

ACTIVITY REPORT  
OF THE CHIEF  
OFFICIAL ETHICS  
COMMISSION FOR  
2024

*Abbreviations of names and terms used in the report*

LAP – Republic of Lithuania Law on Administrative Proceedings

Compliance Officer – the person designated within an institution or body as responsible for the supervision and control of the area of conflict of interest

COEC – Chief Official Ethics Commission

DLA – declaration on lobbying activities

LLA – Republic of Lithuania Law on Lobbying Activities

CCST – Code of Conduct for State Politicians of the Republic of Lithuania

PINREG – Register of Private Interests

SKAIDRIS – information system for transparent legislative processes

LAPPI – Republic of Lithuania Law on the Adjustment of Public and Private Interests

LCOEC – Republic of Lithuania Law on the Chief Official Ethics Commission

EC – Ethics Commission of the Municipal Council

## 1. About the COEC

The Chief Official Ethics Commission (hereinafter referred to as the “COEC”, “Commission”) is a collegial institution established by and accountable to the Seimas of the Republic of Lithuania. Its main purpose is to ensure that government institutions and persons working in them operate with integrity and that decisions taken are based on high standards of transparency and accountability.

The activities of the COEC include assisting persons declaring private interests, monitoring and controlling compliance with the DPA, overseeing lobbying activities and monitoring the behaviour of politicians. The COEC is served by a Secretariat composed of civil servants and employees working under employment contracts (hereinafter referred to as the “employees of the 'Secretariat’”).

### 1.1. Number of persons and organisations served by the COEC

Legal act	Number of persons	Number of organisations
<b>Law on Lobbying Activities</b>	– around 350 lobbyists – around 30,000 persons who may be influenced	- around 4,000 public sector entities
<b>Public and private interests Harmonisation Act</b>	- around 180,000 declarants persons	- around 4,000 public sector entities
<b>Code of Conduct for Politicians</b>	- about 1,500 members of municipal councils	- 60 municipal ethics commissions

Thus, the functions of the COEC directly or indirectly involve the consistent oversight of the activities of tens of thousands of public sector servants, employees, politicians, officials, lobbyists and other stakeholders. Such scope requires knowledge of the relevant legislation and the maintenance of the efficient administration system.

### 1.2. Overview of the situation from 2016 to now

Since 2016, the Commission has regularly applied to the Board of the Seimas of the Republic of Lithuania, the Committee on State Administration and Local Authorities, the Government and the Ministry of Finance for the allocation of additional funds in order to ensure adequate funding for the performance of all functions of the COEC because:

- the number of civil servants and employees at the COEC has not changed since 2016;
- in 2016 and 2021, the Board of the Seimas increased the number of posts by 8 posts, but no funding was allocated for them;
- in 2020, the Seimas assigned additional functions to the COEC (new Law on Lobbying Activities, preliminary dispute resolution (formerly, a judicial function), etc.), but no funding was allocated for their implementation. As a result, the Commission has to fulfil additional functions with the same level of human resources from 2016;

- from 2021, the new IT systems (PINREG, SKAIDRIS), which include the development and maintenance of IT systems, will be administered by the COEC;
- currently, only the basic functions of the COEC are ensured (conducting investigations, responding to requests), while early (proactive) prevention activities are very limited;
- the remuneration is allocated to only for performance of the main functions.

### 1.3. Insufficient funding limits the capacity to monitor corruption risks

**Undeclared conflicts of interest:** due to lack of resources, the COEC is unable to effectively monitor all persons subject to the requirements of the LAPPI. In addition, the Commission faces challenges in implementing the recommendations of the Council of Europe’s Group of States against Corruption (GRECO) and the Organisation for Economic Co-operation and Development (OECD) on the prevention and management of conflicts of interest.

**Abuse of office:** due to limited prevention activities, there is a lack of possibilities to prevent possible cases of abuse of office, as human resources are not sufficient for the afore-mentioned activities.

## 2. Net Promoter Score

In order to get feedback from its customers, the COEC has decided to use the *Net Promoter Score (NPS)* from 2023. This indicator provides a simple but powerful tool to measure the quality of service and customer satisfaction.

The table below shows the number of respondents to the surveys. The larger sample in 2024 provides a broader range of data and allows for a better understanding of the differences between managers, Compliance Officers and declarant groups in public sector organisations.

Respondent group	2023	2024
Managers	446	328
Compliance Officers	171	104
Declarants	329	1 291

The total number of respondents to the survey was 946 in 2023 and 1,723 in 2024. The wider and more diverse sample makes the differences in the assessments of the different target groups (managers, Compliance Officers, declarants) more pronounced.

### The above assessment is important as:

**Customer satisfaction measure:** The NPS reflects the extent to which civil servants, officials, employees, users of public sector services or other stakeholders are satisfied with the services provided by the COEC. A high NPS indicates that customers are satisfied and willing to recommend the services of the COEC to others.

**Loyalty and recommendation indication:** the assessment distinguishes between “fans” (9–10

points) and “*detractors*” (0–6 points). The afore-mentioned methodology allows not only to measure the current satisfaction, but also to predict customer loyalty and the impact of service development, i.e. the most positive customers can help build your organisation’s reputation.

**Performance indicator:** the NPS captures customer experience and loyalty, thus, becomes one of the key indicators for measuring performance, providing a clear picture of an organisation’s strengths and weaknesses, enabling targeted adjustments and improvements in provision of services.

