EXPLANATORY MEMORANDUM TO THE GOVERNMENT OF THE REPUBLIC'S ANTI-CORRUPTION STRATEGY

Contents

PREPARATION AND IMPLEMENTATION OF STRATEGY

The Government of the Republic formed a Ministerial Anti-corruption Committee by Order No. 293-k of 13 May 2003. The members of the Committee are the Minister of Justice, the Minister of Internal Affairs, the Minister of Finance, the Minister of Economic and Communications and the State Secretary. The stated functions of the Committee are to prepare an anti-corruption strategy and to organise its implementation.

On 13 August 2003, the Ministerial Committee approved the detailed platform for the strategy. Taking that platform into account, a group of experts prepared an analysis and proposals for combating corruption and it is these proposals which form the basis for this strategy. The main people involved in preparing those proposals were:

Norman Aas	Public Prosecutor's Office
Margus Kurm	Ministry of Justice
Ene Lehiste	Security Police Board
Janne Mägi	Ministry of Justice
Viire Rannasoo	State Chancellery
Triin Reinsalu	Jaan Tõnisson Institute
Leno Saarniit	University of Tartu
Raivo Sulg	Ministry of Finance
Toomas Johanson	

Preparation of the strategy was co-ordinated by Jüri Raatma Ministry of Justice.

During the preparation phase, meetings were held with the heads and officials of the relevant ministries and with specialists. These meetings also included the meeting of the Ministerial Committee on 17 November 2003.

The Ministerial Committee approved the strategy on 17 December 2003. Once the Government of the Republic has granted its approval, the ministries and authorities designated in the strategy will begin applying the planned measures. The Ministerial Committee, with the Ministry of Justice supporting it, will monitor implementation of the strategy. The Ministerial Committee is to report to the Government of the Republic on its activities and the implementation of the strategy at least once a year.

EXPLANATIONS WITH REGARD TO THE STRATEGIC OBJECTIVES

The objective of the anti-corruption strategy is to limit opportunities for corruption to take place and to increase intolerance of corruption. As the strategy is implemented, the probability will increase that a person who has committed an act of corruption will be punished for it.

To a great extent, corruption depends on the values prevalent in society, particularly amongst officials, and on the possibilities afforded by the structural makeup of various institutions (supervision, openness, etc.). For this reason, the strategy emphasises the need to promote ethical attitudes and to ensure better supervision in order to prevent corruption.

Corruption is a type of criminal offence where the offender is more rational and weighs up the options more than a 'normal' criminal. In comparison with more primitive types of criminal offences, it is also easier to have an effect on corruption using penal powers and judicial proceedings. This is the reason why, in addition to the various preventive measures set out, the strategy also stresses the importance of measures aimed at strengthening proceedings regarding corruption offences.

The number of people who have come across corruption has been chosen as the main yardstick by which the success of the strategy is to be gauged because it provides the most concrete assessment possible, although it cannot be denied that it does also pose problems. One anticipated consequence of strengthening proceedings regarding offences is also that the number of crimes detected will rise.

In the case of assessments relying on perceptions, it should be taken into account that a majority of people in Estonia have not come into direct contact with corruption and so their opinions are based on information obtained from other sources. The general perception of the level of corruption is influenced considerably by its coverage in the media and, paradoxically, also when the government takes steps to introduce tougher measures and stress the importance of the fight against corruption, as a result of which the amount of attention paid to the issue increases. Perceptions of corruption can also be affected negatively by the number of detected corruption offences since an increase in that number can leave the impression that the level of corruption in society is increasing.

It is therefore impossible to assess the success of the anti-corruption strategy in the short or medium term solely on the basis of the corruption perceptions index. It must however be a longer-term objective to improve Estonia's ranking in the index compiled by Transparency International.

1. EXPLANATIONS WITH REGARD TO THE MEASURES AIMED AT PREVENTING CORRUPTION (measures 1-13)

1.1. Clearer regulation of the procedures for public servants to work for other employers and of the restrictions on their activities

Description of the situation

Officials and authorities are not always sufficiently conscious of the existence of actual or potential conflicts of interest or of the need to avoid seemingly creating situations which could lead to doubts arising as to their impartiality or the objectivity of the way matters are dealt with. For example, it is not always realised that offering various benefits and advantages, such as free training (and training trips), as well as participating in promotional events and accepting gifts can be treated as activities involving a risk of corruption and that employment under a civil law contract is also deemed to be business. It is often not considered necessary to provide information in advance about a possible conflict of interest or to withdraw from the decision-making process.

The legislation regulating this particular field is not sufficiently comprehensible and includes contradictions and unsuccessful regulations which cause problems with implementation. Restrictions on the employment and activities of officials are established by both the Public Service Act and the Anti-corruption Act. These Acts partially overlap and partially supplement each other, although the terminology used and the people to whom they apply are different. The terminology used in the Public Service Act is now obsolete and does not correspond to that used in other legislation (such as the Commercial Code, the General Part of the Civil Code Act, the Commercial Associations Act and the Anti-corruption Act). In practice, there have been widely differing interpretations of the definition of 'official position' and this has led to a situation where there is more than one understanding of who is subject to the restrictions and obligations set out in the Anti-corruption Act. It is also unjustified for there to be differences in the restrictions placed on state and local government officials - for some reason, local government officials are not subject to some of the restrictions on activities set out in the Public Service Act.

There is no mechanism to control whether the rules which have been established are being observed. Officials do not always adhere to the requirements set out in the Public Service Act (§§ 72 and 73) and the Anti-corruption Act (§ 19) to apply for permission prior to taking up employment with a second employer or to engaging in business and authorities have not established the procedures for the submission and processing of such applications, for the preservation and publication of information and for inspections. The process of applying for and being granted permission is often limited to just an oral agreement. Permission to engage in business is granted to a person by the person who has the right to appoint him or her to office, whereas permission to work for a second employer is granted by his or her immediate superior. Generally speaking, authorities do not have a reliable overview of whether their officials also work for another employer or engage in business, meaning that they have insufficient information regarding any potential conflicts of interest to help them prevent and identify such conflicts. Information on whether an official works for another employer, is

engaged in business or is a representative of the state, a local government or a legal person in public law in the directing or supervisory body of a company in which the state, the local government or the legal person in public law has a holding is not subject to disclosure.

Planned measures

Description of measure	*Objective*	*Authority responsible*	*Additional expense*	*Term*
1. Clearer regulation of the procedures for public servants to work for other employers and of the restrictions on their activities	Regulation of the restrictions on the work and activities of officials to be clear and to provide heads of authorities and agencies and, where necessary, the public with information regarding any ties which could have an effect on the professional activities of the officials.	Ministry of Justice		2004

More specific measures:

1) The restrictions on the work and activities of officials are to be maintained with regard to working in direct subordination, membership of an organisation which possesses weapons, membership of the directing or supervisory body of a company, engaging in business, working elsewhere and supervisory control.

