

**OPEN-ENDED INTERGOVERNMENTAL WORKING GROUP ON THE  
PREVENTION OF CORRUPTION  
THEMATIC COMPILATION OF RELEVANT INFORMATION SUBMITTED  
BY Lithuania  
Article 8, Paragraph 5  
Asset and Interest Disclosure Systems  
Lithuania (ninth session)**

**Article 8, paragraph 5**

Lithuania's disclosure regime is divided in two components: (1) the disclosure of private interests in accordance to the Law on the Adjustment of Interests (under control of the COEC); and (2) the disclosure of assets and income of individuals in accordance to the *Law on Declaration of Property and Income of Residents*<sup>1</sup> (under control of the State Tax Inspectorate). These two regimes seek to deter conflict of interest and illicit enrichment in the civil service, respectively.

*The Law on the Adjustment of Interests* obliges persons in public service<sup>2</sup> to disclose their private interests. This obligation addressed to healthcare personnel as well as experts and members of public procurement commissions and other persons mentioned in the Article 4 of this Law<sup>3</sup> too.

Each person obliged to submit the Declaration of private interest<sup>4</sup> must disclose information about himself (herself) and his (her) spouse (or cohabitant, partner). The content of the Declaration is stated in the Article 6:

- 1) the name, surname, personal number (ID), number of the social insurance certificate, place of employment (places of employment) and position;

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<sup>1</sup> For more information please see <http://www.vmi.lt/>.

<sup>2</sup> The Law *is applicable to* a very broad list of public servants and other persons working in civil service: politicians; public officers; public servants; judges; military officers; persons working in state or municipal undertakings, budgetary institutions and organizations if they have administrative powers vested in them; persons who are employed at public establishments which are financed from the Lithuanian national or municipal budget or funds and who have administrative powers vested in them; officers of Central bank who have administrative powers vested in them; the heads and deputies, as well as other persons who have administrative powers vested in them, working in joint stock companies or limited liability companies where state or municipality governs more than ½ of voices in general shareholders meeting. See Article 2, paragraph 1, The Law on the Adjustment of Interests.

<sup>3</sup> The Law is available on <http://vtek.lt/index.php/en> (please keep in mind that on 25 May, 2017 some amendments were made to the Law and there is no English version of them still. These amendments will come into force on January 1, 2018 – the list of persons obliged to disclose their interest will be much broader).

<sup>4</sup> It should be stressed that the Declaration of private interests is differ from the Income Declaration and the Property Declaration (these declarations should be filled with the State Tax Inspectorate, not with the COEC).

- 2) a legal person whose participant he/she or his/her spouse (cohabitee, partner) is;
- 3) individual activity as it defined in the Law on Personal Income Tax;
- 4) membership in and position in undertakings, establishments, associations or foundations, except of membership in political parties or trade unions;
- 5) gifts received within last twelve calendar months (except gifts received from close persons), if the value of this gift exceeds 150 euros;
- 6) information about the transactions concluded during the last twelve calendar months or other transaction which is valid, if the value thereof exceeds 3000 euros;
- 7) close persons or other persons or information who/which may cause the conflict of interest.<sup>5</sup>

The Declaration of private interest takes a place in electronic form only.<sup>6</sup> It has to be submitted within *30 calendar days* from the date of being elected, employed or appointed to an office in the civil service. If the data given in the declaration have changed or new circumstances have appeared, the person must revise the declaration within *30 calendar days* from the day of change in the data. But if new circumstances that may rise to a conflict of interest appear, the person must modify the declaration immediately, but not later than within *7 calendar days* after this circumstances came to light. Thus, data on person's private interest should be real almost up-to-date.

It is important to mention that data on private interest of persons employed in the highest positions, such as state politicians, judges, heads and deputy heads of state and municipal institutions, managers of structural divisions, civil servants of political confidence, is public to society and is published on the web site of COEC.<sup>7</sup>

Such publicity, as well as other tools for accountability and promotion of integrity standards (i.e. trainings for civil servants, widespread educational anti-corruption projects, which are becoming more and more popular, respective media campaigns) empowers the engaging of civic society into the safeguarding of public interest. Besides that, it raises awareness of both the society and the public servants, strengthens their consciousness, intolerance to misusing of official powers and helps to rebuild public trust.