### 2.1. Summary of the Net Promoter Score in 2024

The results of the survey have shown that trust in the COEC is high, but varies depending on the target audience. Compliance Officers have the highest level of trust in the institution, with three out of four respondents (76%) indicating that they have confidence in the COEC (9 or 10 out of 10 respondents). 58% of managers trust the institution under survey. Persons declaring private interests have a 35% level of trust in the COEC and a slightly lower level of distrust (29%). Trust in the COEC increased over the year among Compliance Officers (61% → 76%) and managers (50%→58%). The level of trust among persons declaring private interests is stable.

In the group of managers, the COEC is most trusted by the managers of budgetary institutions (average score of 8.7 out of 10). Members of the Seimas, heads of municipalities and ministers have the lowest level of trust in the institution (average score of 7.3), but these results should only be seen as a trend due to the low number of responses (23 answers in the group of Members of the Seimas, heads of municipalities and ministers). The confidence of the heads of budgetary institutions in the COEC significantly increased during the year (53% → 70%).

In the group of declarants of private interests, trust in the COEC is determined by the visibility of this institution. The more is known about the activities and duties of the COEC, the higher the level of trust.

Around two thirds of Compliance Officers (65%) agree that the decisions taken by the COEC are objective. A half (49%) of the management group and 34% of respondents declaring private interests agree with this. The assessment of the objectivity of the decisions of the COEC as reported by Compliance Officers significantly improved over the year (56% → 65%), but remained stable in other groups.

The majority of respondents disagree with the statement that the COEC is a punitive institution, with Compliance Officers disagreeing the most (82% scoring 0-6).

Compliance Officers are most likely to agree that the COEC helps to manage conflicts of interest or other conflict of interest situations in their organisations (61%). 38% managers agree with this, while persons declaring private interests are more likely to disagree (41%) than agree (31%). The number of persons agreeing with the above statement increased in all groups.

Two out of five (40%) Compliance Officers agree that the COEC helps to identify risks of conflicts of interest, conflicts of representation, acceptance of gifts, cooling-off period and other risks. Ratings on the afore-mentioned issue remained stable over the year.

Managers are more likely to turn to the Compliance Officer of their organisation or to the COEC for advice on managing conflicts of interest. Heads of state-owned and municipal enterprises are more likely to contact the Compliance Officer, while heads of municipalities, members of the Seimas and ministers are more likely to contact the COEC. The number of those who would turn to independent lawyers or experts decreased over the year.

The majority (90%) of Compliance Officers have indicated that they are aware of the distance training conducted by the COEC, and almost a half of them (45%) state that they frequently use it. 7 out of 10 (68%) Compliance Officers are familiar with the compliance tests of COEC and around 6 out of 10 (58%) respondents rate them as useful (9 or 10 out of 10 respondents).

Around a half of Compliance Officers are often interested in the opinions and interpretations of the COEC published on websites (49% gave a score of 9 or 10 out of 10). The average level of interest increased over the year (6.9 → 7.9 out of 10).

The PINREG system is assessed as good, with an improvement as compared to 2023. The majority of compliance managers agree that the system is user-friendly, facilitates the Compliance Officer function (average increase of 7.9 → 8.2 out of 10) and the declaration of private interests (average increase of 8.5 → 8.9 out of 10). The perception of PINREG among the persons declaring a private interest also improved from 40% to 48% (9 or 10 out of 10).

The majority of respondents submitted a declaration of private interests in the recent year. Compliance Officers searched for information on the website of the COEC website (40% → 69%), consulted the institution by telephone (31% → 53%) or in writing (20% → 41%) more frequently than other target groups and more actively than a year ago. One in five managers (21%) searched for information on the website of the COEC.

Consultations by telephone are very well rated, especially by Compliance Officers. The average ratings of persons declaring private interest have improved significantly (from an average of 8.4–9.0 to 8.9–9.6 out of 10), while those of Compliance Officers have remained stable.

The rating of responses to enquiries by e-mail or in writing is good, but the ratings given by Compliance Officers have deteriorated as compared to 2023 (average from 9.0–9.2 out of 10 to 8.5–8.6 out of 10). The ratings by persons declaring private interests remained stable.

The website evaluation scores have increased and it is now rated as good.

### 3. Overview and key findings of the investigations carried out by the COEC in 2024

Below is presented statistics relating to investigations by the Chief Official Ethics Commission into possible infringements for the period 2020–2024. Although the results of the investigations in 2024 differ in some respects from previous years (e.g. fewer reports of violations of the Law on the Adjustment of Public and Private Interests (LAPPI) have been received, and there is only a slight change in the area of lobbying activities), the main conclusions on the nature of the investigations, the reasons for them and the quality of the decisions of the municipal ethics commissions for the year 2023 remain broadly the

same.

### 3.1. Law on the Adjustment of Public and Private Interests (LAPPI)

Indicator	2020	2021	2022	2023	2024
Number of reports received	338	358	242	247	215
PRE investigations on the LAPPI	102	118	97	36	54
Calls for submission, revision or completion of a declaration	90	78	54	24	24
Number of investigations carried out	119	71	55	24	28
Infringements established	76	44	35	19	25
No infringement found or investigation terminations	43	27	20	5	3
Number of decisions appealed against to the courts	16	8	7	7	3
- heard in court, judgments have become final	16	8	5	3	0
- of which unfavourable decisions adopted by the COEC	2 in full and 2 in part	1 in full 1 in part	0	0	0

- **The number of reports received is decreasing:** 215 reports were received in 2024 (247 in 2023). A large number of reports do not comply with the established content requirements, i.e. they do not contain data and information without which it is not possible to open an investigation, or the investigation of the indicated circumstances does not fall within the competence of the COEC, and therefore investigations are not opened in such cases.
- **The share of detected infringements remains high:** 28 investigations were carried out in 2024, including 25 cases which were found to be infringements (in 3 cases no infringements were found or the investigation was terminated). This shows that the COEC usually opens an investigation only when it has sufficient substantiated evidence.
- The number of **appeals against decisions of the COEC** has decreased to 3, which are still pending.