2) The Acts prescribing these restrictions (the Public Service Act and the Anti-corruption Act) will be brought into conformity with each other and the terminology used will be harmonised (for example, the Public Service Act uses the obsolete Estonian term "*tulundusühendus*" for "commercial association").

3) The people to whom the Anti-corruption Act applies will be more clearly defined, with people deemed to be officials within the meaning of the Act if they:

- take decisions which are binding on other people - this group includes heads of authorities and structural units, officials involved in maintaining order (such as police officers and border guard officials), officials involved in exercising state control and supervision or the collection of taxes (such as traffic, labour, tax, safety, health, veterinary and environmental inspectors, as well as taxation and customs officials), and officials involved in issuing and checking permits and documents (such as officials dealing with issuing activity licences and identity documents);
- are involved in taking decisions on the procurement, administration, privatisation, transfer or grant of use of public or municipal property or on the use of budgetary funds, resources from the EU Structural Funds and foreign aid (such as economic and administrative officials, senior training providers, heads of IT departments, and officials involved in the preparation and execution of public procurements, competitions, projects and contracts or in the decision-making process with regard to benefits and support):
- work with classified documents (see also Annex 1).

4) The restrictions on the work and activities of state officials will also be extended to local government officials.

5) The concept of being engaged in business will be more clearly defined (operation as a sole proprietor, operation on the basis of a civil law contract, and being a partner in a general partnership or a general partner in a limited partnership). The right to be a shareholder in a company will only be restricted in cases where the area of activity of the company coincides with the area in which the official works, where the official is required to exercise control and supervision over his or her own business or where the fact of the official being a shareholder may damage the reputation of the place at which he or she serves. The restriction on the exercise of control and supervision should also be extended to the work and business-related activities of close relatives and close relatives by marriage.

6) The meaning of working for another employer will be more clearly defined - the restriction applies both to working for another employer and to working in another authority and in another position.

7) The procedure for applying for and granting permission to work for another employer or in another position or to engage in business (including operating as a sole proprietor, operating on the basis of a civil law contract) will be clarified in law: the decision on whether to grant permission will be taken by the person who has the right to appoint the official to office and must contain sufficient information for a decision to be taken on whether the area of activity, the nature of the work and the time required for the work are permissible and compatible with the principal job of the official.

8) The Public Service Act will be amended to include a requirement for authorities to publish information on their websites regarding those officials whose declarations of economic interests are subject to disclosure, who also work for other employers or in other positions, who are engaged in business or who belong to the directing body of a company in which the state, a local government or a legal person in public law has a holding. Authorities

1.2. Conduct of self-diagnosis in authorities operating in fields at risk of corruption

Description of the situation

From the point of view of preventing corruption, it is essential to know whether and to what extent a state public servant is prepared to acquire or grant unjustified benefits. The questions of what are the professional ethics of an official and what is permitted and what is not are often unclear and not particularly self-evident. Officials increasingly find themselves with a choice of whether they ought not to do what they are officially permitted to do or whether they may do what they are not officially prohibited from doing.
Self-diagnosis provides the various public sector bodies with the opportunity to ascertain any (potential) risk of corruption and to assess whether and to what extent they themselves are able to prevent corruption.
A good model to follow in applying self-diagnosis is a set of studies carried out in the Netherlands which led to a so-called integrity project being drawn up. This enables an assessment to be made of the risk of corruption in an authority and the extent to which the authority will be able to resist it.
In 2001, officials from the Ministry of Economic Affairs, the Tax Board, the Customs Board, the Security Police Board and the Central Criminal Police took part in training which was led by Dutch officials and aimed at familiarising them with the integrity project. The participants were also provided with the guidelines to the project translated into both English and Estonian.

In 2002, an integrity project was carried out in the Security Police Board under the guidance of the Dutch experts. The result of the project was a thorough overview of the activities which involved a risk of corruption in the various structural units and of the awareness of officials in assessing and preventing corruption. In this way, Estonia already has experience of self-diagnosis.

When conducting self-diagnosis, existing activities which are susceptible to corruption must be determined in order to obtain an overview of the potential risk of corruption. In this process of self-assessment, attention should be focused on the following fields which involve a risk of corruption: the handling of information (including the collection, determination, preservation and communication of information), the use of money (e.g. distribution of budgetary funds, approval of the budgets for competitions, contracts and projects, and determination of specifications and quality requirements), goods and services (e.g. decisions on the purchase of goods and services, asking for price quotes, carrying out inventories of assets), the grant of licences and the implementation of measures (e.g. setting objectives and selecting objects when exercising state supervision, and imposing and cancelling sanctions).

In the second phase of the project, the existing capacity for resistance will be mapped out in order to find out whether any potential risk of corruption is also an actual danger. Mapping out the capacity for resistance will involve assessing the legislation (including internal legal acts) which regulates the activities found during the first phase to involve a risk of corruption. Assessments will also need to be made of staff policy and job descriptions. Both staff policy

and recruitment policy should guarantee that only honest and ethical officials are taken on. Job descriptions should clearly define precise limits to the competence and obligations of officials. By questioning all the staff, the extent to which officials are sensitive to those parts of their job which involve a risk of corruption can be found out.

Above all, self-diagnosis is important in those areas of the public sector where support and benefits are granted, activity licences are issued and state supervision is exercised.

On the basis of the results of the project, the head of an authority will be able to assess whether the anti-corruption measures implemented in the authority are sufficient or whether it is necessary for further measures to be applied.

Planned measures

Description of measure	***Objective***	***Authority responsible***	***Additional expense***	***Term***
2. Conduct of self-diagnosis in authorities operating in fields at risk of corruption (using methods developed in the Netherlands)	To obtain an overview of the risk of corruption in each authority - what is the level of resistance of the authority and what measures has it been necessary to use to prevent corruption at authority level.	Ministry of Justice (co-ordinating role) and other ministries (conduct of diagnosis)		2004-2007
More specific measures: 1) Appointment of a co-ordinator who will adapt the guidelines for self-diagnosis to the circumstances in Estonia, conduct self-diagnosis training and supervise the conduct of self-diagnosis in the authorities which implement the method; 2) Preparation of the guidelines for self-diagnosis and conduct of self-diagnosis training. The integrity project developed in the Netherlands is to be used as a model in the implementation of self-diagnosis; 3) Conduct of self-diagnosis in authorities operating in fields involving a high risk of corruption (see Annex 1). The result of this will be to create additional codes of ethics for groups of officials deemed to be high-risk in terms of corruption.				

