



# **LATVIAN STATE SECURITY SERVICE (VDD)**

Annual Report for 2020





**Annual Report**  
**on the activities of Latvian State Security Service (VDD)**  
**in 2020**

Riga, March 2021

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## **Dear reader,**

We will think of 2020 as a year which tested our patience, resilience to vulnerabilities created by external factors and capability to maintain critical thinking under continuous pressure and unanswered questions. This year has passed by tackling the Covid-19 pandemic caused by Sars-CoV-2 virus.

The Covid-19 pandemic has left its impact also on the international security environment, mostly enhancing the existing challenges. Latvia was no exception as the pandemic unfortunately surfaced the already identified vulnerabilities. The significant influx of disinformation and fake news at the beginning of 2020 demonstrated the low resilience of our society to misleading information, which was immediately exploited by foreign and local subjects. Unfortunately, the growing polarization of society fostered intolerance, which among other also echoed through the modern phenomenon of discussions on direct communication platforms as their aggressive and violence-oriented content increased.

We can say that nowadays radicalisation is no longer the sole issue of ideological or religious groups, as it can foster on the basis of marginal, antisocial opinions or as a desire to increase the recognition within a social group or society in general.

Among the environments directly affected by Covid-19 pandemic was also the information space, where people spent an increasing amount of their time. The increasing polarisation of society unfortunately pushed some persons towards extremism, which in the near future will increase the risk of individual radicalisation.

Last year, the necessity to switch the professional and leisure activities to the online environment rapidly increased our dependence on smart technologies. However, the scientific discoveries in this field vis-a-vis the insufficient focus on security solutions opened new gateways for using the technologies crucial to our existence as new vulnerability vectors.

In the field of intelligence, the Covid-19 pandemic provided wider opportunities to obtain information with remote methods to countries like the Russian Federation (hereinafter – Russia) and People’s Republic of China (hereinafter – China). While the imposed travel restrictions were disadvantageous to hostile foreign intelligence and security services’ traditional intelligence activities, there are no grounds to consider that this situation is permanent. As the situation normalises, both Russia’s and China’s intelligence and security services will resume the full spectrum of activities directed against the West, including Latvia.

Last year the fields of protection of constitutional order and security of information space faced the continuous challenges caused by influence activities of hostile countries. Their goals remain unchanged – to undermine the confidence of Latvia’s residents in their State and the Western transatlantic security architecture. The existence of international organisations like the North Atlantic Treaty Organisation (hereinafter – NATO) and the European Union (hereinafter – EU) constitutes a significant obstacle to the implementation of global ambitions for Russia and China. Therefore both countries remain interested to employ a full range of influence measures to weaken these international organisations.

In 2020, disinformation, fake news and various conspiracy theories demonstrated their efficiency among the uncritically thinking part of society, therefore there are no grounds to consider that their distribution would decrease in the near future. These tools will be employed by both foreign and local subjects, to further polarise and divide the society thereby increasing the uncertainty and fear for the future.

Although the terrorism threat level in Latvia remains low, unfortunately terrorists continue to pose threat to Europe, as several countries even saw the increase in the terrorism threat level in 2020. As the Islamist terrorist groups *Daesh* and *Al-Qaeda* were losing their positions and resources, the main source of threat were radicalised domestic terrorists, who carried out the attacks under propaganda influence.

Latvian State Security Service (in Latvian – Valsts drošības dienests; hereinafter – VDD) has prepared the annual report on service’s activities for 2020 to inform general public about the current developments in the fields within VDD’s remit, in so far as it does not contradict the secrecy requirements of our activities. Maintaining Latvia’s national security would not be fully effective without the purposeful and meaningful engagement of all members of society. Therefore VDD expresses its gratitude to each and every one, who has demonstrated civic activity and contributed to identifying and decreasing the risks to the national security.

*Best regards,*  
***Normunds Mežviets,***  
*Director General of VDD*



*Illustrative photo, VDD*

## 1. COUNTERINTELLIGENCE

Over the last year, the threat of the intelligence and security services of hostile foreign countries to Latvia's national security interests remained high. Similar to previous years the most significant counterintelligence threat to the security of our country continued to be posed by Russia's intelligence and security services. In the areas of VDD's responsibility for ensuring the counterintelligence regime, a growing interest of the intelligence and security services of China was observed. However, also in the last year the activities of other foreign intelligence and security services did not reach the level of threat posed by Russia.

It is noteworthy to mention that the measures implemented to reduce the spread of Covid-19 pandemic in Latvia and abroad encumbered intelligence activities by usual methods of Russian and other foreign intelligence and security services. Therefore they focused on using methods that are suitable for gathering information remotely. As the intelligence and security services of Russia, Belarus and China mostly conduct intelligence activities from their own territories, in 2020 the travel restrictions did not allow them to recruit and influence

Latvian nationals in their territories. However, the threat posed by cyber intelligence and other intelligence disciplines allowing to obtain information remotely increased due to the abovementioned reasons. In VDD's assessment this situation is nevertheless temporary. It is foreseen that after the eventual normalization of the situation Russia will continue to be the main threat to Latvia's national security and its intelligence and security services still actively and aggressively will operate against our country.

Whereas, China's intelligence and security services see Latvia as a platform for obtaining information about processes in NATO and the EU, as well as distributing favourable information, justifying China's foreign policy and lobbying closer cooperation with China.

In respect to Belarus, it can be foreseen that the attempts of the reigning regime to cling to power will keep the country under the influence of Russia, strengthening the close cooperation with Russia in intelligence activities directed against NATO and EU member states.

## The range of interests of foreign intelligence and security services in Latvia

The intelligence and security services of hostile foreign countries are interested in pre-emptively gathering the information that is sensitive and significant to Latvia. In the last year, the main range of interests of foreign intelligence and security services in Latvia at both strategic and tactical level remained the same. Similar to previous years, also last year hostile foreign intelligence and security services' strategic level interests were as follows:

- operations of Enhanced Forward Presence (eFP) by NATO partner countries on our soil and its maintaining infrastructure;
- the role of Latvia within NATO and the EU;
- Latvia's foreign and security policy;
- domestic policy and socio-economic situation;
- intelligence and security services and law enforcement institutions;
- public administration institutions;
- strategically important sectors (transit, energy);
- critical infrastructure objects.

Whereas, at the tactical level in the areas where VDD is engaged in ensuring the counterintelligence regime, the interest of hostile foreign intelligence and security services remained directed towards acquiring information that might be useful for recruiting Latvia's nationals, planning and implementing hybrid operations and influence activities, as well as elaborating plans for potential military invasion.

The Covid-19 pandemic not only posed challenges to hostile foreign intelligence and security services, but also presented new opportunities. The activities of the responsible institutions during pandemic demonstrate the readiness of a state to solve crisis situations. The intelligence and security services of hostile countries can study their actions during the pandemic and predict the reaction capacities of different institutions in case of potential military crisis. This is why in addition to usual trends, Russia's intelligence and security services followed also the current topics in the context of Covid-19.

Over the last year, Russia's intelligence and security services did not lose their role in spreading Kremlin's non-military influence, by identifying Latvia's vulnerabilities, potential influence agents, as well as following the effectiveness of the implementation of already active influence operations. In this field within the priorities of Russia's intelligence and security services one can stress the military-memorial work

and the engagement of so-called young "compatriots" for implementation of influence activities.

Over the last years, VDD has also come across the growing interest of China's intelligence and security services regarding the areas where VDD is engaged in ensuring the counterintelligence regime. Although due to the pandemic the intensity of activities of China's intelligence and security services slightly diminished, VDD assesses that in the near future their attention to Latvia will increase not only in relation to NATO and the EU policy, but also regarding the internal processes of our country.

In 2020 VDD noticed the interest of China's intelligence and security services also regarding the changes of China's public image in the context of the Covid-19 pandemic. Similar to other Western countries, also in Latvia China's intelligence and security services were monitoring public opinion and collecting information about the individuals who expressed the opinion undesirable to China. Although this kind of interest according to VDD does not directly threaten Latvia's national security, it illustrates China's global geopolitical ambitions.

Belorussia's intelligence and security services were monitoring the stance of Latvia's Belorussian diaspora towards the regime of Alexander Lukashenko and the protests against it. According to VDD's point of view, also Belorussian asylum seekers will be in the range of interests of this country's intelligence and security services.

Analysing the global tendencies that might leave a negative impact on Latvia's counterintelligence regime, VDD considers that in the near future foreign intelligence and security services will increasingly focus on scientific intelligence that aims to acquire the information regarding the technologies developed in the NATO countries. This direction will be significant to Russia's intelligence and security services because it follows the Kremlin's strategic concurrence with NATO and the necessity to develop the military industry, bypassing the international restrictions imposed onto Russia for strategic goods import.

At the same time the sustainability of the Communist Party of China directly depends on country's economic growth pace. Their maintenance demands the transition from manufacturing to innovation economics. This is why scientific projects with high innovation potential of NATO countries, including Latvia, will be among the targets significant to China's intelligence and security services.

## The methods of foreign intelligence and security services

The range of Latvia's social groups that are the most interesting for the hostile foreign intelligence and security services remained unchanged over the last year.

Due to the impact of Covid-19 pandemic, the capacities of foreign intelligence and security services to expand their HUMINT activities were reduced, so other alternative



intelligence platforms – cyber intelligence, signals intelligence, satellite intelligence and open source intelligence became more significant. Thereby in the near future the importance of information technologies and communication security solutions will increase, also greater attention should be paid to understand what kind of information is published in the public information space.

Russia's intelligence and security services still tried to recover from the massive expulsion of their intelligence officers working under diplomatic cover in NATO countries in 2019 after the unsuccessful attempt to poison the former military intelligence officer Sergei Skripal. The recuperation of these positions is hindered by the counteractions of NATO countries' intelligence and security services, therefore Russia's intelligence and security services continue to search for alternative intelligence channels. In VDD's assessment in the near future the involvement of ordinary diplomats in the support of work of the intelligence and security services will continue, increasing the intelligence risks to Latvian nationals who on a regular basis contact the Russian Embassy and Consulates General (for instance, visa applications, cooperation with Press Service, participation in the cross-border projects and military-memorial events).

Latvia's residents should carefully and critically assess their contacts with foreign state and municipal institutions, state companies, higher education institutions, research institutes and high technology sectors. Several hostile foreign countries – especially Russia and Belorussia typically use the

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### ***The range of recruitment targets remains unchanged:***

- ***state officials with access to classified or otherwise sensitive information;***
  - ***persons related to cross-border organised crime;***
  - ***persons who travel to Russia, Belarus or China on a regular basis.***
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so-called “seconded officers” or officers of intelligence and security services who act under the cover of these institutions.

Although currently Latvia is not the priority of China's intelligence and security services, it becomes increasingly important to be cautious also in relation to contacts with Chinese citizens. The intelligence and security services of this country are not so aggressive as the ones from the countries where the intelligence methodology is based on the traditions coming from the Committee for State Security of the USSR, however they are as dangerous. China's intelligence and security services usually do not recruit Latvian nationals in Latvia or other European countries, they try to elicit the target person to one of Asia's countries. Being there usually the target person is engaged in the cooperation, achieving the goodwill to China. Usually a scientific cooperation or cultural relations cover is used for creating initial contacts. A particularity of Chinese intelligence is the so-called “*guanxi*” – the relations between the recruited person and his curator, that are based on relations of respect and mutual benefit, as spying overlaps corruption.

## **CONVICTION IN A SPYING CASE**

Last year in criminal proceedings initiated by VDD in 2018 Riga City Vidzeme District Court convicted Latvian citizen Oļegs Buraks for espionage on behalf of Russia's intelligence and security services and sentenced him to deprivation of liberty for 15 years. The person has appealed against the judgement of the first instance court.