#### Key findings:

- The majority of the allegations/complaints are unfounded and do not fall within the competence of the COEC.
- The decrease in the number of investigations is due to the use of prior actions (PRE investigations), i.e. initial analysis of the reports, calls for revision of declarations, etc., which are used only to deal with substantiated cases.
- The COEC follows the case-law of the courts and finds infringements only in the case of a direct, obvious conflict of interest, when the official acts performed by the person are clearly related to his private interests.

## 3.2. Law on Lobbying Activities (LLA)

Indicator	2021	2022	2023	2024
Number of reports received	25	15	21	17
PRE investigations on the LLA	-	-	-	6
Number of investigations carried out	20	6	6	2
- Infractions regarding undeclared lobbying activities of a lobbyist found by the COEC	1	0	1	0
- Infractions regarding lobbying activities of persons not included in the list of lobbyists found by the COEC	11	2	3	2
Number of decisions appealed against to the courts	5	1	0	1
- heard in court, judgments have become final	4	0	0	0
- of which unfavourable decisions adopted by the COEC	2	0	0	0

**Key remarks (2024)**

- 17 reports were received, 6 primary (PRE) investigations were launched and 2 investigations were carried out.
- In 2 cases, it was found that the activities were carried out without the relevant lobbyist status.
- One decision of the COEC has been appealed against to the courts and the case is pending.



### 3.3. Preliminary dispute resolution (in relation to decisions of ethics commissions of municipal councils)

Indicator	2020	2021	2022	2023	2024
Number of complaints received by the COEC	21	56	24	17	43
- From an applicant (citizen, politician, journalist) concerning an EC decision	12	30	13	8	21
- From a subject (politician) who has been found by the EC in infringement	9	26	11	9	22
Number of refused complaints	6 (15)	13 (43)	14 (10)	8 (9)	20 (23)
Number of cases heard	12	40	12	8 (1 carried over to 2024)	22 (2 carried over to 2025)
- the COEC upheld the complaint annulling the EC's decision	6	21	7	8	19

#### Key remarks:

- The number of complaints received has increased up to 43 (from 17). This is likely related to the municipal elections and the new councils in 2023.
- 22 cases were investigated and 19 were annulled by the municipal ethics commissions (ECs).
- Some cases (e.g. those received in December) are carried over to the following year.
- Decisions of municipal ethics commissions are often overturned on the basis of serious procedural irregularities.
- The application of the Code is often limited to a formal procedure that does not build mutual trust and constructive communication between politicians and communities.
- There is a of institutional conflict of interest, as the COEC is obliged to advise both politicians and the ethics commissions themselves, and then take a final decision on their dispute.

#### Achilles heel (weaknesses)

In 2024, the number of preliminary dispute resolution (PDR) cases significantly increased, with a total of 43 new complaints received (as compared to just 17 in 2023). These volumes have disproportionately increased the workload of the Investigations Division of the COEC.

If the number of PDR cases increases further in the future, the strict deadlines set out in the legislation may force the COEC to reduce or completely abandon its preventive measures (training, consultations, analysis).

The additional function of preliminary dispute resolution, which was previously assigned to the courts, is becoming a real Achilles heel – with the current limited resources, the large-scale mandatory PDR process could paralyse the entire operation of the COEC.

### 3.4. Loophole in the law and potential for abuse

In 2024, for the first time in more than 25 years of its operation, the COEC was faced with a case where it was unable to obtain the mandatory data needed to investigate a possible conflict of private and public interests from natural persons. The legal framework currently only allows the COEC to request for information from public sector entities or legal persons, while no such obligation is imposed on natural persons. This has led to a legal deadlock: if the essential facts cannot be confirmed or denied, the investigation is not opened.

In order to fill this gap, the COEC has drafted amendments to the LCOEC, which provide for the possibility to apply to the court in order to oblige natural or legal persons to provide the information necessary for an investigation. Unfortunately, until the amendments enter into force, the COEC does not have sufficient means to act in such cases. This undermines the effective investigation of potential conflicts of interest and may undermine public confidence.

### 3.5. Investigations carried out by other institutions and bodies

Below is provided information on the carried out investigations into possible violations of the Republic of Lithuania Law on the Adjustment of Public and Private Interests (LAPPI) and the Code of Conduct for State Politicians. The afore-mentioned information may be useful to understand who is responsible for conducting the investigations, what the results of the investigations are and how they are assessed by the Chief Official Ethics Commission itself.

#### **Who carries out the investigations?**

- **The institution or body where the person works.** If the person complained against is employed by an institution, that institution must conduct an investigation into the possible misconduct or breach of professional duties, or (depending on the status of the person) conduct the investigation in accordance with the provisions of Section 4 of the LCOEC by itself.
- **The higher authority supervising the institution.** If the person complained against is the head of the institution, the investigation shall be carried out by the entity that recruited or appointed the head of the institution, or by a collegiate body of the State or municipalities.
- **Ethics Commission of the Municipal Councils** investigate the official conduct of mayors and members of the municipal councils.

#### **What else is important to know about investigations?**

If the investigation material shows that a civil servant or employee has violated the provisions of the LAPPI, the act may be considered as misconduct in office (for civil servants) or misconduct in employment (for employees working under employment contract). Investigations into misconduct in public office or employment are carried out in accordance with the relevant legislation and decisions are taken by the institutions or bodies themselves.

### **Submission of decisions to the COEC**

The institution must submit its decision and all the investigation material to the COEC within 5 working days of the decision.

If an investigation into misconduct in office (or a breach of official duties) reveals a breach of the LAPPI, the adopted decision is sent to the COEC for prevention of corruption. In this case, the material from the investigation shall not be assessed by the COEC.