1.3. Measures aimed at strengthening the auditing environment in local governments (3 and 4)

Description of the situation

The auditing environment in local governments is inconsistent and weaker than that in state authorities even though both use taxpayers' money. This is clear from the following points:

1) The auditing requirement has not applied constantly in respect of local government reports. A positive development is that, on the basis of the Accounting Act which entered into force at the beginning of 2003, local government reports are subject to auditing under the same conditions as the reports of other accounting entities. This means that an audit conducted by a private auditor is now mandatory in respect of the majority of local government reports.

2) The Local Government Organisation Act prescribes the formation of audit committees consisting of council members. The law establishes extensive competence for audit committees which should ensure that each council has sufficient information regarding the activities of the rural municipality or city government. Unfortunately, this method of auditing is often inadequate for the following reasons:

- local communities are small and therefore have councils which are small in numbers, meaning that it is highly likely that none of the members of the audit committee are sufficiently competent to fulfil the audit function (this would need competence in the fields of contract law, assessment of the expediency of business transactions, financial management, financial accounting, etc.);
- when auditing is planned, the starting point is often political interest in a specific issue rather than an aim of obtaining all possible information about the manner in which the local government runs the community (by complying with the regulations passed by the council).

3) The Local Government Organisation Act does not require there to be an internal auditor or a unit conducting internal audits. Some larger local governments do have internal auditors but for many local governments even employing just one internal auditor would be too expensive, bearing in mind the size of their budgets. It would also be difficult to ensure that the internal auditor is sufficiently independent.

4) The State Audit Office has only had a small roll to play in auditing local governments. During the time when the previous State Audit Office Act was in force and also during the legislative proceedings regarding the new Act which entered into force in 2002, discussions were held as to whether the auditing of local governments by the State Audit Office would be in compliance with the right of local governments to self-regulation. Auditing by the State Audit Office cannot be deemed to be interference in local issues because (as is also the case when auditing state authorities) the State Audit Office does not have the right to issue mandatory orders as the result of an audit. Any suggestions put forward are advisory in nature. Therefore, an audit cannot really be said to restrict the right of local governments to self-regulation.

Planned measures

Description of measure	*Objective*	*Authority responsible*	*Additional expense*	*Term*
3. Clarification of the scope of annual audits in the case of local governments	To strengthen the auditing environment in local governments and thereby also limit opportunities for corruption	Ministry of Finance		2004
The measure aims to clarify the scope of the audits, taking into consideration the specific nature of local government (it would be possible, for example, to include procedures evaluating management and control systems in the audit) - this would be possible to achieve by introducing a standard contract between the local government and the auditor or by making corresponding amendments to the auditing rules.				
4. Granting the State Audit Office the opportunity to audit local governments	To strengthen the auditing environment in local governments and thereby also limit opportunities for corruption	Ministry of Justice, State Audit Office		2005
Auditing by the State Audit Office is not intended to cover all local governments (similarly, not all state authorities are audited by the State Audit Office each year, but rather risk assessment is used to make a selection). The State Audit Office would choose which local governments to audit on the basis of risk assessments carried out and information obtained additionally. This solution would increase the volume of independent information publicly available regarding the use of taxpayers' money. It is probably more practical to strengthen the auditing environment of local governments in this way than by using any of the possible alternatives (such as setting up a separate institution to audit local governments). By using its competence to audit the public sector and its workers who are familiar with such procedures, it would be considerably easier and economical for the State Audit Office to develop and add the function of auditing local governments.				

1.4. Measures related to declaration of economic interests (measures 5-9)

Description of the situation

The obligation of officials to submit a declaration is determined to a certain extent in the Anti-corruption Act. The categories of officials who are required to submit a declaration is also determined to an extent by the head of each authority. In 2003, a little over 30 000 declarations of economic interests were submitted to the various depositaries of declarations and 5699 of these were made public. The Anti-corruption Act treats the declaration of economic interests as one means of combating corruption. According to the Act, the purpose of a declaration of economic interests is to obtain an overview of the economic interests of an official which may promote or cause a conflict of private and public interests, the commitment of an act of corruption or the creation of a relationship involving a risk of corruption.

The way in which the declaration of economic interests is organised was audited by the State Audit Office in 2000[1]. During the course of preparing this strategy in the autumn of 2003, the Ministry of Justice circulated a written questionnaire amongst the depositaries of declarations[2] to obtain information on the way in which work related to the declarations is organised, the efficiency of the declarations, problems which have arisen with them and any relevant suggestions which the depositaries may have.

The objective behind the declaration of economic interests is to prevent corruption by disciplining declarants and enabling public monitoring, although it has not yet proved possible to achieve this objective with any great success. Declarations have not been pivotal in detecting cases of actual corruption. The violations discovered with the help of declarations have mainly been failure to submit a declaration within the set term or incompleteness of the information contained in the declaration. The fact of information being incomplete (e.g. some assets missing) has been discovered by comparing the assets set out in the declaration with the information held in various registers.

Declarations are submitted on paper and their processing (publication and verification) is therefore very labour-intensive. Pursuant to the Anti-corruption Act, declarations are submitted to different depositaries of declarations. The Act also sets out that the verification of declarations is decentralised. If there is a suspicion of corruption, verification of the declaration is initially the task of the relevant depositary. In the majority of the authorities which replied to the questionnaire organised by the Ministry of Justice, the depositaries did this in addition to their principal jobs, e.g. officials working in the field of personnel and staff relations or, in some authorities, internal auditing, or a committee was formed.

The depositaries of declarations consider one of the main problems in performing their tasks to be the lack of a common approach to the verification of declarations. Usually, checks are made that the declarations have actually been completed. The information submitted is checked against the actual situation in half of the authorities which responded to the

[1] Decision of the chief auditor "*Majanduslike huvide deklareerimise tulemuslikkus korruptsiooni ennetamisel Eesti Vabariigis*" [Effectiveness of declaring economic interests in preventing corruption in the Republic of Estonia], www.riigikontroll.ee

[2] Responses to the questionnaire were obtained from five county governments, five ministries, the State Chancellery, ten executive agencies and one city government.

questionnaire. The other authorities either do not check the information at all or do so only if there is a suspicion of corruption.

Most of the depositaries of declarations which responded to the questionnaire do not think that the current procedure for collecting and verifying declarations is an effective way of preventing and detecting corruption. The main cause cited is the limited scope of the information contained in each declaration (e.g. there is no information regarding close relatives and close relatives by marriage, taxable income is divided according to sources of income, attention is focused on the movement of funds rather than the existence of invoices, etc.), as well as various problems with the system (a suspicion of corruption can arise when an official acquires assets which his or her income would not normally enable him or her to do, but the process of proving this on the basis of a declaration is complex).