### *Statistics.*

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<sup>5</sup> The person concerned shall also give other data or specify other circumstances which, in his opinion, may give rise to a conflict of interest - In 2015 the COEC has created and adopted additional annex to the form of Declaration of private interests – here person employed in public service can disclose his (her) contacts with individual person or legal entity, if these contacts appeared because of person's (employed in public service) official activity and if these contacts can raise suspicions that conflict of interest exists.

<sup>6</sup> Submitted via EDS system which is administrated by STI:

[https://deklaravimas.vmi.lt/lt/Pradinis\\_Prisijungimo\\_puolapis/Prisijungimasperisorininessistemas.aspx](https://deklaravimas.vmi.lt/lt/Pradinis_Prisijungimo_puolapis/Prisijungimasperisorininessistemas.aspx).

<sup>7</sup> <http://www.vtek.lt/paieska/id001/paieska.php>. P.S. Partial data on assets could be published by State Tax Inspectorate in the manner prescribed by the laws.

Under the recent data there are approximately 107 000 persons who has disclosed their interests. They submitted more than 274 000 declarations on private interest (this amount includes primary, renewed and modified declarations). More than 40 000 of them are publicly available.

Here is the rapidly rising dynamics for years 2015 - 2017:

	2015	2016	2017
<b>Amount of submitted Declarations</b>	160 000	230 600	274 134
<b>Number of persons who disclosed their private interests</b>	57 790	72 629	100 400 <sup>8</sup>
<b>Public Declarations</b>	28 700	39 900	40 675

The COEC has made significant progress regarding strengthening of declaration system and making emphasis on corresponding supervision – it has established the Electronic information system of declarations of private interests (this system is called **IDIS**)<sup>9</sup>. The system was created as assisting tool for the heads of institutions, which enables them to review all declarations of persons holding office in the corresponding institution and, accordingly, make related recommendations to a particular person on how he could manage his private interest, etc.

The overall objectives of the system are to reinforce the prevention and detection of situations of non-compliance and of violations of applicable rules, to modernise the administration and operations of the COEC, to reinforce control over the information provided by civil servants and to enhance the conditions that will lead to unbiased and fair decisions by the civil service.

Despite that the disclosure regimes in Lithuania are generally in line with standards of multinational organizations, IDIS system still requires too many operations to be carried in a manual way, and does not automatically identify if some of the information is missing from the disclosure. The IDIS system also does not feature built in safeguards to ensure the accuracy of the information. Thus further improvements in relation with leveraging the use of IT technologies is in consideration.

Currently one of the main goals for the COEC is to design and foster the **Register of Private Interests (PIR)**. This project is organized in a frame of the *National Fight against Corruption Program* and *Interinstitutional action plan to fight corruption*, and granted by European Union. The fostering actions are in process now. It is expected that the PIR will be operating since the end of 2019. This Register will unify data from separate state, municipal registers and data bases and it will strengthen prevention of corruption and management of private interests significantly:

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<sup>8</sup> It is expected that this number is going to grow up regarding to the amendment of the Law on Adjustment of Interests (came in to force on January 1, 2018), under which more persons will be obliged to make disclosure of their private interest (e.g. public procurement experts, members of boards in State and municipal enterprises).

<sup>9</sup> <http://vtek.lt/IDIS/> (available in Lithuanian only).

- Person working in public service will get a user-friendly tool for disclosing his interests: he'll get an automatically pre-generated declaration, thus he wouldn't miss/forget to disclose any mandatory information. As a result, he would better realize his individual risks and be able to avoid conflicts of interest better.
- Control institutions (COEC, heads of respective institutions) will get efficient, faster tool for verifying of disclosed and detecting of not disclosed interests (new register will provide possibility for fast electronic cross-examination of data from distinct registers and databases). Moreover, it would empower them to foresee potential conflict in advance and give respective recommendations aimed to prevent and avoid the conflict.

### **The enforcement mechanism for the conflicts of interest**

Lithuania has established a variety of bodies to investigate misconduct and unethical activity in the public service: the COEC, the Seimas Commission on Ethics and Procedure, permanent ethics commissions of municipal councils and Ethics Commissions within institutions.<sup>10</sup> Each of them operates on their own legal basis. Thus, there are different procedures and different consequences for violators of respective laws.<sup>11</sup>

Legislation regarding conflicts of interest, as it was mentioned previously, provided in the Law on the Adjustment of Interests. The purpose of this law is adjustment of private interests of persons employed in the civil service and public interests of the community, ensuring that holders of public office make decisions solely in terms of the public interests, securing the impartiality of the decisions being taken and preventing the emergence and spread of corruption in the civil service.