### **Data from investigations carried out by the Ethics Committees of municipal councils (ECs) in 2024**

In 2024, the COEC received information from the EC of municipal councils on 59 investigations carried out in relation to possible infringements of the provisions of the LAPPI and the Code including 13 decisions which were taken for (non-)infringement of the provisions of the LAPPI.

In 2024, the COEC evaluated the materials of 13 investigations carried out by the above-mentioned ethics commissions and, having doubts about the possible misapplication of the provisions of the LAPPI, in 4 cases, decided to open independent investigations.

#### **3.6. Main findings of the investigations**

**Investigations into the LAPPI:** the number of received reports is decreasing, but almost the vast majority of opened investigations result in a finding of an infringement of the LAPPI. The number of decisions appealed to court is decreasing. Moreover, the courts (including the Supreme Administrative Court of Lithuania, which takes final decisions) have not issued a single unfavourable decision against the COEC for the last three years. In the opinion of the COEC, the afore-mentioned trend shows that the decisions taken by the COEC are based on objective data and legal rules and are duly substantiated by law.

**Investigations into LLA:** although the number of such investigations is low, there are cases of investigations carried out without lobbying status. One decision has been appealed in court and the outcome is awaited.

**Preliminary dispute resolution (PDR):** the number of complaints against decisions of ethics committees of municipal councils has significantly increased.

**Lack of resources:** the increasing number of PDR cases results in risks obliging the COEC to spend more time on investigations than on prevention. In addition, investigations may be significantly prolonged and the COEC may not be able to deal with PDR complaints and requests for exemptions from the restrictions on work and representation within the time limit.

#### **Summary**

Statistics for 2024 show that, while the number of reports received in relation to the LAPPI is decreasing, a higher proportion of the opened investigations confirm the existence of an infringement. The work of the COEC is hampered by the increase in the number of PDR cases.

Unless the legal framework is improved (e.g. on the disclosure of data of natural persons) and the resources and human resources of the COEC are increased, some of the preventive activities may have to be abandoned.

#### 4. Prevention and compliance

##### 4.1. Training of the COEC: a strategic shift from face-to-face (via *Microsoft Teams*) to 24/7 distance e-learning

Below are discussed the changes in the training of the COEC during the period from 2021 to 2024, in particular with the launch of distance e-learning on the PINREG platform from 2024.

##### 4.1.1. Live training (via the *Teams* app)

The training is live, i.e. at a set time, using *Teams* (or ) software. In 2024, the COEC mainly organised face-to-face training for Compliance Officers, as they are responsible for identifying and managing the risk of infringements of the LAPPI and the LLA in their organisations.

It is planned to continue such training in order to further enhance the competence and skills of Compliance Officers.

Training programme	2021	2022	2023	2024	Total
<b>Training on adjustment of interests through <i>Teams</i></b>	4,130	1,420	152	1,125	<b>6,827</b>
<b>Lobbying training through <i>Teams</i></b>	2,023	1,300	131	0	<b>3,454</b>
<b>Total participants:</b>	6,153	2,720	283	1,125	<b>10,281</b>

##### 4.1.2. Remote e-learning (24/7)

In the reporting year, the COEC switched to 24/7 e-learning for a number of key reasons, in order to address practical and qualitative challenges. This strategy emerged in response to the expanding training audience and the shortage of human resources at the COEC.

- **Large audience.** With around 180,000 declarants in Lithuania, face-to-face training is no longer sufficient, and it is extremely difficult to organise training for such a large audience due to lack of time and human resources. E-learning allows to reach all participants, regardless of time and place.
- **Knowledge testing and individual assessment.** By using knowledge tests, the COEC can more accurately identify each participant's abilities, strengths and weaknesses, and tailor training programmes to the actual level of knowledge.
- **Ease of management and reporting.** Reporting systems integrated in the electronic training platform (PINREG) show the progress of training in real time. This allows Compliance Officers and managers to monitor the learning process and identify knowledge gaps.
- **Limited resources of the COEC.** Although the number of employees at the COEC is small (27), the transition to e-learning allows to reach a much wider audience without additional investment in employees.

E-learning is organised on a 24/7 basis and currently participants can access PINREG at any time.

Training programme	2021	2022	2023	2024 completed training	Persons invited in 2024
<b>Declaration of private interests</b>	0	0	0	8 227	23 140
<b>Lobbying activities</b>	0	0	0	1 602	4 181
<b>Identifying and managing conflicts of interest</b>	0	0	0	519	1 365
<b>Restrictions at the end of service</b>	0	0	0	31	439
<b>Total (distance 24/7)</b>	<b>0</b>	<b>0</b>	<b>0</b>	10 379	29 125

#### 4.1.3. Key remarks

- In 2024, the number of persons trained through distance e-learning will be almost the same as for all face-to-face training in 2021-2024.
- Unfortunately, the number of persons invited to the training is much higher than the number of persons who have completed it (the course on Declaration of Private Interests was assigned to 23 000 persons, but only 8 000 completed it). More participation should be encouraged.
- It should be noted that the number of persons invited to the training and completing the training is directly related to the date of uploading the training course to PINREG. The course on Declaration of Private Interests was available at the beginning of the reporting year, while the training programmes on Identification and Management of Conflicts of Interest and Post-Service Restrictions were only made available through PINREG at the end of the reporting year (at the end of November). In 2024, the focus has been on the development of the afore-mentioned training programmes, with more emphasis on dissemination planned for next year.

#### 4.2. Self-assessment tests at the ethics level

In 2023, the COEC launched a new initiative by developing three compliance tests (questionnaires) for public sector organisations to assess their compliance with the provisions of the LAPPI and the LLA. The tests/questionnaires are tailored to different levels of responsibility and functions.