According to VDD, O.Buraks passed the information to Russia's intelligence and security services about:

- officials that might be potential targets for recruiting;
- officers of the intelligence and security services;
- agencies under the Ministry of Interior, their material-technical resources;
- the environment of organized crime in Latvia.

The information gathered during the pre-trial investigation according to VDD is applicable to conclude that O.Buraks has received financial remuneration for the services he offered to Russia's intelligence and security services.



*Screenshot from LTV News agency “Youtube” account - broadcast about the conviction of O.Buraks.*

## Intelligence activities in cyberspace

Over the last year, intelligence risks in the context of information technologies continued to increase. One of the main reasons was the influence of the global Covid-19 pandemic to the habits of the technology use. Despite the advantages given by information technologies, they also create additional threat to the confidentiality, the integrity and the accessibility of the information and its processing.

Due to introduced security measures in Latvia for overcoming the Covid-19 pandemic, a part of employees switched from office to remote work. Many of them were forced to integrate swiftly into the new reality, acquiring the knowledge and implementing previously unknown new technology solutions. In order to ensure the execution of daily tasks of the society and the state, for instance, remote work and studies, discussions of sensitive issues and decision making, the only possibility to overcome the security restrictions due to the pandemic was to use the opportunities offered by information technologies. This is why one part of the society was forced and still is facing new cybersecurity challenges:

- people are forced to use new, previously unknown technologies or software that might contain potential vulnerabilities;
- in the remote work often personal information technology devices are used, which do not correspond to current security requirements and conventional cyber hygiene principles;
- when following the current information about Covid-19, people do not always check the reliability of the information source and at the same time this kind of information often is used as a bait for phishing attempts;
- when implementing new initiatives, system managers and administrators have to customize them urgently with new solutions, without reducing the security level. However, in most of the cases the continuity of work process prevails the common security of the infrastructure.

It is important to note that most of the daily cyber-threats are related to negligent attitude to general cyber hygiene. Therefore VDD invites everyone to take care of their security in the electronic environment, regularly make software updates, pay particular attention to the electronic correspondence that invites to perform an activity (open a file, click a link, specify the data or pay an invoice as if legitimate), and follow the developments in electronic environment, for instance, through the information that is published on the website of the Information Technology Security Incident Response Institution of the Republic of Latvia “cert.lv”.

During last year, the said vulnerabilities were successfully used also by foreign state-sponsored organised cyber groups –



Illustrative photo, Rawpixel/Freepik

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***Over the last year VDD continued to develop a new work strand - evaluating the compliance of IT field procurements with the security requirements in accordance with the recommendations for information technology security<sup>1</sup>, which were elaborated in 2019 by Latvian intelligence and security services. In total 54 opinions were delivered to state institutions.***

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APT (Advanced Persistent Threat) and separate individuals by planning and conducting cyber-intelligence activities in Latvia's cyberspace. Among the most popular attacks were phishing or targeted phishing e-mails with generic or adapted content. Also Internet and resource hosting service providers and their clients became victims of the cyber operations. Latvia's cyberspace was used both as the end target and platform to coordinate attacks in other countries. Mainly, it was facilitated by attractive characteristics of Latvia's cyberspace: fast Internet, the possibility to communicate in Russian and in English and the offered possibilities to pay for a service in cryptocurrency.

In 2020, VDD continued to closely cooperate with international partners, as well as the Defence Intelligence and Security Service (hereinafter – MIDD) and the Constitution Protection Bureau (hereinafter – SAB), the Information Technology Security Incident Response Institution of the Republic of Latvia CERT.LV, as well as other state institutions and private sector. The aim of the cooperation was to timely identify potential cyber incidents related to foreign intelligence, conduct their research and damage control, as well as to participate in the analysis of common State cyber threat situation.

<sup>1</sup> Recommendations issued in accordance with Article 4.1 of the Cabinet of Ministers Regulation No.442 of 28 July 2015 “Procedures for the Ensuring Conformity of Information and Communication Technologies Systems to Minimum Security Requirements”.

## Enlisting individuals on the so-called “black list”

In order to minimize the intelligence risks and prevent the potential threat to national security interests, over the last year, VDD continued to identify persons who are acting in the interests of hostile foreign countries. Unfortunately, VDD cannot provide information about specific cases or their number in order for the investigations and counterintelligence operations to run undisturbed. VDD is allowed to inform the general public about this kind of disloyal persons only in the cases when a person is prosecuted.

Whereas, when identifying a threat to national security related to a foreign national residing in Latvia, also in the last year VDD used its rights to recommend to the Minister of the Interior to enlist those foreign nationals on the list of persons banned from entering Latvia or the so-called “black list”.

In 2020, VDD recommended to the Minister of the Interior to blacklist ten foreign nationals:

- recommendation to enlist three of them due to identified direct intelligence risks, i.e. the information acquired by VDD indicated that these foreigners collaborated with intelligence and security services or the potential collaboration risk was too high to allow their stay on the territory of our country;
- in four cases the evaluation of the activities of the foreign nationals showed that by staying in Latvia they might perform activities, which would destabilize the situation in our country in the interests of foreign countries by threatening the constitutional order;
- in three cases the potential involvement of the foreign nationals in the international organized crime was identified, also causing suspicions about their intelligence risks.

It was recommended to enlist all aforementioned persons for indefinite duration.

## Informing about intelligence risks

Over the last year, VDD continued to regularly inform Latvia’s highest state officials and competent institutions about the intelligence risks identified in the counterintelligence operations and the potential threat to our country’s national security interests.

VDD also continued to organize briefings to raise awareness about foreign intelligence activities and associated risks. In 2020, VDD held 29 briefings about intelligence risks

and the necessary measures to minimize them with almost 1400 officials and employees from 25 state and municipal institutions in attendance.

VDD also provided individual consultations about the intelligence risks in Latvia and during business trips or personal travels abroad to officials and employees of state and municipal institutions, as well as within the private sector.

### Seek assistance!

If you suspect you may have been contacted by foreign intelligence and security service officer, VDD urges you to report this by calling 67208964 or writing to [info@vdd.gov.lv](mailto:info@vdd.gov.lv), or make an appointment to visit VDD at K.Barona Street 99A, Riga. VDD guarantees that the information provided and its source will remain confidential.





*Illustrative photo, VDD*

## 2. PROTECTION OF OFFICIAL SECRETS

In 2020, VDD together with SAB and MIDD continued to conduct activities for protection of the information of national importance in order to prevent the disclosure and the illegal use of the information containing official secrets. As the disclosure of official secrets to persons disloyal to Latvia would cause irreparable harm to national security interests, the intelligence and security services conduct a thorough vetting of every person, who has to access and work with the information containing official secrets in order to perform their duties. If during the security vetting reasonable doubts regarding person's trustworthiness and ability to safeguard official secrets are established, then the security clearance to access official secrecy objects (hereinafter – security clearance) is not issued.

Last year, the procedures for security vetting of persons applying for security clearances were improved, as the government adopted the procedures<sup>2</sup> which define the order of organizing a medical examination of a person should there be reasonable grounds for suspicion of psychiatric or behavioral disorders. According to the long years' experience of VDD, psychiatric disorders, including substance abuse, gambling or other addictions might negatively impact the person's trustworthiness and ability to safeguard the

entrusted information. Since the summer of 2020 when the said procedures entered into force, there have already been several precedents when VDD used its legal rights to refer the relevant person for medical examination in order to ascertain the person's mental stability and capability to safeguard official secrets.

To ensure the protection of official secrets, along with trustworthiness and discipline of persons accessing classified information, it is essential to ensure an adequate counterintelligence regime for the premises where the work with the information containing official secrets takes place. Therefore one of the most significant official secrets' protection measures performed by VDD officials is to check the compliance of the work circumstances with the requirements of the protection of the classified information in the institutions under the supervision of the service. Last year, VDD performed 43 such checks and provided recommendations for improving the counterintelligence regime.

Additionally, as companies applied for industrial security certificates, VDD evaluated their readiness to fulfill the requirements of the protection of classified information and their suitability to provide goods and services in the objects related to official secrets.

<sup>2</sup> Regulation No.471 of Cabinet of Ministers of 28 July 2020 "Regulation for medical examination to persons applying for security clearance to access official secrecy objects".

## Security vettings of candidates for security clearances

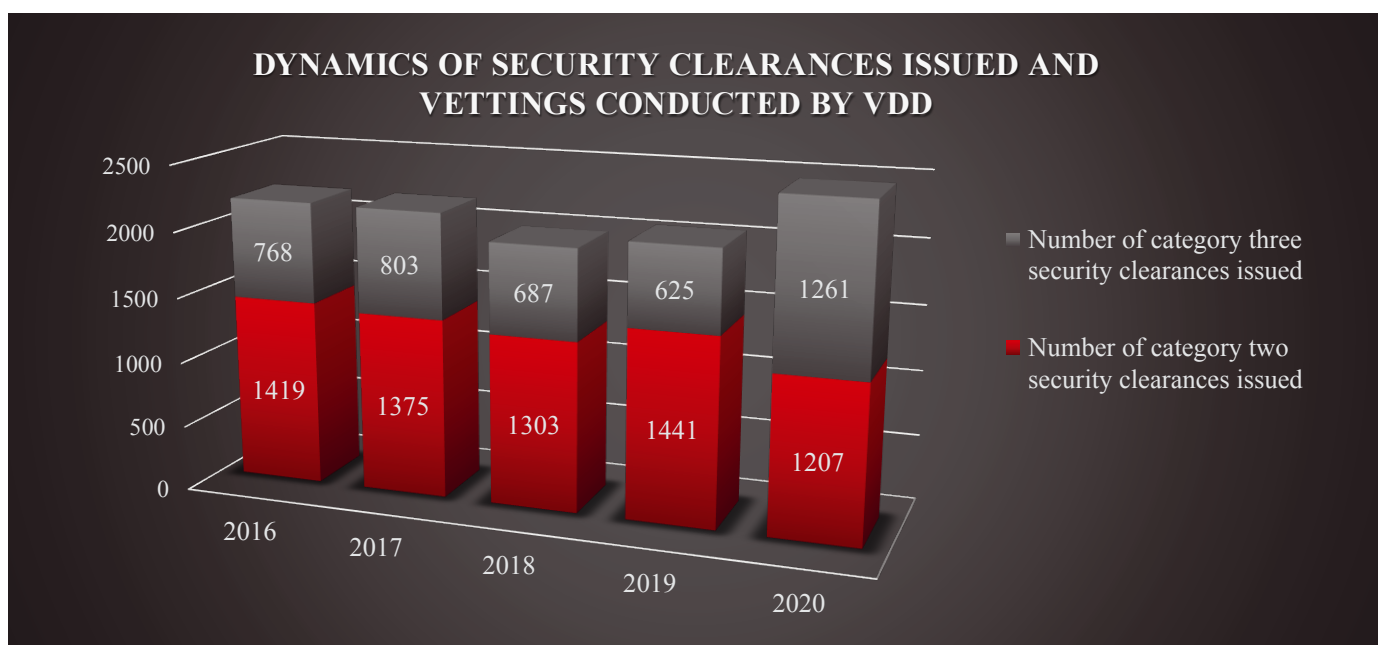
Although officers of foreign intelligence and security services potentially can choose any Latvia's resident as recruitment target independently from profession, work experience and the possibility to access classified information, state and municipal officials, as well as economic operators with access to the information containing official secrets are considered a more valuable source of information.

This is why VDD believes that the work regarding the improvement of the requirements for obtaining security clearances must be continued. It is commendable that last year the Regulation of the Cabinet of Ministers, which was elaborated in close cooperation among the Ministry of Health and the intelligence and security services, was adopted. This Regulation determines precisely how the evaluation of mental health of candidate for security clearance has to be performed and what are the medical counter indications that deny the issuance of a security clearance. According to the Regulation, in the case of suspicions about potential psychiatric or behavioral disorders that might create the risk of a classified information disclosure, the intelligence and security service has the obligation to refer the person for medical examination to one of the medical institutions that are determined in the Regulation. There the candidate is evaluated by the commission of doctors that consist of at least one psychiatrist and one narcologist, the candidate can be referred for additional examinations if necessary. After an extended evaluation the commission of experts delivers an opinion to the intelligence and security service about the health condition of the candidate.