The measures put forward in the strategy are aimed at achieving the objectives behind the declaration of economic interests more effectively than is currently the case and at creating better conditions for verifying declarations.

Planned measures

Description of measure	***Objective***	***Authority responsible***	***Additional expense***	***Term***
5. Creating the possibility of submitting declarations of economic interests electronically (using the possibilities offered through the e-Tax Board - the electronic service facility of the Tax Board)	To simplify the process of submitting declarations of economic interests. To establish more effective ways of collecting, publishing and verifying declarations.	Ministry of Justice in co-operation with the Ministry of Economic Affairs (the Tax and Customs Board)	500 000 EEK	2006
Explanations: It would be practical to combine the electronic submission of declarations of economic interests with that of income tax returns using the technical resources which have already been put in place for the electronic submission of income tax returns. If the electronic form is to be used, it would also be possible for the declaration to be pre-completed, i.e. information held in various electronic registers would already be included in the declaration. In the future, the declaration obligation should primarily cover information which is not available to the state through the various registers.				
6. Centralisation of the procedure of verifying declarations (following the implementation of e-declarations)	The objective of appointing a central authority to verify declarations is to enhance the checks performed on declarations and to save resources.	Ministry of Justice in co-operation with the Ministry of Internal Affairs		2006

Explanations: The verification of a declaration is a procedure conducted pursuant to the current Anti-corruption Act during the course of which extensive information about a person can be collected. At the same time, verification in the event of a suspicion of corruption is in effect similar to the conduct of investigative action. It is probably impractical for all the current depositaries of declarations to try and develop the necessary competence to fulfil that function as it would be expensive and almost impossible to dovetail it with their other work. Naturally, heads of authorities should retain the option of checking over the declarations submitted by their subordinates.				
7. Preparation and introduction of a common methodology for verifying declarations (following the introduction of e-declarations)	A systematic approach to the verification of declarations, including the comparison and analysis of data from declarations of different years.	The authority to be responsible for verifying declarations of economic interests		2006
Explanations: It would be possible to implement a system of verifying declarations once electronic declarations have been introduced. The comparison of declarations from different years would assist in increasing the substance of verification.				
8. Clarification regarding the officials who are to submit declarations of economic interests and restriction of the obligation to submit a declaration after leaving office.	To make the obligation to submit a declaration of economic interests apply to officials working in fields which are actually susceptible to corruption, not to wider groups of officials as a whole (e.g. all prison officers)	Ministry of Justice		2005
Explanations: The group of people who are currently required to submit a declaration needs amending and clarifying. It would be sensible to limit the group and to focus more attention on people performing tasks involving a substantial risk of corruption (see Annex 1).				
9. Clarification regarding the precise information to be submitted in declarations of economic interests.	Information should be reflected in the declaration of economic interests if it is necessary to use that information to ascertain the economic interests of the official and to enable the extent to which the restrictions on activities and the procedural restrictions are observed to be monitored.	Ministry of Justice		2005
Explanations: The aim is to make the restrictions applicable to officials more compatible with the information which is necessary to enable checks to be made that those restrictions are adhered to.				

1.5. Promoting awareness of corruption as a problem and encouraging ethical conduct (measures 10-13)

Description of the situation

The Estonian public service code of ethics was passed back in 1999 but there are still no real implementation mechanisms in place. The only concrete mechanism is its inclusion in the oath of office; all other cases of its implementation depend on the authorities and officials in question.

It can therefore be said that although the public service code of ethics is a set of principles written down as an ideal which ought to be valid in the Estonian public service, no-one has yet taken any steps towards deciding how this should be done. And so the current situation is characterised by uncertainty: no clarification has been forthcoming as to how the public service could be made more ethical, what top and middle managers in state authorities could do, how to behave in specific circumstances, etc.

As the Estonian public service code of ethics was originally intended to be a document of direction and guidance, use should be made of its rather general nature while specific examples and instructions should also be added. In order for the code of ethics to achieve this objective, it is above all necessary for the question of ethics and corruption to become an integral part of the training for state officials as well as for the code to be adapted according to the specific nature of the work of the state authorities or officials, if need be by compiling additional codes of conduct for groups of officials at greater risk of corruption (see Annex 1).

As a result of the application of these measures, awareness amongst officials of corruption should improve along with their desire to behave correctly and the support framework through which they can acquire help. Corruption is not merely a public sector problem and so effort must be put into raising public awareness and into shaping attitudes of intolerance towards corruption.

Planned measures

Description of measure	*Objective*	*Authority responsible*	*Additional expense*	*Term*
10. Setting up of an Ethics Council at the State Chancellery	The Council will assist in implementing the public service code of ethics, organising ethics training and increasing ethical awareness.	State Chancellery		2006

Explanations The principal functions of the Ethics Council will be as follows: 1. Clarification of the public service code of ethics and methodological support for its implementation; 2. Organisation of ethics training and preparation of training material; 3. Collection and publication of cases founded primarily on Estonian but also international public service; 4. Raising awareness of ethics and corruption; The Ethics Council will co-operate closely with universities and the state authorities and its most important partners will be the Legal Chancellor and the State Audit Office, where a great deal information is gathered on problem areas in the public service.				
11. Integration of ethics training into training programmes for officials	The aim of ethics training is to strengthen the application of the principles of integrity, conscientiousness, economy and effectiveness in the public sector and to implement ethical principles in practice. To involve local governments in ethical training, including in familiarisation training for officials.	State Chancellery, ministries, county governments and other state authorities. (The Ethics Council)		2005

Explanations

The primary roll of ethics training ought to be to advocate those values which are essential to the public service in Estonia and to create the necessary conditions for ethical behaviour. Ethics training need not necessarily be organised separately from other training (although this is to be recommended for those groups of officials who are likely to have the greatest exposure to corruption) - the situation would also be helped by including ethical issues as one block amongst other training.

Indicators:
1. the existence of a study programme and study materials for the ethics training to be introduced;
2. integrated ethics modules in the training programmes for different target groups;

Taking into account the importance of the question of corruption in Estonian society, ethics training should be added to the priorities of the national training plan. It would be most practical to implement ethics training within the framework of familiarisation training for new officials and periodic competence training. The most important training is that for groups of officials at risk of corruption and for new officials. This can be organised through the functioning system of familiarisation training for officials (for which the State Chancellery is responsible) which will continue in 2004.