##### **Why are compliance tests/questionnaires needed?**

- **Ensuring transparency.** By monitoring the implementation of the LAPPI and the LLA, the COEC aims to help organisations identify and manage the risks of conflicts of interest, corruption or illegal lobbying in a timely manner.
- **Effective risk management.** According to international standards (e.g. ISO 31000), unmanaged risks can lead to financial losses, legal consequences and reputational damage.

- **Practical assistance.** Based on the answers to the tests/questionnaires, the COEC provides personalised recommendations on how to improve the procedures for declaring private interests, disqualification and disclosure of lobbying influence.

#### **What tests/questionnaires are designed?**

##### **1. Common questionnaire for assessing the conformity of an organisation**

Consists of two parts: the first part is for assessing compliance with the provisions of the LAPPI and the second part is for those organisations affected by the LLA.

##### **2. Questionnaire for the Compliance Officer (authorised person)**

Helps determine whether the Compliance Officer has sufficient authority, the right to make advance written recommendations, etc.

##### **3. Questionnaire for the head of the organisation**

Strategic focus: whether the organisation has a risk management system in place that includes the prevention of conflicts of public and private interest, whether there is a risk assessment of the performance of senior management, etc.

#### **How are the tests/questionnaires applied?**

- **Self-assessment.** Public sector organisations join PINREG and take the respective test (questionnaire).
- **Recommendations of the COEC:** Organisations that have completed the test/questionnaire see the results of their self-assessment (up to 100%), which immediately provide guidance on how to improve the procedures for declaration and/or disqualification and other specific measures to improve their performance in areas where organisations have difficulties in managing the risk of compliance with the provisions of the LAPPI and the LLA.
- **Continuous improvement.** Organisations that regularly carry out tests/questionnaires can monitor their progress in managing compliance risk.

#### **Results of the initiative in 2024**

In 2024, 170 public sector organisations were invited to complete compliance tests (questionnaires):

- 100 budgetary institutions (ministries, bodies subordinate to ministries, government bodies and bodies reporting to the government, bodies reporting to the Seimas of the Republic of Lithuania, etc.);
- 40 public bodies (hospitals, universities, colleges and other public bodies owned or shared by the State);
- 30 public limited and private limited companies owned by the State.

	Name of the test	Sent to	Answered by	Percentage of organisations with a score of 80% or more	Percentage of organisations with a score between 50% and 80%	Percentage of organisations with a score of less than 50%
Budgetary institution	General questions of conformity of the organisation for self-assessment, Part I (LAPPI)	100	86	19.77	66.28	15.12
Budgetary institution	General questions of conformity of the organisation for self-assessment, Part II (LLA)	100	88	64.77	11.36	23.86
Budgetary institution	Questions for the Compliance Officer	100	90	58.89	32.22	8.89
Budgetary institution	Questions for the head of the organisation	100	80	57.5	41.25	2.5
Public institution	General questions of conformity of the organisation for self-assessment, Part I (LAPPI)	40	27	14.81	66.67	18.52
Public institution	General questions of conformity of the organisation for self-assessment, Part II (LLA)	40	26	15.38	11.54	73.08
Public institution	Questions for the Compliance Officer	40	26	42.31	30.77	26.92
Public institution	Questions to the head of the organisation	40	26	61.54	30.77	7.69
AB and UA B	General questions of conformity of the organisation for self-assessment, Part I (LAPPI)	30	23	17.39	82.61	0
AB and	Questions for the Compliance Officer	30	23	91.3	8.7	0

UA B						
AB and UA B	Questions for the head of the organisation	30	23	95.65	4.35	0

**The following conclusions should be drawn on the basis of the results of the tests/questionnaires:**

1. Organisations were willing to take the tests to assess their ability to assess their compliance and take the necessary measures to improve their performance in managing compliance risk.
2. The risk of compliance with the requirements of the LAPPI and the operational risk are best managed in public limited liability companies (AB) and private limited liability companies (UAB), while the worst situation is in public institutions.
3. Areas where organisations have difficulties managing risks or where risks are not managed are highlighted:

**3.1. Compliance with the provisions of the LAPPI and management of conflicts of interest:**

- 3.1.1. declarants are not made aware of the list of positions approved by the head of the organisation for which declarations of private interests are required;
- 3.1.2. organisations do not assess the risks involved in applying for a civil service post;
- 3.1.3. persons employed in the civil service are not made aware of the restrictions on representation imposed by Article 12 of the LAPPI;
- 3.1.4. not all organisations ensure continuity in the management of the risk of adjustment of public and private interests.

**3.2. Compliance with the provisions of the LLA:**

- 3.2.1. the worst situation concerning compliance with the provisions of the LLA is in public institutions;
- 3.2.2. organisations have not drawn up and adopted a description of procedures for completing and submitting declarations of lobbying influence.

**3.3. Functions and powers of the Compliance Officer:**

- 3.3.1. Compliance Officers do not carry out a risk assessment of conflicts of interest at the highest levels of the organisation;
- 3.3.2. Compliance Officers do not provide advice on declaring lobbying influence, identifying lobbying activities, or communicating with lobbyists;
- 3.3.3. Compliance Officers are not allowed to join PINREG as representatives of the organisation (budget organisations and public bodies);
- 3.3.4. Compliance Officers do not have rights, powers under the LAPPI (budget organisations and public bodies);



3.3.5. the functions of Compliance Officers are not included in their job description (AB and UAB).