*The analysis by VDD shows that issues of psychological nature, including alcohol abuse or similar weaknesses are often used by officers of hostile foreign intelligence and security services as compromising information that might force the targeted official to collaborate.*

It has to be noticed that the medical examination is one small part of the candidate vetting process. For an exhaustive vetting of persons applying for a security clearance, at least three months are requested. When evaluating intelligence and other risks, VDD gathers and analyses large amount of information, including person's previous activities and range of contacts. The legislation allows to prolong the term of the security vetting for another three months – last year, VDD used this clause in 125 cases when suspicious facts were



revealed in the biography of a candidate applying for security clearance or other information was obtained that had to be checked exhaustively. Like in previous years, in one part of the cases the reason for exhaustive checks was the amount of the information that had to be checked and the difficult accessibility, for example, in cases when a person had studied or worked abroad.

Last year, VDD issued a total of 2'468 security clearances, of which 1'207 were category two security clearance (up to secrecy level SECRET) and 1'261 were category three security clearance (up to secrecy level CONFIDENTIAL). VDD also checked 45 persons applying for category one security clearance (up to secrecy level TOP SECRET), forwarding the relevant materials to SAB for a decision.

It has to be noted that last year VDD vetted a significantly larger amount of candidates applying for security clearances than previous years. The increase in numbers is mainly the result of state and municipal institutions reviewing their establishment plans and increasing the proportion of posts, which require access to official secrets to perform the duties.

VDD also vetted 12 companies which required the industrial security certificate for public procurements implying access to information containing official secrets. The information gathered during the vetting along with relevant conclusions was forwarded to SAB for a decision. In four cases VDD established risks and recommended that the issuance of industrial security certificate be refused.

During last year the evaluation of trustworthiness of persons already holding the security clearance continued. In 10 cases the actions of persons demonstrated risks of classified information disclosure, therefore extraordinary vettings were launched. The most common grounds for such vettings were:

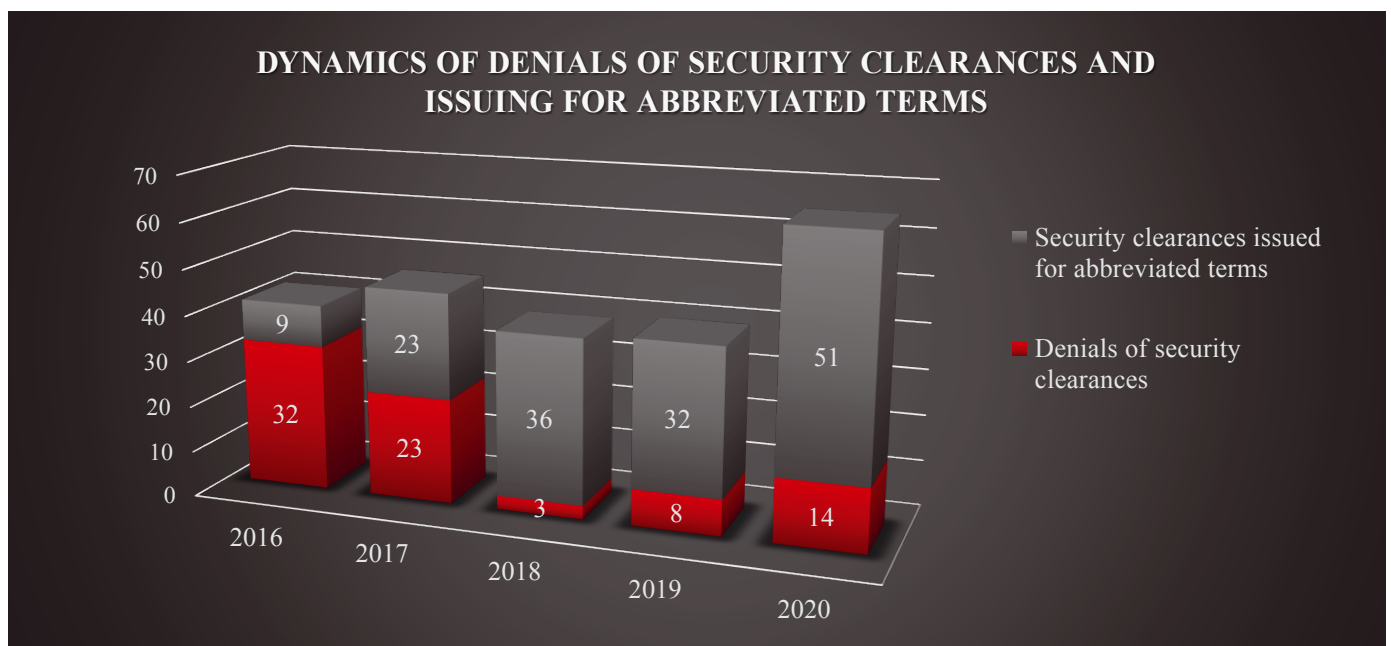
- in compliance with the requirements of protection of information containing official secrets, for instance, using unsuitable information systems;
- elevated intelligence risks, for instance, regular travels to Russia, CIS countries, China;
- suspicions on the abuse of authority;
- suspicious financial transactions;
- elevated reputational risks.

## Reasons for denying access to official secrets

Considering the serious and irreversible consequences of intentional or unintentional disclosure of information crucial to state interests, the security clearance is only issued to persons who do not raise substantiated doubts about their loyalty to Latvian State and their capability to obey the obligation of secrecy. Also in 2020 VDD faced cases when the professional

or private life of persons was related to elevated risks and served as grounds to refuse issuance or annul the security clearance.

Last year VDD made 14 decisions to refuse the issuance of a security clearance. Eight cases were first-time refusals, while in six cases the access to official secrets was refused to persons previously holding the security clearance.



The grounds established to refuse access to official secrets in 2020 were:

- In nine cases, the decision was made based on the person's non-compliance with Section 9 Paragraph 3 Article 6 of the law "On Official Secret", which bars access to confidential, secret and top secret official secrecy objects to persons who are found based on checks to have grounds for doubting their trustworthiness and ability to keep official secrets;
- In four cases, the decision was made based on the person's non-compliance with Section 9 Paragraph 3 Article 3 (b) of the law "On Official Secret", which bars access to confidential, secret and top secret official secrecy objects to persons found guilty of deliberate criminal acts;
- In one case, the decision was made based on the person's non-compliance with Section 9 Paragraph 3 Article 4 of the law "On Official Secret", which bars access to confidential, secret and top secret official secrecy

objects to persons who have been a staff employee of the intelligence or counterintelligence service of the USSR (in this case - the KGB).

In 51 cases, where risk factors were established, the security clearance was issued for an abbreviated term and after its issuance the in-depth vetting of person's compliance with requirements for work with official secrets was continued. Comparing to previous years, in 2020 the number of such cases increased. VDD makes the decision to issue the security clearance for an abbreviated term in cases where the person's biography shows breaches or activities with the risk potential to the security of classified information, however there are not sufficient grounds to refuse the access to official secrets. The issuance of a security clearance for an abbreviated term serves as a warning that without changing the undesirable habits, in the future the person may be refused access to official secrecy objects.

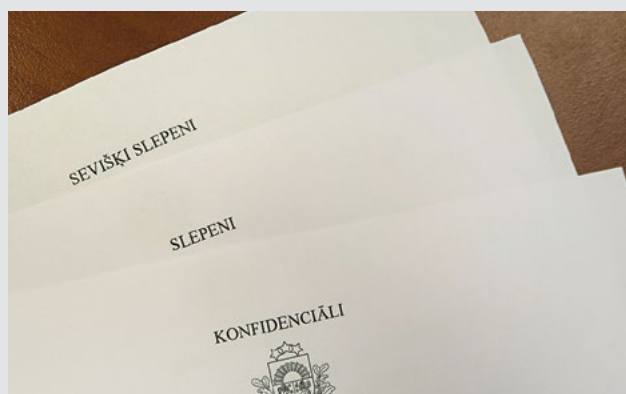
## WHO IS BARRED FROM ACCESSING OFFICIAL SECRETS

Last year saw the closure of two judicial proceedings, which evaluated VDD's decisions to refuse access to information containing official secrets. Having assessed the information obtained by VDD during the vettings, in both cases the Regional Administrative Court ruled that the decision of the service was substantiated.

In one case VDD had refused the issuance of a security clearance while in other - annulled an already issued security clearance.

In the first case VDD decided to refuse the issuance of the security clearance based on criteria stipulated in Section 9 Paragraph 3 Article 6 of the law "On Official Secret" - grounds for doubting the trustworthiness and ability to keep official secrets. A natural person had committed an unauthorised disclosure to a third party of information from state-significance information systems, as well as indicated incomplete and false information in the application for security clearance, deliberately trying to mislead the intelligence and security service.

The other decision was made on the same grounds, as the person's biography revealed facts that raised doubts about person's professional competence and capability to safeguard



*Illustrative photo, VDD*

official secrets: several initiated and terminated criminal proceedings for breach of obligations of state official, fraud and abuse of authority; a number of disciplinary penalties in relation to professional duties; the liability rendered by the Corruption Prevention and Combating Bureau for a conflict of interest. The court established that the systematic nature of these breaches indicated the possibility that the person may disobey the legislative requirements for the protection of official secrets.





*Illustrative photo, VDD*

### 3. PROTECTION OF THE CONSTITUTIONAL ORDER

Despite the measures introduced to overcome the Covid-19 pandemic, which substantially changed people's habits and limited face-to-face events, VDD's work amount in relation to the protection of the constitutional order did not decrease. Besides the already identified threats, new challenges appeared caused by the confusion among people about the future and the inability of experts to give precise prognoses about the stabilization of the situation.

Unchangeably the biggest threat in this field was caused by Russia's non-military influence activities. Their purpose was to destroy the faith of Latvian population in the state's constitutional order, basic principles of democracy, the legitimacy of Latvian statehood and its existence in the future, as well as in its allies – NATO and the EU.

Despite the increasing amount of information in the public space, which clearly reveals the carefully built architecture of Russia's non-military influence activities, the persons involved and methods employed, no significant changes can be observed in the influence activities implemented by Russia. Also in 2020 Russia implemented its activities by using various political, diplomatic, humanitarian, legal and information tools, in order

to influence the processes and decisions in Latvia's domestic policy and social life in a comprehensive and versatile way. In 2020 Russia's non-military influence activities were based on the usual topics – protection of the so-called Russian "compatriot" rights, consolidation of "compatriot" youth and preservation of the historical memory.

The level of extremism threats to the security of Latvia's constitutional order remained low in 2020. However, if the polarization of the society continues, it is likely to increase. Information which creates tension and intolerance among social groups which hold different opinions is often distributed in social media, where it is accessible to every person.

It must be noted that at the end of 2020 the distributors of conspiracy theories, disinformation and fake news became active and, by using the dissatisfaction and puzzlement of the society caused by the Covid-19 pandemic, tried to organize various protest campaigns. In this relation also several groups of populists and marginal persons tried to obtain popularity. However, their activities, which revealed a blatant disrespect of public health and safety, did not gain much support and mostly impacted the safety of the information space.