The general theme of the training could be good administration and its implementation in the Estonian public sector. The training would also cover the general principles of public sector ethics and the essence of ethical behaviour, both in the context of how officials behave with regard to each other ("setting the alarm bells ringing") and in communication with the general public. Another important aspect of the training could be to look at and perform case studies of various Supreme Court decisions.

The role of the State Chancellery in organising ethics training will be as follows:
- to organise the preparation of public service training priorities and co-operation between personnel managers and senior training providers in administrative agencies;
- to organise and finance the putting together of training programmes and study materials for introductory ethics training and the preparation of training providers (within the framework of familiarisation training for new officials);
- to co-ordinate and finance in part the organisation of introductory ethics training;
- to organise the preparation of special programmes and study materials for some groups of officials and specialist fields which are prevalent in the public service (managers, personnel and training officials, executive secretaries, archivists) and to co-ordinate co-operation between the authorities and agencies in preparing and implementing special ethics training programmes for various groups of officials and specialist fields (officials dealing with tenders and procurements, financial analysts, accountants, operations managers, internal auditors, local government officials, various groups of specialists and experts);
- to organise the publication of methodological material, the Code of Ethics with comments, etc.

Particular attention when organising ethics training should be paid to local government level. It is necessary to ensure that local level officials also have the opportunity to take part in ethics training, including familiarisation training, as they are much more frequently in contact with the general public than are ministerial officials. The State Chancellery will organise the co-operation between the authorities and agencies in the preparation and implementation of the local government special ethics training programme.

12. Conduct of an annual corruption study	To measure the level of corruption and to increase the level of public awareness by publishing the results	Ministry of Justice	200 000 EEK per study	2004-2007
Explanations: A study of corruption carried out periodically will, amongst other things, include interviews with the general public. The main consideration when drawing up the questionnaire will be the principle of comparability which will help to determine any changes in the understandings people have related to corruption. The aim of the study is to determine understandings of corruption and cases of coming into contact with corruption. The study is intended to ascertain the groups of officials amongst whom corruption is most widespread, the activities that the general public consider to be corruption, state authorities in which these activities are common, the way in which the risk of corruption at different state authorities is assessed and so on.				
13. Improving availability of corruption-related information and harmonising perceptions of corruption (including setting up a website dealing with corruption, coverage of the topic in the media)	To improve corruption awareness amongst officials and in society as a whole. To increase the ability to differentiate between what is permissible and what is not, even in so-called borderline cases.	State Chancellery, Ministry of Justice	200 000 EEK (website)	2004 – 2007
Explanations: Efforts must be made to provide information on corruption and ethics both on a small scale among officials and also on a wider scale among the general public. Officials will be informed primarily through the three aforementioned measures. The aim of informing the general public is to encourage people to demand correct behaviour on the part of officials. The are various possibilities for increasing awareness and of these it would be worthwhile considering an information campaign. An internet portal would also be effective. The webpage in question could include the relevant legislation and analyses thereof, cases of corruption (cases which have reached the Estonian courts and case studies from the field of ethics), national and international studies, ethics-related material, practical examples of conflicts of interests, and training information. The site could be located on the server of the Ministry of Justice which, in co-operation with the State Chancellery, would also be responsible for collecting and selecting the information and for putting it up on the site.				

2. EXPLANATIONS WITH REGARD TO MEASURES TO STRENGTHEN PROCEEDINGS REGARDING CORRUPTION OFFENCES (measures 14-21)

Description of the situation

1. LEGAL FRAMEWORK

In order to conduct proceedings regarding corruption offences, there must be an adequate legal framework in place. The following are the main Acts covering corruption offences and related proceedings:

1) the Penal Code;
2) the Anti-corruption Act;
3) the Code of Criminal Procedure;
4) the Money Laundering and Terrorist Financing Prevention Act.

1.1. Substantive law

Corruption offences are defined in the Penal Code which entered into force on 1 September 2002 and which replaced the former Criminal Code. Corruption offences are covered mainly in the following sections: § 289 (misuse of official position), § 293 (accepting gratuities), § 294 (accepting bribes), § 295 (arranging receipt of gratuities), § 296 (arranging bribes), § 297 (granting of gratuities), § 298 (giving bribes) and § 299 (counterfeiting or falsification of documents by officials). The Penal Code also contains a large number of other offences of which one of the necessary elements is misuse of official position (e.g. illicit traffic by an official taking advantage of his or her official position - subsection 391 (2)).

Corruption offences are often characterised by the fact that many of them contain the elements of both a criminal offence and a misdemeanour (the latter are described in the Anti-corruption Act). In this case, the person is punished only for the criminal offence, in accordance with subsection 3 (5) of the Penal Code.

For most corruption offences, the severest punishment is imprisonment. In addition, a court may, in accordance with § 49 of the Penal Code, deprive a convicted offender of the right to work in a certain position or operate in a certain area of activity for up to three years if the person is convicted of a criminal offence relating to abuse of professional or official status or violation of official duties. Pursuant to § 301 of the Penal Code, a court may also confiscate the direct object involved in a gratuity or bribe.

In addition to national legislation, the Republic of Estonia has also signed up to the following international anti-corruption conventions:

- the Council of Europe Criminal Law Convention on Corruption;
- the Council of Europe Civil Law Convention on Corruption;
- the UN Convention Against Transnational Organised Crime.

Among the obligations placed on Estonia by the Council of Europe Criminal Law Convention on Corruption and the UN Convention is one whereby even cases of foreign officials, members of parliament or government members accepting or giving bribes are to be deemed as criminal offences. Although the definition of "official" set out in § 288 of the Penal Code does not refer directly to foreign officials, the provision can be interpreted as meaning that the state which has assigned the duties to the official in question does not necessarily have to be Estonia and therefore that the definition in fact also covers foreign public servants and employees of international organisations who have been assigned corresponding duties[3]. Still, in order to avoid potential problems, the definition of "official" should be extended to cover foreign officials directly.

On the basis of the above, it can be said that the substantive legal framework for combating corruption offences is in general sufficient.

1.2. Case law

Due to the numerous ways in which corruption offences can materialise, the elements are generally highly abstract as a result of which there are often difficulties in interpreting them. This is particularly evident upon the passage of new Acts where there is not as yet any case law in place. However, the situation in Estonia in this field has undergone a dramatic change for the better during recent years as the Supreme Court has adjudicated on number of matters of principle involving corruption offences.