#### 4.3. Part of the internal control system

The controls (Section 6) of the LAPPI, which aim to prevent potential conflicts of interest in public sector organisations, are considered to be an integral part of the internal control system. This is particularly important in terms of the control environment and compliance with legislation. An excellent way to assess how specific organisations integrate conflict of interest risk management into their internal control systems is through the three lines of defence principle.

It is an integrated risk management system, with the first line (operational) covering the day-to-day activities of employees and managers, the second line (compliance, risk management functions) providing dedicated persons to monitor the risk of conflicts of interest and transparency of lobbying activities, and the third line (internal or external audit) providing an objective assessment of whether the first two lines are working effectively.

Below is an overview of how the risk of infringements of the LAPPI in the public sector can be assessed from the statistics recorded in PINREG.

##### First line: 4 000 organisations and 180,000 declarants

- In total, around 4,000 public sector entities are obliged to comply with the Law on the Adjustment of Public and Private Interests (LAPPI) and the Law on Lobbying Activities (LLA).
- Around 180,000 persons (civil servants and other persons required to declare private interests) are required to revise their declarations on time, recuse themselves in the event of a conflict of interest and avoid non-transparent lobbying influence.
- The first line needs clear information, simple procedures and internal pre-training.

##### Second line: lack of Compliance Officers and low activity

In public sector organisations, Compliance Officers (or other authorised persons) act as a second line of defence, overseeing the implementation of the provisions of the LAPPI and the LLA. However, the actual figures show some discrepancies:

##### **1. Registration in the PINREG system:**

- Only 1,000 Compliance Officers (25%) out of a possible 4,000 organisations are registered.
- Only about 100 (10%) out of 1,000 registered persons have sufficient powers and competence.
- Most organisations still do not have dedicated specialists capable of applying and monitoring conflict of interest management procedures.

##### **2. Organising training:**

- Only 5 out of the 1,000 registered Compliance Officers have independently developed new distance learning programmes in PINREG.
- 130 out of 1 000 attributed the training (either their own or developed by the COEC) to their own employees.

As a result, the majority of institutions lack the initiative and capacity to use e-learning.

### 3. Procedures for recusals and suspensions:

- According to Article 11 of the LAPPI, any person making a declaration is obliged to recuse himself in the event of a conflict of interest. If necessary, the Compliance Officer shall organise a suspension procedure and, if applicable, notify the COEC via PINREG.
- In 2024, 119 Compliance Officers gave notifications of recusal or suspension.

Below are data on notifications (in 2024):

Interval of notification of recusal/suspension	Number of organisations
200-300	1
150-199	1
100-149	1
50-99	6
30-49	4
20-29	1
10-19	3
5-9	3
2-4	22
1	59

### 4. Structuring the organisation in PINREG

- Only 230 out of 1,000 Compliance Officers have formed their own structure of organisation within PINREG.
- Without a structure in place, an official cannot properly download and analyse the data declared by the employees of his institution and assess the risk of potential conflicts of interest.

### 5. Implementation of the three criteria (organisational structure, recusals and suspensions, assignment of training):

- Only 41 organisations (out of 4,000) meet all three indicators, i.e. they have a PINREG structure, have assigned training to employees, and have data on recusals or suspensions.
- 51 organisations meet at least two of the three criteria indicated above.
- Other organisations do not have such practice.

### Third line: poor capacity for independent audit

For the third line of internal (or external) audit to work, it is essential that the second line provides a proper foundation of data and procedures. According to the knowledge of the COEC, there are only fragmented initiatives to assess the effectiveness of the management of conflicts of interest (or to audit the risks of lobbying) in more detail.

As a result, the practical benefits of the third line are so far minimal and audit recommendations, if made, often remain unimplemented due to the limited capacity of the second line.

#### **Possible solutions:**

- To strengthen the competence and powers of Compliance Officers through additional training or certification.
- To increase the involvement of managers by clearly defining responsibility for the implementation of compliance measures (setting up the PINREG structure, assigning training, etc.).
- To carry out systematic auditing, i.e. encouraging internal and external audit services to regularly assess compliance with the LAPPI and the LLA and provide specific feedback.

Increased effectiveness of the second and third lines of defence would lead to better prevention of conflicts of interest and transparency of lobbying activities in the public sector, thus, enhancing trust in public institutions and ensuring ethics.

## 4.4. Lobbying activities

Below is an overview of how lobbying statistics (number of natural and legal persons lobbying, number of declarations) as well as the broader legal and practical context have evolved over the period 2021-2024.

### 4.4.1. Current statistics (2021–2024) and general trends

Lobbying activities	2021	2022	2023	2024
Natural persons on the list of lobbyists	36	14	19	9
Legal persons on the list of lobbyists	120	19	41	14
DLAs of lobbyists (declarations of legislative influence)	860	627	635	573
Episodes of lobbying activities (cross-declaration)	253	233	157	112
DLAs (annual number declarations) of influencers	170	139	209	138
Influencers (legal persons) submitting reports	42	6	27	10

#### 4.4.2. When activities are considered as lobbying activities?

According to the LLA, lobbying activities are considered as purposeful influence on legislation where:

1. there is the relevant entity (natural or legal person acting as a lobbyist or required to register as a lobbyist);
2. attempts are made to amend, adopt or repeal a specific legal act;
3. a clear proposal (arguing why certain amendments should be made) is put forward;
4. there is an apparent aim of persuading a person to take a desired decision.

The Law also provides for 12 exceptions (Article 7 of the LLA), such as media activities, participation of experts in working groups, public consultation in the TAIS system, petitions, etc.

#### 4.4.3. Developments and their impact in 2023–2024

- **Transparent Legislative Processes Information System (SKAIDRIS).** The lobbyist must answer four screening questions when completing the declaration. If the declaration is approved, the public representative is informed that a so-called cross-check could be carried out, but many public representatives are reluctant.
- **Institute of call (from 1 September 2023).** The COEC may invite lobbyists to submit, revise or supplement their declaration before an investigation is opened.

