doctrine	1
		Operational Training	1
		AC Monitoring	1
		Controls on Contracting	0
		Private Military Contractors	2
Procurement	Government Policy	Legislation	3
		Transparent Procurement Cycle	1
		Oversight Mechanisms	3
		Purchases Disclosed	3
		Standards Expected of Companies	1
	Capability Gap	Strategy Drives Requirements	4
		Requirements Quantified	4
	Tendering	Open Competition v. Single-Sourcing	3
		Tender Board Controls	4
		Anti-Collusion Controls	3
	Contract Delivery / Support	Procurement Staff Training	2
		Complaint Mechanisms for Firms	4
		Sanctions for Corruption	3
	Offsets	Due Diligence	
		Transparency	
		Competition Regulation	
	Other	Controls of Agents	2
		Transparency of Financing Packages	2
		Subsidiaries / Sub-Contractors	0
		Political Influence	4