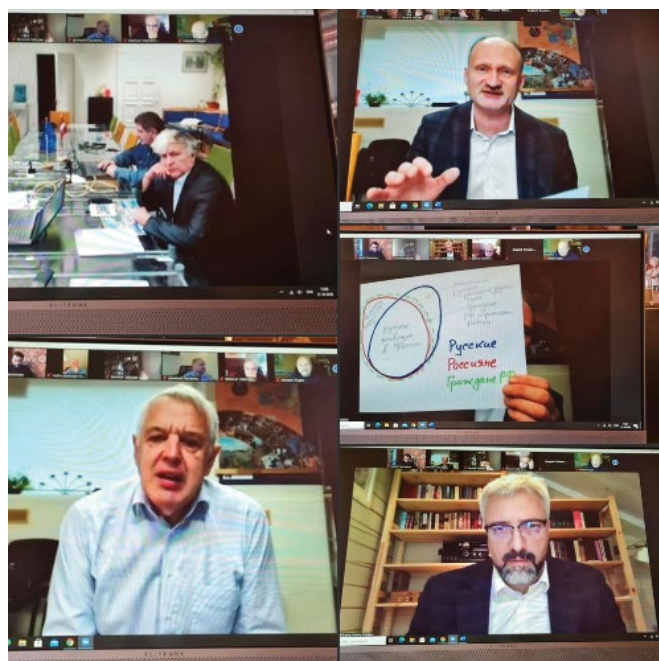
## Russia's non-military influence activities against Latvia

The architecture of Russia's efforts to obtain influence is similar to Kremlin's power vertical. The main guidelines and the strategic vision from the "political level", directly or with the help of declarations and public statements of Russia's officials, is "channeled" to the executors of particular tasks, for instance, the implementers of Russia's "compatriot"<sup>3</sup> policy, as well as to the most active supporters and implementers of Kremlin's geopolitical interests. Whereas the local "compatriots" are diligently trying to follow the set guidelines by hoping to obtain material benefits and financial support.

Despite the fact that the measures taken in order to overcome the Covid-19 pandemic in Russia as well as in other countries decreased the possibilities to implement the previously set plans, an increased activity of Russia's institutions implementing Kremlin's geopolitical goals was observed. 2020 marked changes in two significant Russia's institutions, which are responsible for allocation of finances to Russia's "compatriot" policy activists and the organizations they represent. In summer 2020 Yevgeny Primakov, who is a journalist, social activist, the grandson of Russia's former prime minister and minister of foreign affairs, was appointed the director of Russia's federal agency "Rossotrudnichestvo"<sup>4</sup>. By accepting the post Y. Primakov pointed that his reforms will not only change the public image of "Rossotrudnichestvo", but also reorganize the activities of its culture centers and representations. Soon after taking over the new responsibilities Y. Primakov started to establish direct contacts among the pro-Kremlin activists of the Baltic States. He spoke in various information resources controlled by the Russian government, expressing harsh criticism about the developments in the Baltic States. Likewise Y. Primakov participated in various online events of Russian "compatriot" policy activists. VDD assesses that due to the implemented reforms there will be changes in the approach to work with the Baltic States and with the Russian "compatriots" residing there. However, until the end of the Covid-19 pandemic the main activities will take place online and mostly will impact the security of the information space.

Whereas at the end of 2020 the former Ambassador of Russia to Latvia and Lithuania Alexander Udaltsov was appointed the new executive director of "Fund for the support and protection of the rights of compatriots living abroad"<sup>5</sup>. His long term professional experience in the territory of the Baltic States might have a major significance in the future

*Non-military influence – a purposeful use of political, diplomatic, humanitarian, information and legal instruments with the aim to influence and change the views and attitude of a country's residents, as well as the country's decision making processes according to the particular geopolitical interests.*



*A photo posted on the Facebook profile of the pro-Kremlin activist Aleksandrs Gaponenko from the online discussion "Russian nation consolidation problems" showing the co-chair of the political party "Latvijas Krievu savienība" Miroslavs Mitrofanovs (top right), A. Gaponenko (bottom left) and director of "Rossotrudnichestvo" Y. Primakov (bottom right).*

activities of the Fund, by placing the Baltic States among the most important target countries of Russia. Therefore it can be projected that among Russia's non-military influence activities a significant increase can be expected in the events devoted to the protection of the so-called "compatriots" rights.

The analysis carried out by VDD indicates that in the previous year the unchanged priorities for Russian diplomats was the work with youth and implementation of strategic goals of Russia's historical policy. At the beginning of 2020 the work

<sup>3</sup> In the recent years much of Russia's policy planning documentation has been changed, however the understanding of the so-called "compatriots" has remained the same. Russia with this term still covers a more wider circle of persons than it would be appropriate for a diaspora policy abroad. Therefore "compatriots" can be every person or group of persons (organization), who in its residence country takes part in reaching Russia's "compatriot" policy goals, disseminates narratives in favor of Russia's policy and interests or in any other way supports the implementation of Russia's interests in the residence country.

<sup>4</sup> "Rossotrudnichestvo" (in Russian – *Россотрудничество*) is Russia's federal agency established in 2008 whose task is to organize, finance and supervise the activities of Russia's "compatriots" abroad.

<sup>5</sup> "Fund for the support and protection of the rights of compatriots living abroad" (in Russian - *Фонд поддержки и защиты прав соотечественников, проживающих за рубежом*) is a foundation established on 1 January 2012 based on Russia's Presidential decree, whose task is to secure legal and other type of support to the activities of Russia's "compatriots" abroad. The founders of the fund are the Ministry of Foreign Affairs of Russia and "Rossotrudnichestvo".

of Russian Embassy was devoted to the preparation for the “central event” of 2020 – the celebration of the so-called “Victory Day”. The Embassy took part and financially supported the awarding ceremony of the Second World War veterans, the flower laying ceremonies and commemoration events. Whereas the limitations of public events were compensated by the increased activity of the Russian Embassy in the social networks. The Embassy’s officials published greetings and historical “testimonies” in connection with the events of the Second World War. Also various online competitions were developed, for instance, the online campaign “We remember”

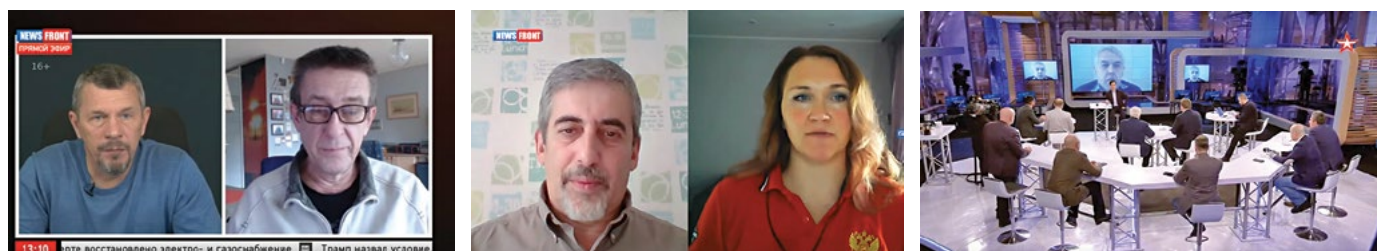
was launched on the Facebook page and website of the Russian Embassy.

VDD continued to carry out counterintelligence and operational activities in order to obtain pre-emptive information about Russia’s non-military influence efforts in the territory of Latvia. VDD regularly informed the state’s senior officials and decision makers about the identified risks, by providing assessments and recommendations. In cases when threats to the national security were established VDD carried out activities within its remit in order to diminish or eliminate the threats.

## Protection of “compatriot” rights in favor of Kremlin’s foreign policy goals

The work of Russia’s institutions towards the protection of the so-called “compatriots” in 2020 was directed towards two fields. Firstly, on an international scale Russia’s institutions focused on shedding light in supranational and international organizations on the “bad” situation of “compatriots” in some particular EU countries, including Latvia. This field was directly managed by Russia’s institutions or non-governmental sector close to the Kremlin, by using the positions of the so-called influence agents.

Secondly, local level efforts were aimed at activating the subjects of “compatriot” policy in Latvia in order to create the image of massive breaches of their rights in Latvia. It must be noted though that the activities of the local activists were limited by the restrictions imposed for the overcoming of Covid-19 pandemic. Therefore the annual campaigns established in previous years did not take place and most of the events were organized online or were implemented as small flash-campaigns.



*Screenshots from the videos published in Youtube by the TV channel Zvezda, financed by Russia’s information resource “NewsFront” and Russia’s Ministry of Defence, in which the pro-Kremlin activists Jurij Aleksjevs, Vladimirs Lindermans and A. Gaponenko are represented as opinion leaders.*

The topic of Russian “compatriot” rights protection was unchangeably integrated in the agenda of the political party “Latvijas krievu savienība” (in English – Latvian Russian union, hereinafter – LKS), which aimed at being the topic’s central coordinator at local level. VDD assesses that the protection of “compatriots”, which was built on the traditional pro-Kremlin activist narratives about the protection of Russian language and Russian schools, also this time was a handy pre-election campaign topic for LKS as the party prepared for the extraordinary elections to Riga City Council. The members of the party maintained active information campaign in online communication platforms and organized various local-level protest campaigns by expressing support to their “comrades”. For instance, in its social network platform the party expressed support to Aleksandrs Filejs, against whom criminal proceedings have been initiated for the denial and public glorification of the USSR war crimes against Latvia

and its inhabitants<sup>6</sup>. A face-to-face protest campaigns organized by LKS activists in support of Oļegs Buraks, who has been sentenced for spying in favor of Russia, took place. Another uncoordinated LKS protest campaign took place on 4 December 2020 as a reaction to the information about VDD’s procedural activities against persons who are suspected of breaching the EU sanction regime. At the moments favourable to Russia, LKS public activities and protest campaigns were integrated into materials of information resources used for reaching Russia’s information influence goals.

Also other Russian “compatriots” and pro-Kremlin activists mostly focused on online “protests” and on commenting on the judicial proceedings initiated against them, by regularly and systematically using social network platforms in order to express their “assessment” about themes of public interest and in order to criticize Latvian intelligence and security services.

<sup>6</sup> VDD initiated the criminal proceedings against the mentioned person on 25 July 2019 pursuant to the Section 741 of the Criminal Law. VDD recalls that no person shall be considered guilty until the guilt of such person has been determined in accordance with the procedures laid down in the law.

The analysis carried out by VDD confirms that the public announcements of “compatriots” and pro-Kremlin activists were widely used in Russia’s propaganda. In Russia’s information resources these activists were presented as local “experts” of politics and “researchers” of the society, in order to render their statements more credible. These statements were adjusted to disseminate narratives useful to Kremlin’s

interests about Latvia, by pointing at the “russophobic policy” implemented by Latvian state authorities and by depicting Russian “compatriots”, against whom criminal proceedings have been initiated in Latvia, as falsely accused and by describing the criminal proceedings as breaches of human rights and politically motivated repressions.

## Attempts to identify new leaders among Russian “compatriots”

Last year Russia continued purposeful attempts to engage Latvian youth in the implementation of “compatriot” policy tasks. VDD analysis indicates that this is carried out by Russia’s diplomatic representation, which already for a long time has tried to find suitable leaders for the work with new generation of “compatriots”, in order to secure the continuation of protection of Kremlin’s interests abroad. However, VDD assesses that the majority of Latvia’s youth of Russian origins have the sense of belonging to Western values and Russia’s systematic efforts to attract youth residing in Latvia to the “Russian world” concept and to Kremlin’s aggressive and dividing world view have not been successful.

At the same time the Latvian Youth Civic Organization Coordination Council (in Latvian - Latvijas Jauniešu sabiedrisko organizāciju koordinācijas padome, hereinafter – LJSOKP) supervised by Russian diplomatic corps and led by the pro-Kremlin activist Aleksejs Vesjolijs gradually expanded its activities in the “compatriot” environment. However, the activities of the organization were hindered by internal conflicts regarding administrative matters, for example, choosing the name of the organization, as well as regarding ideological matters such as the future plans and goals.