#### 4.4.4. General conclusions

Despite the improvement of the LLA from 2021 and the introduction of the system SKAIDRIS, some lobbying activities are still not declared or highly extensive exemptions are used.

Transparent lobbying can be seen as a positive element of the democratic process, but it is effective only when all participants, i.e. lobbyist and government representative, comply with the law.

### 4.5. Screening of persons, cooling-off period, declarations

#### 4.5.1. Cooling-off period

Section 4 of the LAPPI provides for that persons may be subject to a cooling-off period after leaving the civil service.

For example, if a civil servant controlled some undertaking during his last year in office, he may not take up a position in that undertaking for one year after leaving his post. Similarly, during the aforementioned period, a former civil servant or employee who has ceased to be a civil servant may not, after having ceased to be a civil servant, represent natural or legal persons in his former place of employment or in any institution to which his former place of employment belongs.

### Is it an absolute ban?

No. The COEC may decide to grant an exemption or not in specific cases upon a request from a person. In deciding whether to grant an exemption, the documents, information about the former employee's duties, the scope of his liability, the legal form of the legal entity and the content of the adopted decisions are taken into account. Statistics on the restrictions applied under the DPID:

Restrictions under the LAPPI	2020	2021	2022	2023	2024
<b>Restriction to work (Article 15)</b>					
<b>Number of requests</b>	3	1	6	11	10 (8 examined)
<b>Exemption granted by a decision of the COEC</b>	0	1	3	8	7
<b>Restrictions on representation (Article 17)</b>					
<b>Number of requests</b>	0	0	1	0	1
<b>Exemption granted by a decision of the COEC</b>	0	0	1	0	0

### Comment

More human resources are needed to enable the COEC to take decisions on the exemption (not to apply the cooling-off period). The Commission has to assess all decisions that have been directly drawn up, considered or adopted by a person in civil service position within one year. The number of decisions can be several dozens or even several hundred, and often corresponds to the scope of an investigation into a possible violation of the provisions of the LAPPI.

#### 4.5.2. Screening of candidates to prevent corruption

According to the provisions of the Republic of Lithuania Law on Prevention of Corruption, the Special Investigation Service (SIS) has the right to collect information on persons applying for civil sector positions. This information may be obtained from criminal intelligence entities, public registers and other sources, in order to assess the potential risk of corruption.

When collecting such information, the SIS also enquires the COEC about the person's previous offences related to the adjustment of public and private interests or lobbying activities, thus, ensuring that the person's credibility is assessed before he is hired for an important post.

Screening of persons	2020	2021	2022	2023	2024	Total
<b>Number of screened persons</b>	2,650	3,125	3,947	5,214	5,876	20,812

According to the statistics, in the last five years, the COEC screened over 20,000 persons who have been subject to a corruption prevention procedure. The above process requires significant human resources and expertise from the COEC.

#### 4.5.3. Discontinuation of public disclosure of declarations of private interests

According to the provisions of the LAPPI, declarants who cease to have this status (e.g. leave the civil service) may apply to the COEC to discontinue public disclosure of their declarations. The COEC may also terminate the public disclosure of the declaration on its own if it has reasonable grounds to believe that the person is no longer obliged to declare private interests.

This ensures that data on a person's declared duties or private interests that are no longer relevant are not made public when he is no longer bound by the obligation to declare.

#### 4.5.4. Publication of declarations (statistics) is discontinued:

Discontinued publication of the DPI	2020	2021	2022	2023	2024	Total
Cases	974	4,035	2,125	3,517	4,801	15,452

In the last five years, the COEC has discontinued public declarations of private interests more than 15,000 times. This procedure requires careful administration because of the high turnover of declarants in the Lithuanian public sector (about 180,000 persons are required to declare private interests).

## 5. Cooperation

### 5.1. Conferences and specialised seminars

In 2024, the COEC further intensified its national cooperation and organised several major events and seminars aimed at strengthening compliance practices and improving the management of conflict of interest in the public sector.

#### 5.1.1. International and national dialogue on lobbying

On 25-26 April 2024, the COEC organised an international event “*Towards Transparent Lobbying*”, which was attended by the heads of public authorities, Compliance Officers and foreign representatives responsible for regulation on lobbying. The participants shared insights and ideas on how to ensure transparency of lobbying activities and strengthen mutual cooperation.

#### 5.1.2. Conference on public and private interest

On 21-22 November 2024, the conference “*Public and Private Interest: Not necessarily a Conflict*” for managers, Compliance Officers and employees of organisations was held in Vilnius. Representatives of state and municipal authorities shared their experience in managing conflict of interest situations. The event highlighted that open discussion, ethical principles, internal control and independent audit are the cornerstones to ensure that the public interest prevails in decision-making.

During the conference, for the first time, the COEC presented managers, organisations and Compliance Officers with awards for good conflict of interest management.

#### 5.1.3. Specialised seminars

In addition to the major conferences, in 2024, eight specialised seminars were organised by the COEC with the direct participation of Compliance Officers from public sector organisations. The seminars covered a wide range of topical issues:

- When and how should municipal politicians and staff should recuse themselves from decision-making?
- What are the innovations for those starting out as a Compliance Officer and what features of PINREG are available?
- How to decide what legal restrictions should be imposed on persons who have left the civil service?
- How should conflict of interest situations be managed in municipal authorities?

Participants had the opportunity to ask questions, get answers from experts and hear real-life examples of how the risk of conflicts of interest is managed.