- Under penal law, assets which are not monetarily appraisable are also protected. For this reason, it is inevitable that non-proprietary damage must be accepted as a constituent element of criminal official misconduct. However, non-proprietary damage cannot be assessed using the same criteria as in the assessment of proprietary damage. In order to resolve the question of the extent to which each particular case involves non-proprietary damage, the starting point should be the danger of the offence committed from the point of view of both a general sense of justice and the level of legal awareness in society, as well as whether the offence has negatively affected legal rights protected by law. The extent of the damage can be influenced by a number of circumstances, including the place which the position occupied by the offender holds in the hierarchy of local government positions, the period of time for which the corrupt activities have been going on, whether it was a one-off act or part of a more systematic programme, the number of people who have been caught up in the unjustified or illegal acts and their position at local, state or international level, and the nature of the damage caused - the level of the body of power or the government body whose prestige and authority has been damaged, the extent to which their trustworthiness has been affected, whether there were any disturbances caused to the normal functioning of the state, and if so what those disturbances were, etc. It must also be realised that sometimes an offence and its criminal consequences are inseparable (for example, illegal acts performed by a representative of state authority at the same time also undermine the prestige and authority of the body of power in question) (Supreme Court decisions 3-1-1-100-00 and 3-1-1-24-01).

- An authority's own assessment that an official has not caused it any non-proprietary damage is of no importance as it is up to a court, not the organisation directly involved, to identify and assess circumstances constituting the elements of an offence (Supreme Court decision 1-1-65-00).

[3] Randma, Paavo. 2002. *Korruptsiooni piiramisest Eestis. Eeluurimise ja kohtupraktika alasuund* [Restricting corruption in Estonia. Preliminary investigation and judicial practice], Iuridicum, Tartu, 2002, pp 116, 124.

- Loss of income can be deemed to be damage if it is possible to prove that it would genuinely have been possible to obtain that income (Supreme Court decision 3-1-1-58-03).

1.3. Procedural law

Special rules are prescribed by procedural law for proceedings regarding corruption offences only to the extent that such proceedings are within the competence of the Security Police (clauses 105 (2) 4) and 5) of the Code of Criminal Procedure). That amendment entered into force in July 2000. Previously the Security Police were also involved in investigating local government corruption, an assignment which is now within the competence of the regular police.

In investigating corruption offences, it is also permitted, if necessary, to use surveillance activities in accordance with the Surveillance Act. This option will remain upon the entry into force of the Code of Criminal Procedure, although it will be limited to offences for which the prescribed punishment is imprisonment of at least three years. However, this is in fact the case for the majority of corruption offences.

A more problematic aspect of procedures regarding corruption offences is the fact that the law enforcement authorities are not made aware of cases of corruption. As corruption offences are often a form of latent crime, the state should do everything possible to make it "attractive" for people to inform the law enforcement authorities of any cases they come across. The current legal situation does not ensure this as a party to a corruption offence risks incriminating himself or herself and being charged if he or she informs the authorities, as a result of which not much information is forthcoming.

2. OVERVIEW OF PROCEEDINGS REGARDING CORRUPTION OFFENCES

2.1. Statistics

As different authorities deal with proceedings regarding corruption offences and there are no common standards for collecting statistics, it is extremely difficult to obtain an adequate overview of the current situation pertaining to proceedings regarding corruption offences. The issue is complicated even further by the fact that the definition of "official" set out in § 288 of the Penal Code covers not only state and local government officials but also officials of legal persons in private law, meaning that the number of cases of criminal official misconduct reflected in the statistics of the law enforcement authorities does not correspond to the number of corruption offences committed in the public sector. Another factor complicating the process of obtaining an overview of corruption offences committed in 2002 is the Penal Code which entered into force in the autumn of that year and brought about considerable changes in the statistics.

The following table provides an overview of corruption offences regarding which court judgments had entered into force by 2003:

Table 1. Criminal convictions for acts of corruption[4]

[4] Source for 1998-2001 - GRECO Evaluation Report on Estonia 2001; source for 2002 - the Ministry of Justice's register of court decisions.

Criminal offence	1998	1999	2000	2001	2002
Accepting a bribe	31	12	17	17	22
Giving a bribe	8	6	24	18	8
Arranging a bribe	2	1	2	1	3
Act of corruption[5]	?	?	0	6	-

Pre-trial procedures with regard to corruption offences have been mainly dealt with by the Security Police and it must be said that they have produced some very good results. A number of relatively high-ranking state officials have been convicted in recent years in criminal cases brought by the Security Police, including two judges, the secretary general and deputy secretary general of the Ministry of Finance, the secretary general of the Ministry of Defence, the director of the Estonian Traffic Insurance Foundation, the managing director of the Cultural Endowment of Estonia, the director general of the Labour Market Board, the deputy director general of the Rescue Board, several high-ranking police officials, etc.
Although simplified proceedings are becoming ever more common in proceedings regarding corruption offences, the time taken for such proceedings is still relatively long. On the one hand the complexity of the cases plays a significant role, while on the other hand people charged with such offences tend not admit their guilt and so the cases go through all three court levels.

2.2. Authorities involved in proceedings regarding corruption offences

Only the Security Police currently has a structural unit specialising in proceedings regarding corruption offences, although since the autumn of 2000 that unit has been dealing solely with proceedings regarding corruption offences committed by high-ranking state officials. In the Police, including in the Central Criminal Police, proceedings regarding corruption offences are generally handled in the same structural units as proceedings regarding white-collar crime.

As far as the Prosecutor's Office is concerned, specialisation in proceedings regarding corruption offences exists only in the Tallinn prosecutor's office where one department deals with proceedings regarding economic crimes and criminal official misconduct. As yet, there has not been any such specialisation in the courts.
There is currently no central authority in Estonia co-ordinating the fight against corruption and proceedings regarding corruption offences. At the moment, the organisation most likely to fill that role is the Security Police as it holds the greatest amount of relevant information. However, its competence is restricted to just certain segments in that field. The regular police have not taken the role on board either, primarily because they have been developing other, high priority fields and also because high-level corruption is not within their remit. The Prosecutor's Office has so far had neither sufficient information nor the opportunity.

Planned measures

In order to strengthen the investigation of corruption offences, it is necessary to improve the capacity to investigate corruption as a complex form of crime through specialisation and implementation of a carefully planned approach. For this to be successful, it is also essential

[5] As the Penal Code which entered into force on 1 September 2002 does not contain any relevant provisions, a large number of criminal cases were terminated in the autumn of that year and others were reclassified according to other sections of the Act. This all means that it is not possible to provide adequate information on these crimes in 2002.

that as much information as possible on specific cases of corruption reaches the law enforcement authorities from the people in possession of the information (including officials).