Last year under the lead of A.Vesjolijs LJSOKP directed its activities towards three fields – implementation of educational initiatives, organization of networking events and dissemination of the information provided by Russia’s institutions. VDD assesses that A.Vesjolijs developed the organization’s work as a personal initiative and was able to substantiate the achieved results to Russia’s diplomatic representations in Latvia. For instance in 2020 A.Vesjolijs managed to organize a discussion “Relationship between Latvia and Russia after the global pandemic” in the conversation festival “LAMPĀ”, and in this way use this platform for dissemination of narratives in favor of Kremlin’s policy outside the usual narrow “compatriot” activist circle. Corresponding to the intentions of Russian diplomatic corps also high-ranking Russian political scientist and journalist Fyodor Lukyanov participated in the discussion via an online platform. Narratives glorifying Russia and its superpower status were disseminated during the discussion.

Analysis carried out by VDD indicates that despite the seeming achievements in the consolidation of the so-called new generation of “compatriots”, A.Vesjolijs’ activities fostered competition among the young “compatriots”. Russian



*LJSOKP leader A. Vesjolijs during the discussion at the conversation festival “LAMPĀ”, in which Russian “compatriots” and pro-Kremlin activists participated. Screenshot from the webpage “festivalslampa.lv”.*

Embassy’s positive assessment of LJSOKP ambitions and activities has caused dissatisfaction also among the so-called old generation of “compatriots”, who previously enjoyed an exclusive benevolence of Russia’s institutions. VDD assesses that the main reason for disputes was unchangeably connected with limited financial resources coming from Russia and the mercantile interests of particular Russian “compatriot” activists.

In 2020 Russia continued purposeful work aimed at the attraction of Latvian youth to studies in Russia’s higher education institutions. This was mostly done within the framework of the program coordinated by “Rossotrudnichestvo” by offering cost-free study places in Russia’s higher education institutions to 115 students from Latvia. The selection of students was closely supervised by Russia’s diplomatic corps in Latvia.

VDD analysis indicates that attraction of foreign students to studies in Russia will remain a significant goal with the intention to find and raise future Russian influence agents. Taking into account the lack of young and capable activists, there is a reason to think that the number of study quotas for study places in Russia’s higher education institutions will be gradually increased. It must be noted that risks connected with Latvians studying in Russia have not decreased in the last years. By traveling from and prolongedly residing in Russia students become attractive targets to Russian intelligence and security services as they see the students as potential future information sources as well as influence agents for the implementation of Russia’s geopolitical interests.

In the nearest future also the Russian federal agency dealing with youth issues “Rosmolodjož” might become active in Latvia by organizing events in order to create a positive

image about Russia to Latvian youth and foster their sense of belonging to the Russian world view.

## Threats caused by Kremlin’s history policy

Russia’s non-military influence activities and the threat they caused to Latvian constitutional order in the last year, similarly as in previous years, was directly connected with the strategic goal of Kremlin’s history policy – to legitimize its status of global superpower. Taking into account that last year the 75<sup>th</sup> anniversary since the end of the Second World War was celebrated, Russia used a full spectrum of non-military methods in order to strengthen the interpretation of history for its own favor on a global and local scale:

- Russian authorities and diplomatic corps abroad, also in Latvia, by showing example and with limited financial resources tried to stimulate the activity of local residents in the celebration of historical events;
- The agenda of research institutions close to Kremlin was subordinated to the efforts of rewriting the history, which fostered pseudo-science also among local activists;
- Russian authorities and federal agencies tried to “raise” the new generation of “compatriots” by focusing on the historical memory as the element unifying the generations, thus trying to make the youth interested in the Russian world;
- Russian authorities’ efforts to strengthen the interpretation of history based on the Kremlin’s world view were fostered also with the help of legislation;
- Russia’s history policy goals were supplemented by the content created by various information resources, as well as with culture and entertainment events, by filling them with interpretations corresponding to Russia’s history policy goals.

By announcing 2020 as the year of “commemoration and fame” Russian authorities organized a cycle of events for the implementation of history policy contributing to Russia’s geopolitical interests. The basis for the cycle was built on the events devoted to the celebration of the so-called “Victory Day”, with the aim to create a version about the USSR and Russia’s, as its successor, “victory” in the Second World War, at the same time denying the crimes committed by the USSR, including the occupation of Latvia, and trivialising the sacrifices of other countries. However, Covid-19 impacted Kremlin’s grand plans as a result of which the focus was on online campaigns.

In this context also the local pro-Kremlin activists tried to show their usefulness in the implementation of Russia’s influence events. For instance, the “representation” of all-Russian movement “Victory Volunteers” in Rēzekne and Daugavpils<sup>7</sup> was granted the title of the most active representation in Europe. Such “title” was granted due to the organizational participation in all-Russian event “Dictation of Victory” organized by the leading party in Russia “United Russia”, Russia’s history union and “Rossotrudnichestvo”, during which the participants were invited to take a test in order to examine their knowledge about the “Great Fatherland War”.

Also many Russian pseudo-academic institutes were involved in the implementation of Russia’s history policy goals. They organized various projects in order to disseminate the interpretation of history of the Second World War favourable to Russia’s geopolitical interests.



*The photo published on the Facebook page of the “representation” of all-Russian movement “Victory Volunteers” in Rēzekne and in Daugavpils, which shows the participants of all-Russian event “Dictation of Victory” during their knowledge test about the history of the “Great Fatherland War”.*

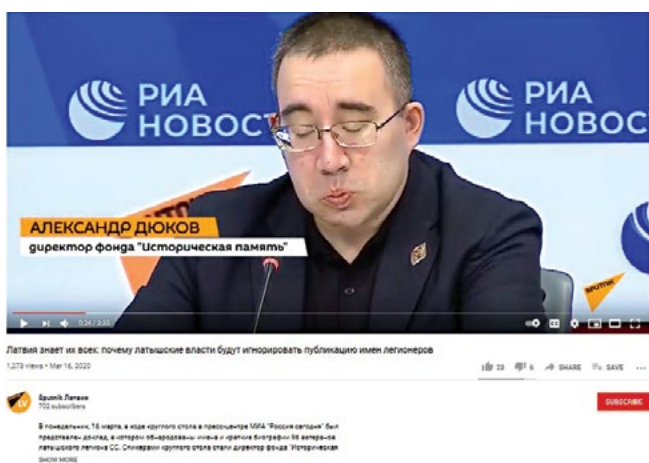


*On 17 October 2020 the representatives of the union “Latvijas Antinacistiskā komiteja” (in English – Latvian Anti-Nazi committee; hereinafter – LAK) with the help from the Russian Embassy to Latvia organized the annual so-called “Forcing of lake Ķīsezers”. The format of the event was similar to previous years – the pro-Kremlin activists crossed lake Ķīsezers on boats, imitating the attack of the USSR army to Riga in 1944. In the picture – participants of the event, LAK representatives. Screenshot from “lv.sputniknews.ru”.*

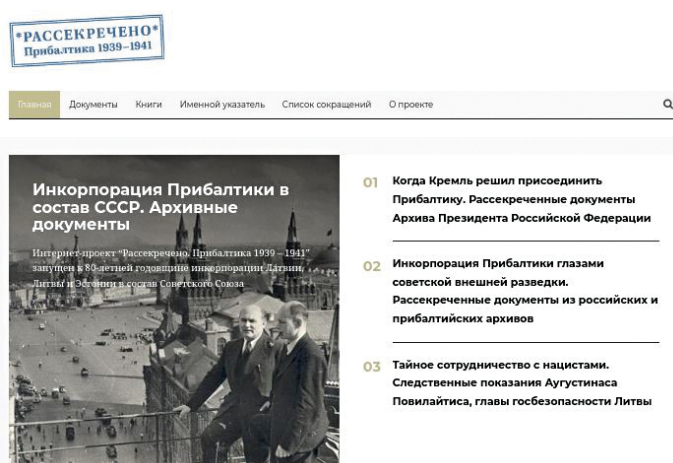
<sup>7</sup> The “representation” of the mentioned movement in Latvia was established in 2019.

Last year the Russian pseudo-historian Alexander Djukov and his foundation “Historical Memory”, which activities are aimed at discrediting the Baltic States and their statehood, continued its activities against Latvia. For instance, in autumn 2020 A.Djukov launched a new project with the aim to disseminate “scientific” researches stating that in 1940 the Baltic countries willingly joined the USSR, based on selective and manipulatively interpreted Russian archive documents. For the elaboration of this Russia’s history policy direction A.Djukov’s foundation has established a webpage “baltic1940.ru” in which “declassified” documents from Russian archives are available in order to depict the political and social developments in the Baltic countries before the Second World War, favouring Russia’s current history policy goals.

It must be noted that on 16 March 2020 A.Djukov’s foundation “Historical Memory” published a report in which 96 Latvian legionnaires, participants of the Second World War, were “accused” of alleged war crimes. VDD assesses that in this way the Russian institutions partially tried to compensate the lacking agitation, which usually was provided by the commemoration events in honor of the Latvian legionnaires taking place in Riga. A.Djukov’s and his foundation’s activities were widely reflected in the information resources used for Russia’s information influence activities targeting Latvian residents. The goal of these activities was to create and strengthen the sense of belonging among Latvia’s Russian-speakers to the interpretations of the Second World War history favourable to Russia’s geopolitical interests by trivialising the tragic events of Latvian history and providing manipulative interpretation which justifies the USSR actions.



Left – director of the foundation “Historical Memory” A.Djukov, screenshot from “Sputnik Latvija” Youtube account. Right – screenshot of the content published on the website “baltic1940.ru” established by the foundation.



Despite the epidemiological safety measures introduced to limit the Covid-19 pandemic, a high activity of Russia’s diplomatic corps in Latvia in implementation of Russia’s history policy was observed last year. The official flower laying ceremonies of Russia’s diplomatic representations in Rīga, Daugavpils and Liepāja in celebration of the end of the Second World War took place on several commemoration sites and even days before the 9 May 2020. In Rīga the flower laying ceremonies took place on 8 and 9 May, reaching their culmination when the Russian Ambassador Evgeny Lukyanov laid flowers next to the so-called “Victory monument”.

published several manipulative posts about the “elections” organized on 14 and 15 July 1940 in Latvia. These posts were published with the aim to disseminate myths corresponding to Russia’s history policy stating that Latvia’s residents “wanted” the inclusion of Latvia into the USSR.

VDD analysis indicates that in the last year Russia’s Embassy more actively used Facebook to facilitate the dissemination of narratives favourable to Russia in Latvian information space and to address the potential new generation of “compatriots”. The main focus was on the reflection of the so-called “Great Fatherland War” by using Russia’s archive materials. For instance on 14 July 2020 the Russian Embassy

The so-called Russian “compatriot” umbrella organization, the unregistered body – Latvian Council of Civic Organisations (in Latvian – Latvijas Sabiedrisko organizāciju Padome, hereinafter – LSOP) was rather passive during last year, however its leader Viktors Guščins continued to provide support to the implementation of Russia’s geopolitical interests, by ensuring the appearance of appropriate narratives in the information resources used for Russia’s information influence activities. VDD assesses that V.Gučšins mostly used LSOP for his personal interests. Meanwhile the activities of regional “compatriot” organizations were mostly focused on the regional topicalities and their scope of activities remained insignificant and did not cause threats to Latvia’s constitutional order.

## Security of the Extraordinary Elections to the Riga City Council

One of VDD's tasks is securing free and democratic elections. In order to identify and prevent possible efforts to unlawfully influence the course and results of the Extraordinary Elections to the Riga City Council in the last summer VDD intensively monitored the information space, cooperated and exchanged information with other involved institutions, analyzed the information obtained from various sources as well as carried out operational activities. In relation to the elections VDD is responsible for reacting towards foreign as well as internal risks threatening the safety of elections.

In large, the Extraordinary Elections to the Riga City Council were peaceful and no foreign influence was established. In 2020 the Covid-19 pandemic caused certain challenges to the course and security of elections as the institutions responsible for the course of elections had to pay additional attention to the organization of work according to the epidemiological safety requirements as well as had to secure that also the voters observe all safety measures. The society mostly showed high level of responsibility and during the elections followed the epidemiological safety recommendations with only a few exceptions.