### **Summary of the distance training:**

#### **Differences in competences between municipalities and public authorities and bodies at the system level**

Representatives of state institutions and bodies are more familiar with the main provisions of the LAPPI and the practical aspects of their application than municipal authorities: 26% of all participants in the training course on the preparation of advance written recommendations (ARRs) have already applied this conflict of interest management institute, while only 14% of the representatives of municipal institutions and bodies have already prepared ARR.

#### **More focus on representatives of municipal institutions and bodies**

Most of the complaints received by the COEC concern the actions of the members municipal council. In the period 2024, the COEC upheld 18 of the 21 received complaints and annulled the decisions of the ethics commissions. In the light of the above, efforts have been made to improve the knowledge of representatives of municipal institutions, bodies and members of ethics commissions.

#### **Limits to authority of the Compliance Officer**

It is necessary to define the functions performed by the Compliance Officer. It is particularly relevant to define the limits of authority of the municipality's representative (the municipal council), executive (the mayor of the municipality) institutions and the municipal administration, the powers of the heads of the institutions and the procedure for granting them to Compliance Officers, and the roles of ethics commissions.

### **5.2. Membership in international organisations**

In 2024, the COEC actively participated in international organisations to strengthen its expertise and share its experience.

#### **Organisation for Economic Co-operation and Development (OECD)**

In 2024, representatives of the COEC actively participated and presented the interests of the COEC in events organised by the OECD.

The 2024 *OECD Global anti-corruption & integrity forum* and the complementary *Anti-Corruption Network for Eastern Europe and Central Asia (ACN) event (Fighting high-level corruption in Eastern Europe and Central Asia)* held on 25-29 March 2024 in Paris, France, heard presentations from participants on corruption prevention and lobbying oversight, shared best practices, highlighted key challenges and addressed issues. A roundtable consultation on the OECD Recommendation of the Council on Transparency and Integrity in Lobbying and Influence and on lobbying oversight authorities and meetings of Lobbying Commissioners, Registrars and Oversight Entities were also held. The ACN session discussed corruption at the highest level and preventive measures to reduce it.

On 15-16 October 2024, the Meeting of Public Sector Transparency Chief Experts focused on the OECD's Anti-Corruption and Transparency Review, which showed that OECD countries are



increasingly moving on path of transparency. The review has highlighted that only twelve OECD countries collect data on whether public sector organisations comply with the recommendations of internal auditors, and only nine countries monitor the positions held by senior officials who leave public sector organisations.

In particular, the meeting highlighted the importance of data for transparency. Access to accurate and comprehensive data allows public sector organisations to detect potential corruption and to prevent corruption. Experts in the field presented the latest methods for measuring corruption.

The meeting included discussions among different groups of participants on how to better implement the transparency measures. One discussion was moderated by a representative of the COEC. It was concluded that the implementation of transparency measures often lacks political will, human resources and, in some countries, legal regulation.

**Network of anti-corruption institutions *European Partners Against Corruption (EPAC) / European Anti-Corruption Contact Point Network (EPAC/EACN)***

- Year of establishment: OECD – 2004, EPAC/EACN – 2008.
- Number of participants: around 120 institutions from the Council of Europe and European Union Member States.

On 26-27 November 2024, the employees of the COEC represented the Commission at the Annual Conference and General Assembly in Bucharest, Romania. The conference addressed the challenges of investigating international corruption crimes, focusing on innovative tools for investigating financial crimes, high-level corruption cases and international bribery investigations, as well as asset recovery processes for corruption offences.

The group sessions highlighted the growing importance of big data analytics and the early application of its results to detect corruption, identify corruption risk and contribute to successful hearing of cases.

During the event, the Bucharest Declaration, which aims to reinforce the shared commitment of countries to work together more effectively to fight corruption and build an honest public sector, was approved.

***Network for Integrity***

It brings together organisations from around the world concerned with the integrity, transparency and ethics of public officials.

On 9 December 2024, a remote plenary session on “Integrity and accountability: the role of artificial intelligence in data and the fight against corruption” was held. The event focused on the contribution of transparency, integrity, public ethics and accountability policies to preventing and fighting corruption, as well as on the future of artificial intelligence as an anti-corruption tool.

***European Network for Public Ethics (EBPE)***

- It was established in 2022, the initiative is pioneered by France.
- Objectives: to strengthen the independence of ethics bodies, exchange good practices and

provide mutual assistance at EU level.

On 9-12 October 2024, the representatives of the Commission attended the conference “*Preventing corruption in Europe: a new perspective*” organised by the Italian National Anti-Corruption Authority (*Autorita Nazionale Anticorruzione*) and the ENPE annual meeting in Rome.

The meeting presented a structured mapping of the practices of the network members in the field of conflicts of interest, discussed the ENPE Strategic Action Plan 2024-2026, and elected the President of ENPE, namely, Giuseppe Busia, President of the Italian National Anti-Corruption Service, for a 2-year term of office.

Representatives of the COEC presented the Commission's activities in regulating conflicts of interest and gave a presentation on the functionalities of the information system for managing the risk of conflicts of interest.

### **Network of European countries where lobbying activities are regulated**

- Start: in 2018, the COEC attended a preparatory meeting.
- Participants: representatives from Ireland, France, Austria, Great Britain (Scotland and England), the European Commission and the European Parliament.
- Objectives: to share experiences in the regulation of lobbying, to discuss ways of more effective control, and to tackle new challenges at the annual meeting.

The annual meeting of the members of the afore-mentioned network took place in Vilnius on 24 April 2024 and was attended by representatives from foreign countries where lobbying activities are regulated and lobbyists are registered.

Representatives from Germany, Finland and other countries presented their experience in managing lobbyist registers, and discussed the difficulties faced by the countries participating in the network in ensuring that the influence of foreign interest groups is disclosed and transparent.

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