Description of measure	*Objective*	*Authority responsible*	*Additional expense*	*Term*
14. Appointment of officials in each prosecutor's office and prefecture to specialise in corruption offences, and provision of necessary additional training for those officials. **A total of at least 50 officials in the police, the prosecutors' offices and the Security Police specialising in corruption offences.**	To increase the likelihood of corruption offences being detected and to improve the quality of proceedings regarding corruption offences.	The Ministry of Justice and the Ministry of Internal Affairs		2004

The capacity to investigate corruption as a complex form of crime can be improved primarily through specialisation. The number of officials specialising would depend on the financial resources of the state and the number and regional distribution of corruption offences, as a result of which it is not possible to set out precise numbers at this stage. It is however certain that the number of police investigators and prosecutors specialising in corruption offences alone should not be below fifty. This number would be augmented by officials dealing with the closely-related field of economic criminal offences, as well as corresponding specialists from the Customs Board and the Border Guard Administration.

As a second essential condition, it must be ensured that there is a certain distance between the body conducting the proceedings and the person subject to the proceedings, as experience shows that there is only a low success rate when it comes to ascertaining corruption in closely connected organisations (e.g. a police unit connected to a local government may not be particularly successful in identifying corruption in that same local government).

The organisation currently dealing with corruption offences committed by high-ranking officials is the Security Police which has the necessary organisational structure in place and the required competence, meaning that it is not necessary for dramatic changes to be made there. Other proceedings regarding corruption offences are generally dealt with by the regular police, although there has not as yet been any particular degree of specialisation. It is therefore absolutely essential for units dealing with proceedings regarding corruption offences to be formed in the four prefectures which will remain following the reform of the police force and/or for the necessary officers to be appointed. These units should be formed in the main centres of the prefectures or it should at least be ensured that, in addition to the local police officer dealing with proceedings regarding a corruption offence committed there, one preliminary investigator who does not have any connection with the local situation is involved.

The authority co-ordinating proceedings regarding corruption offences is a role that should be filled by the Prosecutor's Office as, since the entry into force of the Code of Criminal Procedure, it is the only law enforcement authority which has had the remit to conduct pre-trial proceedings regarding all corruption offences and to ensure that results are obtained. In order for this to happen, during the first half of 2004 the Prosecutor's Office must put in place the necessary organisational structure and appoint prosecutors from the district prosecutors' offices to specialise in the relevant field. In the future, it will mainly be the district prosecutors' offices which deal with proceedings regarding corruption offences. The role of the Public Prosecutor's Office will primarily be a co-ordinating one. Specific criminal proceedings will be taken under the direction of the Public Prosecutor's Office only in cases of so-called transnational corruption or if the proceedings could lead to a legal precedent of considerable significance to the fight against corruption.

The Acts regulating the activities of the courts do not currently allow for the formation of such specialised units or panels, with the sole exception being in the case of criminal organisations. However, it is clear from international experience that more complex corruption and white-collar offences require a degree of specialisation at court level as judges (and lay judges) who deal with all manner of issues are not able to bring themselves sufficiently up to speed with the field in question (e.g. misuse of funds allocated from the EU Structural Funds, etc.). For this reason, if problems arise it would certainly be necessary to weigh up the option of setting up special panels, for example at the Tallinn, Tartu, Pärnu and Ida-Viru courts of first instance, to deliberate corruption and white-collar offences at a given level.

Officials specialising in proceedings regarding corruption offences should be provided with motivation to deal with even the most complex cases of corruption by offering them sufficient

15. Setting up task forces comprising specialist officials to combat corruption offences in each district. Their task will be to analyse the problem of corruption in the district and, on the basis of that analysis, to make plans for surveillance. Each task force is to be led by a prosecutor and the activities of all the task forces will be co-ordinated by the Public Prosecutor's Office.	To obtain a better overview of the corruption problem, to increase the likelihood of corruption offences being detected and to improve the quality of proceedings regarding them.	The Ministry of Justice and the Ministry of Internal Affairs		2004

Corruption offences are, to a large extent, latent. This leads directly to the most serious problem faced by the law enforcement authorities - how to find out about such offences in the first place. The informedness of the law enforcement authorities must be improved even before criminal proceedings are formally initiated and this can be achieved using information which is in the public domain or obtained from various other authorities. It is also necessary to obtain an adequate overview of the information which is related to proceedings regarding corruption offences and which is at the disposal of the various law enforcement authorities. To achieve better organisation of the collection and analysis of such information, the planning of surveillance activities and the strategy for the proceedings, as well as to concentrate the relevant competences together, it would be practical to form special task forces in the working districts of the new police prefectures and district prosecutor's offices (which overlap).

It is essential that each task force would include leading police officers and be led by the prosecutor from the district prosecutor's office who leads proceedings regarding corruption offences, as the prosecutor is the official who is responsible for the results of the criminal proceedings. In effect, the prosecutor leading the task force should develop into a person responsible for the fight against corruption in the whole area.

The work of the task forces should lead to plans being drawn up for the detection of corruption offences, both for institutions which are susceptible to corruption and for each area of activity. Above all, attention and resources should be directed towards fields which have high levels of corruption and which are designated by the state as high priority (such as corruption among high-ranking state officials, corruption in the border guard and customs system, corruption in the law enforcement system, corruption in the distribution of EU funds, etc.). The specific objects or fields to be investigated are to be chosen as a result of co-operation between the investigative bodies and the prosecutor's offices, taking into account the resources and capabilities of the law enforcement authorities.

When drawing up the plans, the prosecutor's office, together with the investigative body specialising in the relevant field, must make an assessment of the risk of corruption in the institution or field under investigation, taking account of the rights of the authority or person, the strength of the regulations concerning the activities of the authority or person, the existence of responsibility or reporting requirements, and so on. Following this, it will be necessary to set out the conditions and criteria (e.g. information obtained, newspaper articles, very high risk of corruption, etc.) upon the existence of which more intensive criminal proceedings are to be initiated in the field at risk of corruption (e.g. the commencement of surveillance proceedings, the staging of a criminal offence, etc.). In co-operation between the law enforcement authorities and the prosecutors' offices, the corruption offence detection plans which have been drawn up must then be implemented. Supervision over the implementation of the plans will be exercised by the Public Prosecutor's Office.

16. Implementation of a register of criminal proceedings	To obtain an adequate overview of registered corruption offences and the status of the proceedings at any given time	Ministry of Justice	4 000 000	2004

It is presently impossible to obtain an adequate overview of the status of all proceedings regarding corruption offences, which rather complicates the process of drawing up and implementing all kinds of strategies and plans and of identifying specialisation and training needs. In order to solve this problem, a register of criminal proceedings must be set up.

The need for the register is not connected solely to proceedings regarding corruption offences - the setting up of the register is a critical factor in the success of implementing the new Code of Criminal Procedure as a whole.