The enforcement mechanism for the Law on the Adjustment of Interests is shared between the COEC and the head of the relevant state or municipal bodies.<sup>12</sup>

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<sup>10</sup> The main responsibility for overseeing compliance by MPs with the rules on conflicts of interest and institutional ethics lies with the *Seimas Commission on Ethics and Procedure*, accordingly, in local municipalities – ethics commissions of each municipal council. State or municipal institutions usually have their own permanent or temporal ethics commissions.

<sup>11</sup> Procedures of investigations to be conducted by the COEC are prescribed by the Chapter four, The Law on the COEC; investigations to be conducted by ethics commission of municipal councils are prescribed by the Code of Conduct for State Politicians and the Law on Local Self-Government; procedural rules for investigations conducted in other institutions are prescribed by respective legal acts, e.g. Resolution Nr. 977, June 25, 2002, of the Government of Republic of Lithuania on Procedure For Imposing Disciplinary Sanctions On Civil Servants, etc.

<sup>12</sup> When a person working in public service is suspected in possible conflict of interest the investigation has to be conducted by:

- the head (or body) of respective state or municipal institution on their own initiative; or
- the COEC; or
- the COEC has the right to instruct the head (or body) of a state or municipal institution to conduct internal investigation, make a decision, submit it to the COEC, and, when the COEC disagreeing with the conclusion of the conducted investigation, the COEC may instruct to conduct investigation repeatedly or conduct investigation itself and take its own decision.

In case of violations (e.g. breaches of Code of Ethics) which were made by civil servants the applicable disciplinary sanctions<sup>13</sup> for non-compliance with the obligations vary according to the gravity of the infraction: very serious infractions may be sanctioned with removal from service, while minor infractions will result merely in a warning. After the Civil Service Law (44 article 1 part 15 point) a dismissal from office as a disciplinary sanction may be imposed for official misconduct in office - an outrage of laws, determined the duties of civil servants also the rules of ethics, for example, abuse of office and violation of the requirements of the Law on the Adjustment and Civil Service Law, such conduct related to the responsibilities of the public servants which insults human dignity or discredits the authority of a state or municipal institution or agency, etc.

In accordance to the Law on the Adjustment of Interests there are some possible **consequences if person was recognized as violator:**

- As stated in Article 15, the mentioned Law, public servants and other persons in public service who were recognized as violators for disclosure their private interests, may not be provided with incentives for 1 year from the day when the breach came to light. If such person had breached other obligations or restrictions related with adjustment of interests, he (she) may not be provided with incentives, can't be promoted, appointed or elected to higher position for 1 year (in case of harsh violation – 3 years) from the day when the breach came to light. In case of expiration of official duties on any grounds this person may not be accepted to the public service for three years following the day the violation came to light. It should be stressed that rules of Article 15 (mentioned above) have to be applied in all cases, i.e. to every single person who was recognized as violator of respective Law;
- Person recognized as violator can be sanctioned *disciplinarily* (according to Article 29, the Law on Civil Service, possible consequences are: an admonition; a reprimand; a severe reprimand; dismissal from office) – disciplinary investigation and imposing of disciplinary sanctions depend not on COEC, but on executive officers (the heads of respective institutions). Even though the COEC doesn't have the competence to impose disciplinary sanction, it has the right to propose to the head of the state or municipal body, or the state or municipal institution or body of a higher subordination level to impose disciplinary penalties on the person who has committed the violation of the Law on the Adjustment of Interests or the Law on lobbying activities;
- *Administrative responsibility.* According to the Article 533, Code on administrative offences (which came into force only in January 1, 2017), violation of the Law on the Adjustment of Interests leads to the fine from 140 up to 300 euros (if the offence committed for the first time), from 300 up to 580 euros (if the offence is committed repeatedly). In that case the COEC makes a respective report and imposes sanction by itself.

According to the Article 505, Code on administrative offences, obstruction the activity of COEC (e.g. refusal to submit information necessary for performance of the duties of the COEC, etc.)

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<sup>13</sup> Decisions on disciplinary measures and notices of dismissal may be challenged in administrative courts.

can lead to a fine from 60 up to 600 euros for natural persons, and from 300 up to 1500 for heads of legal persons. In such case COEC has the right to make report of administrative violation and appeal to the administrative court regarding imposition of administrative penalties on the person who has committed the violation.