To secure free and democratic elections, the involvement of every person is important. Even though in 2020 the elections took place only in Riga, VDD observed high civic activity as people provided the information to the service about the conformity of the course of elections with the regulations in certain polling stations. VDD carried out inspections based on 31 report received from residents, from which the majority was received during the election days. Most of the reports were about possible breaches of election procedure and possible



*Illustrative photo, VDD*

agitation breaches. After VDD verified and confirmed the information, it was transferred to the responsible institutions. There were only two reports on possible influencing of voters, causing suspicions about the so-called vote buying, however the verification of information did not confirm such activities. VDD also came across several social network posts offering to sell votes.

In connection with possible unlawful activities during the Extraordinary Elections to the Riga City Council, in 2020 VDD launched four criminal proceedings, however in all cases the investigation established only negligence and unintentional mistakes of officials who were responsible for the course of elections in certain polling stations, and not deliberate malice. Therefore due to lack of elements of criminal offence all criminal proceedings were terminated.

## Extremism and radicalism, paramilitary organisations

As in previous years, also in 2020 the overall threat posed by both right-wing and left-wing extremists remained low in Latvia. In comparison with Western countries, where in 2020 an increase in threats posed by right-wing extremists was observed, in Latvia the representatives of the mentioned ideologies mostly acted alone or had united in small, marginal groups.

Mostly the public activities of these activists were carried out on the internet – on social networks like *Facebook* and *Draugiem.lv* as well as in various forums and blogs where the activists exchanged similar opinions or published posts which created tension and intolerance among various ethnic groups and races, as well as posts aimed at discrediting Latvia's membership of NATO and the EU. VDD assesses that uncritical distribution of such posts, as well as belated reaction of the providers of these social network platforms to such content fosters radicalization of some persons.

A communication with likeminded persons from Western countries was established among the right-wing extremists prone to violence. The communication mostly took place online and over various communication applications. There is a risk that more and more right-wing extremists, particularly young, will try to connect with such international right-wing extremist networks. It might increase the radicalization of such persons and contribute to the possibility that they might get inspired from acts of violence and attacks carried out by right-wing extremists living in Western countries against those who share other opinions. Such examples from other countries might indirectly encourage the right-wing extremists prone to violence to repeat similar activities in Latvia.

Left-wing extremists are not widely represented in Latvia taking into account our country's negative experience with communism. The level of organization and the ability to attract followers to these groups is low.

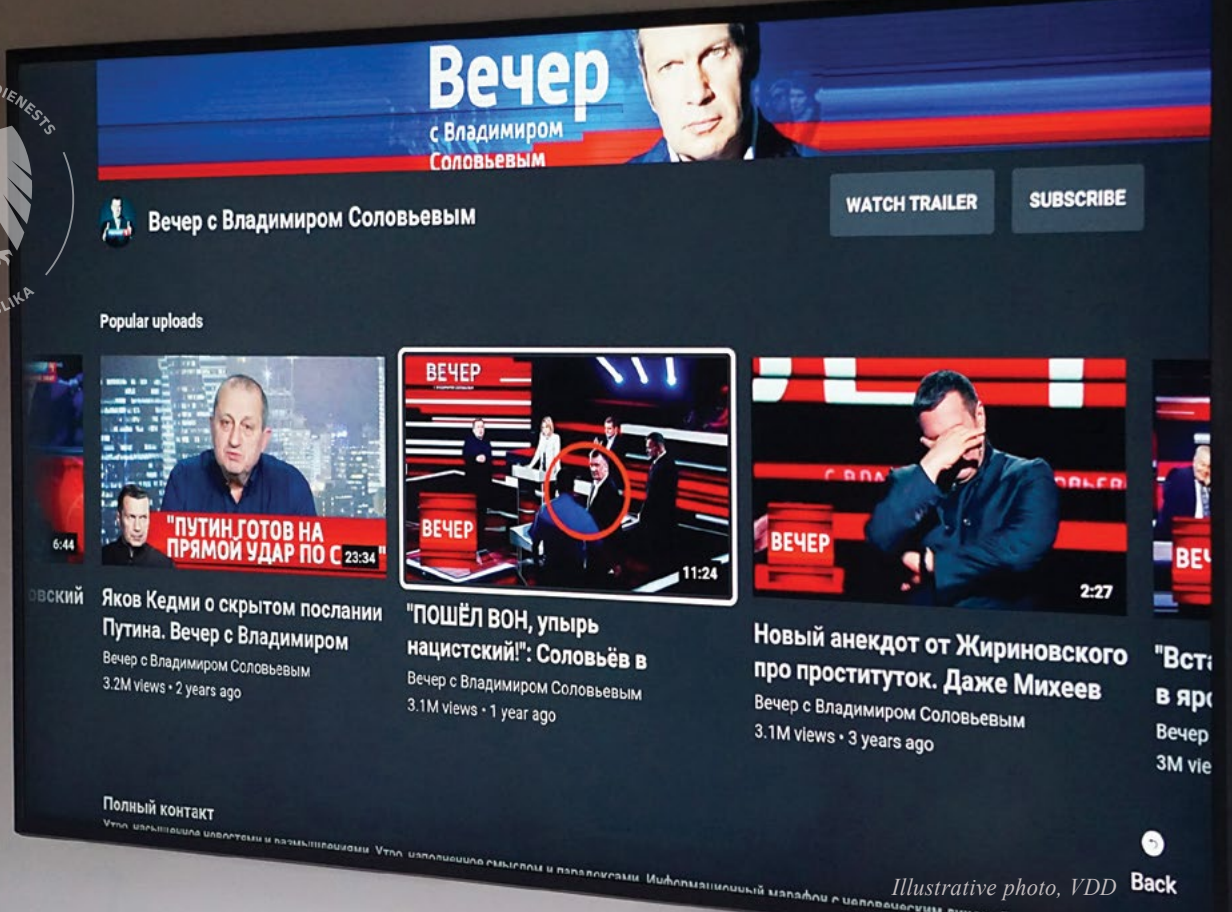
However VDD has noticed some separate efforts to popularize the socialism and communism ideas among youth. It must be stressed that majority of these young people have not experienced the crimes committed by the communist system. Due to the lack of experience young people tend to have uncritical opinions towards the communist propaganda spread online and do not understand the potential risks when they are promoting the reestablishment of this regime.

In 2020 some particular paramilitary activist groups and individuals, who increasingly were interested in military skills and were involved in trainings of military tactics and usage

of various weapons continued to attract VDD's attention. Even though the majority of cases the military simulation is only entertainment, some games include scenarios connected with military unit tasks. There is a risk that groups of such activists, who learn in-depth military tactics, might be used for confrontations against state structures.

Despite the gathering restrictions due to the Covid-19 pandemic, some paramilitary activist groups, for instance teams of military simulation game *airsoft*, continued to obtain specific knowledge of military nature, which is not connected with the style of the aforementioned game.





## 4. SECURITY OF THE INFORMATION SPACE

Due to the measures introduced for overcoming the Covid-19 pandemic, the face-to-face meeting possibilities were substantially limited in the last year, which gave a more important role to the online activities. Accordingly the influence of processes in the information space on the national security increased.

Russia continued to create the main challenges to Latvia's information space last year. The organizers of the Kremlin's information influence activities purposefully tried to use the media (TV channels, websites) under their control and the possibilities to disseminate information in social networks in order to fill Latvia's information space with narratives in favor of Russia's geopolitical interests. Likewise in 2020 the persons involved in the implementation of Kremlin's information influence activities tried to use such information channels which can help to disseminate Russia's traditional narratives about developments in Latvia and in international politics in a rather entertaining and "easy" way, without aggressive and attacking propaganda. In the period of review it most clearly manifested in the forms of various video blogs, which were available on *Youtube*. It is noteworthy that in the time when Russia increasingly tried to control and restrict the activities of Western social networks in its territory, particularly

these information channels played a more significant role in Kremlin's information influence activities.

VDD analysis indicates about increasing level of activities of China in Western information space and in 2020 service noticed China's information influence activities also in Latvia. The established cases were mostly aligned with China's efforts to exonerate its image after international accusations of concealing the Covid-19 outbreak. Likewise China's information influence activities were aimed at dissemination of information in favor of China about the USA and China trade disputes, as well as about other international and internal matters important to China.

Last year the activities in Latvia's information space confirmed the increasing role of online social networks and direct communication platforms in the dissemination of information. An increasing part of the society used these platforms as their main source of information. At the same time this tendency creates many challenges connected with activities of distributors of fake news and disinformation on these platforms. VDD assesses that the new challenges for Latvia's information space reveal the susceptibility of certain groups of society to this type of content, causing them use and spread further unverified, falsified and distorted information.

## Russia's information influence activities

No significant changes were evident in the Russia's information influence activities in 2020. Similarly to previous years Kremlin continued to use the available resources in order to influence the public opinion in Russia as well as abroad. Taking into account Latvia's large consumption of content created in Russia, Latvia's residents were influenced by the narratives created for Russia's local audience as well as by influence activities aimed against Western countries. It was particularly seen at the beginning of 2020 when the state of emergency was declared in Latvia and several restrictions were imposed, but Kremlin still continued to disseminate propaganda messages denying the existence of the virus. A positive example of strengthening Latvia's information space during the pandemic was the government's decision to allow commercial media to broadcast public media content, which ensured that also the part of the society, which usually consumes the content created for Russian audience and are not interested in local developments, can access the information about the decisions made in Latvia.

There were also no changes in the architecture of Kremlin's information influence measures. VDD analysis indicates that various interconnected elements were integrated during the planning and implementation of these activities:

- A use of purposeful, systematic and uniform narratives in all media and social network platforms in order to ensure a constant flow of information which would decrease the trust of Latvian society in its country, its NATO and the EU membership, and which would create the image of Russia as a global "superpower";
- Representation of all processes and developments according to the narratives enhancing Russia's politics, in order to strengthen the support to Kremlin's world view in public consciousness;
- The purposeful use of local content creators and the so-called "opinion leaders", in order to adjust Kremlin's narratives to the country's target audience;
- The use of automatized solutions and latest technologies in dissemination of narratives and audience analysis, in order to secure the highest possible reachability of the target audience;
- Providing support to the implementation of Russia's foreign policy goals, by securing the necessary information background about the developments in international or regional politics.

State and regional media under Kremlin's control in 2020 continued to take care of Kremlin's public relations, seeking to improve Russia's image and provide support in discrediting other countries, including Latvia. Kremlin's control over

*The long term goal of Kremlin's information influence activities directed against Latvia is to change the views of Latvia's residents with the help of a systematic disinformation and propaganda messages that would destroy their faith in Latvian state and would direct them to Russia's influence sphere.*



*Screenshot of the video from 9 February 2020 of the broadcast "De facto" named "Will the First Baltic Channel also be terminated?" published on the website "reply.lsm.lv". In the picture – co-owner of "Nacionalnaya Media Gruppya" Yuri Kovalchuk (on the left) and director general of Russia's "Rossiya Segodnya" Dmitry Kiselyov.*

the propaganda content and its main distribution channels was secured by the financial dependence and the established institutional traditions with the Presidential Administration of Russia as the main figure in setting guidelines for media activities, as well as by the presence of persons close to Russia's President Vladimir Putin in the managing boards of the biggest media companies.

It must be noted that the travel restrictions imposed to overcome the Covid-19 pandemic affected also the activities of the TV channels used for Russia's information influence activities, as their representatives had difficulties traveling to Latvia. Therefore the producers of TV channels used for the implementation of Russia's information influence activities used the content creators living in Latvia – reporters and operators, who prepared storylines for the news programs and political shows of the mentioned TV channels. In this way also Latvian citizens knowingly or not became the "heroes" of the stories used for the implementation of Russia's information influence activities.