17. An anonymous hotline to report cases of corruption and relationships involving a risk of corruption	To weaken relationships involving a risk of corruption and to increase the likelihood of corruption offences being detected	Ministry of Justice		2004
The hotlines will be installed in the district prosecutors' offices or the prefectures so that the information obtained would be available for analysis and that rapid reaction would be possible.				
18. Amendment of the Code of Criminal Procedure to grant prosecutors the right to terminate proceedings with regard to a person whose assistance has been pivotal in the detection of a corruption offence	To weaken relationships involving a risk of corruption, to increase the likelihood of corruption offences being detected and to improve the effectiveness of the proceedings	Ministry of Justice		2004
Subsections 164 (3), 164^1 (3) and 165 (3) of the Criminal Code set out that a person who receives, arranges or gives a bribe shall be released from punishment if he or she is the first to submit written notification of the events to the law enforcement authorities. The idea behind this was to weaken corrupt relationships. It created a certain lack of trust between the parties as it was possible to avoid liability for the offence by informing on the other party. At the same time, this provision was still too complex and did not really provide any motivation to inform as the person would be found guilty in court anyway but then simply released from punishment. Section 50^1 of the Criminal Code also made it possible to release a person from punishment if his or her assistance in determining the facts of an offence or in identifying the offenders was pivotal. A similar provision was included in the draft Penal Code but this was dropped in the course of parliamentary deliberations as it was claimed that it would be replaced perfectly well by the possibility arising from the new Code of Criminal Procedure to terminate proceedings for reasons of expediency. The Penal Code has now been in force for more than a year but it is still not possible to terminate criminal proceedings on the basis of the principle of expediency. In addition, it should be noted that not all corruption offences regarding which the parties may provide notification will necessarily meet the pre-conditions for terminating proceedings for reasons of expediency (low level of guilt, lack of public interest), and so its implementation may be problematic in a majority of cases. For this reason, it would be sensible to establish a separate provision for so-called crown witnesses, i.e. people who have themselves committed a criminal offence but whose assistance has been pivotal in detecting a more serious or dangerous offence. This option exists in the Code of Criminal Procedure only in the event of criminal offences committed against the state (§ 205) although it really ought to be extended to cover corruption offences and criminal offences committed by criminal organisations since these are such dangerous social phenomena that it is much more important for the state to eliminate the respective organisation or form of corruption than to convict a particular individual (offender).				

19. Amendment of the Anti-corruption Act to oblige people to inform the authorities of any corruption in their organisation	To weaken relationships involving a risk of corruption and to increase the likelihood of corruption offences being detected	Ministry of Justice		2004
Pursuant to § 23 of the Anti-corruption Act, officials are required to provide notification of all cases known to them where bribes or gratuities are offered, given or received, but not of any other corruption offences. It is necessary to weigh up the possibility of extending the requirement to notify to apply to other corruption offences (misuse of official position, negligence related to office, violation of the requirements for public procurements, etc.). It is clear that this is a sensitive area and its regulation must not bring about all-round spying and eavesdropping, although it is still justified for there to be a requirement to provide information on events which the person in question deems to be criminal. In certain countries (e.g. the USA), there are even financial rewards in place to increase motivation to provide information about corruption offences. These rewards can, for example, take the form of a set percentage of the damage caused by the corruption offence.				
20. Amendment of the Anti-corruption Act to introduce measures to protect people who have assisted in detecting corruption offences (so-called whistleblower protection).	To weaken relationships involving a risk of corruption, to increase the likelihood of corruption offences being detected and to improve the effectiveness of the proceedings	Ministry of Justice		2004
Pursuant to § 23 of the Anti-corruption Act, officials are required to inform the head of the authority where they work or the Security Police of all cases known to them where bribes or gratuities are offered, given or received. At the same time, there are no guarantees in place to protect officials from potential subsequent restrictions placed on them by their superiors (for example, if the superior is corrupt himself or herself). Therefore, the legislation currently in force makes no provision for so-called whistleblower protection, despite this being a well-known concept elsewhere. The new provisions should ensure at the very least that the law enforcement authorities do not have to disclose the name of the person who passed on the information on the basis of which proceedings are initiated.				
21. Amendment of the Penal Code to extend the definition of "official" to cover people working for foreign and international organisations	To reduce cross-border corruption	Ministry of Justice		2004
Although § 288 of the Penal Code can be interpreted as meaning that the definition of "official" is not confined to being connected with the Republic of Estonia, Estonian local governments or legal persons registered in Estonia, the definition should be extended *expressis verbis* to cover foreign officials and officials of international organisations so as to avoid any potential for misunderstanding.				

ANNEX 1: IDENTIFICATION OF ACTIVITIES AND GROUPS OF OFFICIALS AT RISK OF CORRUPTION

The most common activities and transactions which are susceptible to corruption are as follows:

1) When performing tasks within the organisation:

- *activities connected with the procurement, administration and use of assets and with contracting for services* (operations and administrative staff, senior training providers, heads of IT departments, etc.): selection of contractual partners, unfair preference of tenderers (who to enter into a contract with, who to contract for a service, etc.); "targeted offers" made by officials, "recommendations" in the selection of contractual partners (for contracting for training, performing work, etc.); unfair advantages created for tenderers, provision of additional information to tenderers, etc. (in the case of competitions and public procurements); agreements regarding partially sharing any income earned (exaggerated, fictitious invoices, assistance in drawing up more favourable contractual terms, purchase of inferior goods, making concessions with regard to quality, etc.);

- *transactions involving cash and settlements, such as preparation and administration of budgets, work with expense receipts*: giving preference upon allocation of budgetary funds, exaggerated, fictitious invoices, etc. (financial analysts, accountants)

- *work with classified and restricted documents:* "sale" of inside information, taking advantage of the fact of being in possession of such information for personal gain;

2) When performing functions targeted outside the organisation:

- *activities involving maintaining order* (police, border guards, etc.): "turning a blind eye", leaving violations unnoticed;

- *activities involving issue and verification of permits, licences and documents* (activity licences, identity documents): illegal issue of permits, licences and documents, creation of unjustified benefits or advantages for clients (giving priority to serving certain people, etc.);

- *activities involving state control and supervision and collection of taxes*: "turning a blind eye", leaving violations unnoticed, exercising supervision and control over own (and close relatives') enterprise (including as a sole proprietor) and work (traffic, labour, tax, safety, health, veterinary and environmental inspectors, heritage officials, customs officials, etc.);

- *activities involving distributing and spending money* (preparing and conducting competitions, projects and contracts, activities connected to decisions on grants and benefits, etc.): giving preference upon allocation of budgetary funds and award of support, benefits and grants.