- The COEC has the right to propose to a collegial state or municipal institution, the head of a state or municipal body or a state or municipal institution or body of a higher subordination level to repeal, suspend or amend the legal acts or decisions and transactions which do not meet the requirements of the Law on the adjustment of public and private interests in the public service or the Law on lobbying activities, or propose to take the measures which would prevent violations of other legal acts in the future;
- There are no *civil* and no *criminal* sanctions for violating the conflict of interest regulations. As well as not reporting known conflict of interest of co-worker or any other person. But the COEC has the right to refer collected material to a pre-trial investigation body or a prosecutor, when the elements of a criminal act have been determined, or propose to the prosecutor to appeal in accordance with the procedure laid down by law to the court regarding defence of the public interest;
- *Political responsibility* deals with politicians and public servants of political confidence mostly. Usually such responsibility related with the loss of impeccable reputation and in that case respective servant has to resign or be removed from the office. There were some situations when ministers resigned because of violation of conflict of interest regulations; or the President of Republic of Lithuania removed the head of state institution from his office because of loss of political trust on respective reason.

Furthermore, *responsibility for politicians'* is stated in the Code of Ethics for State Politicians. In accordance with Article 6, the supervising body for members of Parliament is Commission for Ethics and Procedures of the Seimas; for members of municipal councils – municipal ethics commissions. These commissions shall take one of decisions, stated in Article 9, Code of Conduct for State Politicians:

- certify that a person has violated (or not violated) the provisions of ethical policies (including conflict of interest regulations);
- give recommendation to adjust person's conduct with ethical principles and requirements (including conflict of interest regulations);
- give recommendation to apologize publicly because of non-ethical conduct;
- in case of suspicions in criminal conduct – transfer the information to pre-trial institutions or to prosecutor's office.

#### *Statistics<sup>14</sup>*

Decisions of institutional investigations *conducted by the heads/bodies of state/municipal institutions* (revised by the COEC) and quantity of certified breaches of the Law on adjustment of public and private interests:

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<sup>14</sup> Statistical data provided in the Annual Report of activity of the COEC, 2017:  
<http://www.vtek.lt/index.php/administracine-informacija/metines-veiklos-ataskaitos> (in Lithuanian only).

<b>Year</b>	<b>Revised decisions</b>	<b>Certified violations</b>
<b>2013</b>	42	27
<b>2014</b>	31	20
<b>2015</b>	108	76
<b>2016</b>	115	80
<b>2017</b>	760 <sup>15</sup>	564

Investigations conducted by the COEC:

<b>Year</b>	<b>COEC decisions</b>	<b>Violations certified in COEC decisions</b>
<b>2013</b>	141	53
<b>2014</b>	126	26
<b>2015</b>	69 * <sup>16</sup>	25
<b>2016</b>	82	34
<b>2017</b>	185	139

Overall statistics for the last four years (dealing with conflicts of interest only<sup>17</sup>):

<b>Year</b>	<b>Investigations</b>	<b>Certified violations</b>
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<sup>15</sup> There were 1027 decisions in 2017 and 760 of them have been revised by the COEC till now.

<sup>16</sup> Quantity of investigations conducted by the COEC has decreased and, accordingly, quantity of investigations conducted by respective institution has increased, because the COEC changed its strategy and started to engage state/municipal institutions more often (COEC calls them to conduct investigation themselves) rather than conduct investigations itself.

<sup>17</sup> Even though the heads of state/municipal institutions are obliged to inform the COEC on their investigations and decisions, not all of them fulfil this obligation, so the COEC doesn't have full data on violations. Moreover, the COEC doesn't collect information on sanctions which were imposed on respective violators. This means that the COEC is able to submit fragmental information only.

In accordance to *the Strategic plan of activity for the 2017-2019*, the COEC intends to develop permanent monitoring on enforcement of its decisions and on sanctions imposed on respective violators.

<b>2013</b>	183	80
<b>2014</b>	157	46
<b>2015</b>	177	101
<b>2016</b>	197	114
<b>2017</b>	945	703

Persons in public service violate obligation to avoid conflict of interests (e.g. in 2013 - 32 certified violations, in 2014 – 20 violations) and requirements for self-exclusion (in 2013 – 28 violations, in 2014 – 19 violations) mostly.

*Court proceedings dealing with complaints on decisions of the COEC:*

<b>Year</b>	<b>Number of proceedings</b>
2015	18
2016	26
2017	64

It should be stressed that only few decisions of the COEC were cancelled by the Court in last years.