VDD already in its previous reports has highlighted the significant role of Russia's big media companies, holdings and news agencies in the architecture of its information influence activities. Also in 2020 two persons included in the EU sanction lists<sup>8</sup>, directly connected with Russia's propaganda

<sup>8</sup> On 21 March 2014 the Council of the EU based on the decision No. 2014/151/CFSP included D.Kiselyov in the list of persons against whom sanctions are imposed in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine. Whereas on 30 July 2014 the Council of the EU adopted the decision No. 2014/508/CFSP based on which also Y.Kovalchuk was included in the said list.

and close to V.Putin were subjects of interest to VDD – director general of the international news agency “Rossiya Segodnya”, which controls Russian state media, Dmitry Kiselyov, and the co-owner and one of the true beneficiaries of Russia’s private media accompany “Nacionalnaya Media Gruppya” Yury Kovalchuk. They are subjects to the EU sanctions as persons owning or controlling Russian TV channels and websites which have been used to implement Russia’s aggressive foreign policy, in this case – used for undermining Ukraine’s territorial integrity, sovereignty and independence.

VDD assesses that the information resources financed by “Rossiya Segodnya” – “Sputnik” and “lv.baltnews.com” remained as one of the most aggressive Russia’s influence tools in the information space and continued a systematic dissemination of manipulative information. The main editors of these information resources were Valetin Rozencov and Andrey Starikov, who coordinated the work of these information resources from Moscow. The visit rates of these webpages were rather low. However their creators purposefully developed activities on social networks, mostly on *Facebook*, in order to ensure a wide distribution and use of their content in Latvia’s information space.

At the end of 2020 VDD referred to the Prosecution Office the criminal proceedings initiated in 2018 against the

creators of another Russian project – webpage “imhoclub.lv”, for initiating prosecution. VDD assesses that the particular information resource also in 2020 served as a platform where Russian “compatriots” and pro-Kremlin activists provided systematic support to the implementation of Russia’s foreign policy goals, by publishing information discrediting Latvia and its allied countries.

VDD’s analysis indicates that a significant role in the implementation of Russia’s information influence activities is assigned to local Russian language information resources, including media and websites, which uncritically integrate narratives in favor of Kremlin’s policy in their content. VDD holds the opinion that such a systematic support to Russia’s information influence activities was provided by several websites registered in Latvia and some particular radio stations, which are mainly active in the Russian-speaker segment of the information space. A content created in Russia was republished for the local audience, with the aim to discredit Latvia and its allied NATO and the EU countries. “bb.lv” and “press.lv” can be mentioned as examples where the content creators as their information sources often used information resources working in favor of Kremlin’s geopolitical interests. In this way they provided support to the circulation of information in Latvia’s information space supporting Russia’s aggressive foreign policy.

## VIOLATIONS OF THE EU SANCTIONS INVESTIGATED BY VDD

### **About the cooperation with the companies of Yury Kovalchuk**

In October 2020 VDD referred to the Prosecution Office for prosecution the criminal proceedings initiated against two persons connected with the Baltic media market for possible violation of the EU sanctions. The mentioned criminal proceedings were initiated in 2019 based on the suspicion of the committing of a crime pursuant to Article 3 of the Section 84 of the Criminal Law (for the violation of sanctions if it has been committed by a group of persons according to a prior agreement).

The information obtained during the investigation indicates that the accused persons within their business activities, which are connected with creation and distribution of media content, have continuously cooperated with Russian media companies which are included in the Russian media holding “Nacionalnaya Media Gruppya”, which is partially owned by Y.Kovalchuk.

VDD holds the opinion that it is unacceptable that financial assets from Latvia are provided to persons, who have taken part in undermining the territorial integrity of an independent country and because of this are included in the EU sanctions list. It is a gross violation of the sanctions regime, which threaten its effectiveness and the goal of the imposed sanctions – to secure international peace, safety and rule of law.

### **About the cooperation with the companies controlled by D.Kiselyov**

At the end of 2020 VDD carried out procedural activities within the criminal proceedings initiated in 2020 on the grounds of suspicion of committing a crime pursuant to Article 1 Section 84 of the Criminal Law. The procedural activities were carried out against several Latvian residents about the possible cooperation with the information resources “Sputnik” and “Baltnews” which are under the control of “Rossiya Segodnya” led by D.Kiselyov. The activities of the mentioned information resources in Latvia were suspended already before, due to possible violations of the EU sanctions, by forbidding “Rossiya Segodnya” to open its representation in Latvia as well as by forbidding the operation in Latvian domain zone “.lv” of “Sputnik” and “Baltnews”.

Cooperation among several Latvian state authorities in 2020 resulted in restriction of activities of other information resources in Latvia, which are under control of D.Kiselyov. Seven TV channel’s “RT” programs, used for Russian propaganda purposes and controlled by D.Kiselyov, were excluded from Latvia’s list of the retransmitted audio and audiovisual programs. Later also Lithuanian competent authorities followed the example of Latvia, based on D.Kiselyov’s actual role in the media organization “TV-Novosti”, which creates “RT” television programs.

VDD reminds that no person shall be considered guilty until the guilt of such person has been determined in accordance with the procedures laid down in the law.

## INTEGRATION OF RUSSIA'S NARRATIVES IN PUBLICATIONS DIRECTED AGAINST LATVIA

The goal of the information resources used in Russia's information influence activities was to present each useful topic or event in favor of Kremlin's political interests. Russia continued to act based on the so-called "opportunist" approach – it purposefully selected and adjusted the developments in the target country or globally to justify and substantiate its narratives.

The continuously topical issues analyzed in the publications and plots about Latvia included:

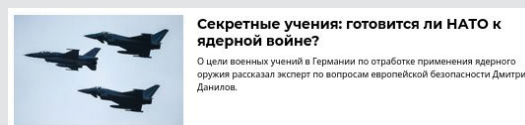
- discrediting Latvia's membership of NATO and the EU;
- economics, especially transit and cooperation with Russia;
- the bad situation of Russian "compatriots" and "russophobia";
- rewriting of history.

Analysis carried out by VDD indicates that in 2020 Russian information resources distributed disinformation and lies about themes topical in Latvia and globally in order to influence Latvia's public views according to Kremlin's foreign policy goals. For instance Kremlin's narratives were adjusted to such themes as Covid-19 pandemic, presence of NATO allies in the Baltic States and military training, Latvia's economy, counteractivities of Latvian state institutions to Russia's influence activities and reforms in Latvia's education system.

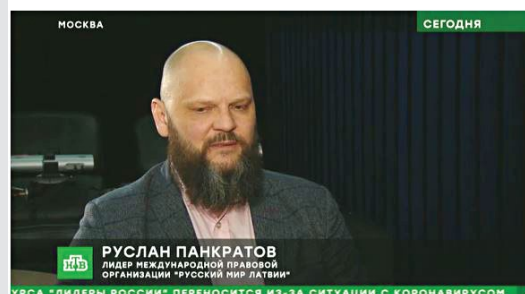
To integrate the narratives into reports and publications directed against Latvia, a significant role was assigned to Russian "experts", content creators and so-called "opinion leaders", who allegedly are familiar with the situation in Latvia. It was still of a significance to use persons, who might have not even realized that they have become a "background" for Kremlin's propaganda purposes. Russia's information resources were not shy about distorting people's words or extracting some particular details out of the context, in order to adjust them to their narratives.

This resulted in developed narratives about Latvia as an unsuccessful country on the verge of collapse, led by "russophobes". It was also claimed that Latvia's existence depends only from the benevolence of Washington and Brussels and that NATO has turned it into a military location meant for planning and implementation of armed attacks against Russia. The bright image of Russia and its "leader" were juxtaposed to these narratives, trying to create the impression that the cooperation with Russia is the only possible option and way out of the deadlock in which Latvia and the Western world has found itself.

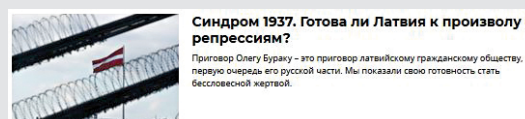
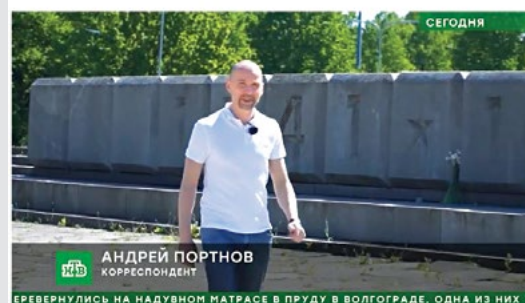
VDD holds the opinion that the goal of such narratives was to attain the usage in Latvia's information space of information, which would strengthen the public sense of fear and ambiguity towards the future, increase distrust in Latvia and its allies in NATO and the EU, as well as destroy Latvia's residents' trust in their own power. This task was implemented by using purposefully distorted information, blatant lies, disinformation, brutal threats, explicit language and defamation, presenting this information as news, opposite opinions or public discussions.



### Идеологический бизнес: как продают и покупают русофобию



### В Латвии хотят запретить георгиевскую ленточку



Examples of cases when continuously important topics to Russia are integrated in publications and plots against Latvia. In the pictures – screenshots from the websites "sputniknews.lv.com", "lv.baltnews.com" and "ntv.ru".

## China's information influence activities

Besides Russia, also China is acting more intensively in Latvia's information space. VDD analysis indicates that in 2020 China's information influence activities were mostly directed towards two fields. Firstly, China systematically carried out activities in order to fill Latvia's information space with narratives complementing China and create a positive attitude about China in Latvia's media environment. Secondly, within various cooperation projects China purposefully worked with public groups, for instance from the academia and culture fields, whose members, as the opinion leaders, have the potential to influence the establishment of opinions in the society as a whole.

In 2020 China's information influence activities were mostly directed towards the construction of a positive image by positioning itself as one of global superpowers. Equally important role was assigned to the efforts to decrease society's negative attitude towards the fact of concealing the Covid-19 outbreak and the efforts to accentuate China's political system's superiority over Western democracies and international alliances, for instance NATO and the EU.

VDD analysis indicates that narratives contributing to China's geopolitical interests were integrated also in local information resources used for Russia's information influence activities, including the content of Latvian version of "Sputnik" and "lv.baltnews.com". VDD sees it connected with the fact that Russia's and China's information influence activities correspond in many ways or even overlap, for instance the propaganda messages of both countries include purposeful discrediting of NATO and the EU.

The analysis of other countries' experience confirms that seemingly legitimate efforts to create a positive image of China are often followed by aggressive information

## Covid-19 and conspiracy theories

The rapid development of information and communication technologies has significantly impacted the communication habits of people, including the ways of obtaining information. A visible proof of changes in the information consumption habits is the rising number of people who "follow" the opinion leaders of various social groups, including persons inclined to populism, in the social networks and online communication platforms.

By analysing the developments in Latvia's information space according to its competence, in 2020 VDD identified cases when both identifiable (certain persons and organizations) and unidentifiable (the so-called internet "trolls") subjects were



*Screenshot – an article with narratives complementing China on the website "lv.baltnews.com".*

influence activities. An example of that are the efforts to forbid publications which criticize China's political course and the efforts to achieve the removal from media content of materials which are unflattering to China's political course. VDD does not see the compatibility of such actions with the values of Latvia as a democratic country, and therefore China's increasing activities in Latvia's information space must be evaluated together with their generated risks to the national security of Latvia.

spreading disinformation and fake news, including conspiracy theories. These activities had different goals:

- Dissemination of disinformation and fake news for commercial purposes, in order to gain profit by using people's credulity or their lack of certain knowledge;
- Dissemination of disinformation and fake news in order to increase the social capital and gain recognition within a certain part of society. Covid-19 topic was widely used for this purpose;
- Dissemination of disinformation and fake news by some persons as they had uncritically assessed the information, had believed in it and had not checked the credibility of the information source.

Since the declaration of the state of emergency, which was introduced in Latvia in order to overcome the Covid-19 pandemic, VDD noticed the increase of disinformation and fake news on Latvia's most popular online social network platform *Facebook* about the pandemic and the security measures introduced in order to overcome it. In most of these cases this information was disseminated without going into a deeper research of the subject and without evaluating the possible negative impact the information might bring to the public order and safety. At the same time there were cases when the disinformation and fake news about Covid-19 pandemic were disseminated purposefully in order to increase ones popularity or to obtain financial or other benefits. VDD identified several deliberate provocation cases when the public was encouraged to act unlawfully. In 2020 one of the most active inciters to breaching the Covid-19 restrictions and endangering public health were the representatives of the foundation "Tautas varas fronte". Taking into account the threat caused by foundation's activities to the public health and safety, VDD used the right conferred on the service by legislation and turned to the Prosecution Office in order to initiate the procedure of termination of foundation's activity. Likewise VDD informed the representatives of *Facebook* about the activities of "Tautas varas fronte" on this social network platform, where the foundation representatives purposefully and systematically disseminated information containing direct calls for ignorance of the health protection measures introduced for the protection of Latvian society.

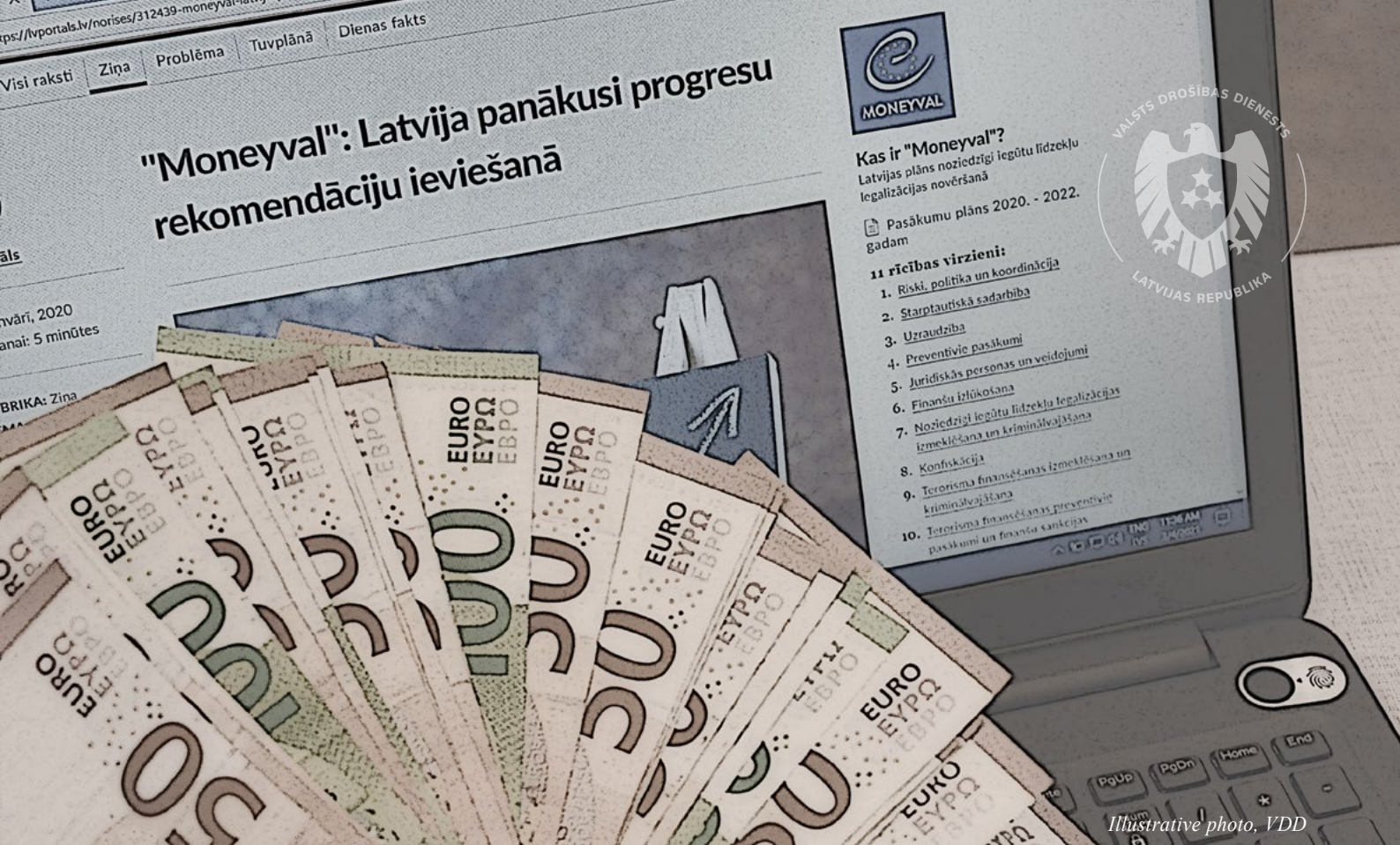
It must be noted that the rapid spread of conspiracy theories and their usage in various population groups, who believe in this information, was one of the most visible side effects to the global efforts in overcoming the unprecedented challenge – Covid-19 pandemic. Also Latvia's information space was not an exception and this trend was mostly observed in the online groups of interest of *Facebook*. Content of questionable quality, which included global and local conspiracy theories mostly focused on the efforts of imaginary "worldwide government" to establish the technological totalitarianism in the world, including in Latvia, was disseminated and used in these online social groups. The vaccination was presented as the biggest threat in this context.



Publication about the protest of "Tautas varas fronte".  
Screenshot of the website "sputniknews.lv".

Last year VDD identified a large amount of fake *Facebook* and *Twitter* profiles, most probably of local origin, which is unusual for Latvia's scale. Once the fake profiles became active VDD informed the providers of the social networks about that. VDD analysis indicates that these profiles were used in order to disseminate conspiracy theories, incite people to street protests and publish aggressive and violent posts. VDD holds the opinion that the activities of the distributors of disinformation, conspiracy theories and fake news contributed to the increased level of aggressiveness in Latvia's information space, by reaching its highest point at the end of the year.

The purposeful and systematic use of social networks in the dissemination of aggressive and violent comments confirms the necessity for the EU to implement more specific and decisive measures when it comes to rules regulating the social networks. It is necessary to prevent the usage of platform user data by some activists for making profit from advertising and in order not to allow that these platforms become an important part of disinformation and politically motivated information influence activities. Besides, VDD holds the opinion that already in the next few years there will be a rapid evolution in artificial intelligence-based capabilities to develop and disseminate disinformation and fake news which will in turn create ever new and more complex challenges for the protection of Latvia's information space.



## 5. ECONOMIC SECURITY

Protection of state economic sovereignty remained amongst the service’s priorities also during last year. VDD analysed the economic security developments in order to timely identify and prevent foreign activities aimed at obtaining control over the companies or sectors crucial to Latvian economy and whose true intention is the use of economic instruments for geopolitical interests. Similarly as before, in 2020 VDD focused on fields that are subject to greater security risks – financial sector, investments, transit and energy.

During the previous year economic processes in Latvia were affected by several events and the assessment of developments and consequences of these events was burdened. First of all Latvia, as all other countries, was hit by the Covid-19 crisis leaving a particularly negative impact on several economic sectors. Secondly, the events in Belarus were a clear demonstration of the unpredictability of economic cooperation with third countries whose economies have been subordinated to the interests of power elite protectionism, contrary to the principles of the free market. Thirdly, in 2020 sanctions imposed by the US Office of Foreign Assets

Control (hereinafter – OFAC) at the end of 2019 continued to pose challenges. VDD monitored the reaction of financial and capital market participants to the imposition of sanctions and the development of the situation afterwards in order to prevent risks to the state economic security interests. VDD informed the senior state officials about the findings.

Last year the joint work of Latvian institutions towards improving the system of preventing money laundering and terrorism and proliferation financing was very successful. By this Latvia successfully demonstrated its capabilities in preventing such criminal offences and strengthened its reputation in the eyes of the international community and foreign investors.

At the same time, VDD continued checking foreign investors and true beneficiaries in transactions important to national security. Also in 2020, possible violations of international sanctions came to the attention of the service, the investigation of which will remain a high priority this year as well.

Finally, the ongoing processes in the Latvian natural gas market and electricity field remained on the agenda of VDD.

## Financial security

Last year, the financial sector was among the areas facing new challenges in the context of the Covid-19 pandemic and the security measures set to overcome it. Most financial institutions were able to adapt very quickly to the new conditions and provide access to almost all services remotely.

In the financial sector, in 2020 several international institutions acknowledged Latvia's progress in improving the prevention system of money laundering and terrorism and proliferation financing. Thanks to joint and persistent work, the initially identified risks in Latvian financial sector were significantly reduced, as a result of which Latvia received a positive assessment from international institutions.

The evaluation report of the Council of Europe expert group "Moneyval"<sup>9</sup> on Latvia's compliance with the standards set in the field of financial sector supervision confirmed that in Latvia appropriate legal and systematic framework has been achieved with the adopted financial sector law amendments and the allocation of additional resources to the controlling institutions so that future supervisory and control authorities can effectively combat money laundering. Whereas last year the Financial Action Task Force (FATF) decided not to subject Latvia to enhanced supervision.

Following the positive decision of the FATF, the responsible institutions of Latvia started work on planning future activities, resulting in the adoption of a plan of further measures and tasks<sup>10</sup>, determining the institutions responsible for their implementation. In line with the objectives set out in this plan, VDD organized a number of training workshops in 2020 to raise awareness among officials working in financial and capital sector on the prevention of money laundering and terrorism and proliferation financing, thus also enhancing the overall quality of financial crime investigations.

Strengthening the sustainable operation and reputation of the Latvian financial and capital market, VDD continued active cooperation with the Financial and Capital Market Commission (hereinafter – FCMC), providing opinions on the compliance of potential significant investors in credit institutions with the requirements of the Credit Institution Law. In close cooperation with the FCMC as well as the Ministry of Foreign Affairs and the Financial Intelligence Unit of Latvia

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*The positive assessments of Moneyval and FATF confirm that Latvia is able to identify and eliminate significant deficiencies in a short period of time, positioning Latvian financial system as a low-risk jurisdiction in the future, which in the long term will allow the country to increase its competitiveness in global financial markets.*

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(hereinafter – FIU) the field of implementation of international and national sanctions was also maintained.

VDD also continued to develop cooperation with the FIU in the framework of the Cooperation Coordination Group and the Coordination Working Group on Terrorism Financing Investigation, as well as in the investigation of criminal cases. In 2020, 47 reports of transactions showing signs of money laundering and terrorism and proliferation financing were received from the FIU and evaluated.

In close cooperation with the FIU, the work on the Terrorism and Proliferation Financing Risk Assessment was completed. It was included in the National Money Laundering and Terrorism and Proliferation Financing Prevention Risk Assessment Report for 2017-2019. In addition, methodological materials for the subjects of the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing (hereinafter – subjects of the Law) were developed.

It should be noted that as a result of the implemented measures, the number of reports submitted by the subjects of the Law on possible terrorism financing risks and violations of international sanctions increased last year. In the assessment of VDD, it shows increased efficiency in involving financial institutions in money laundering and terrorism and proliferation financing prevention.

In the coming years, Latvian banks and other financial institutions will have to continue to use a risk-based approach to evaluate their potential and existing clients, reducing the presence of high-risk capital driven by economic ties and economic dependence of certain sectors on countries like Russia and other CIS countries.

<sup>9</sup> The Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism.

<sup>10</sup> Order No.576 of the Cabinet of Ministers of 29 September 2020 "On the Action Plan for the Prevention of Money Laundering, Terrorism and Proliferation for the Period 2020-2022".



## Checking the investors

Despite the challenges posed by Covid-19, during the previous year the vetting of potential foreign investors remained relevant for the service by assessing the risks associated with investments and the impact on national security interests.

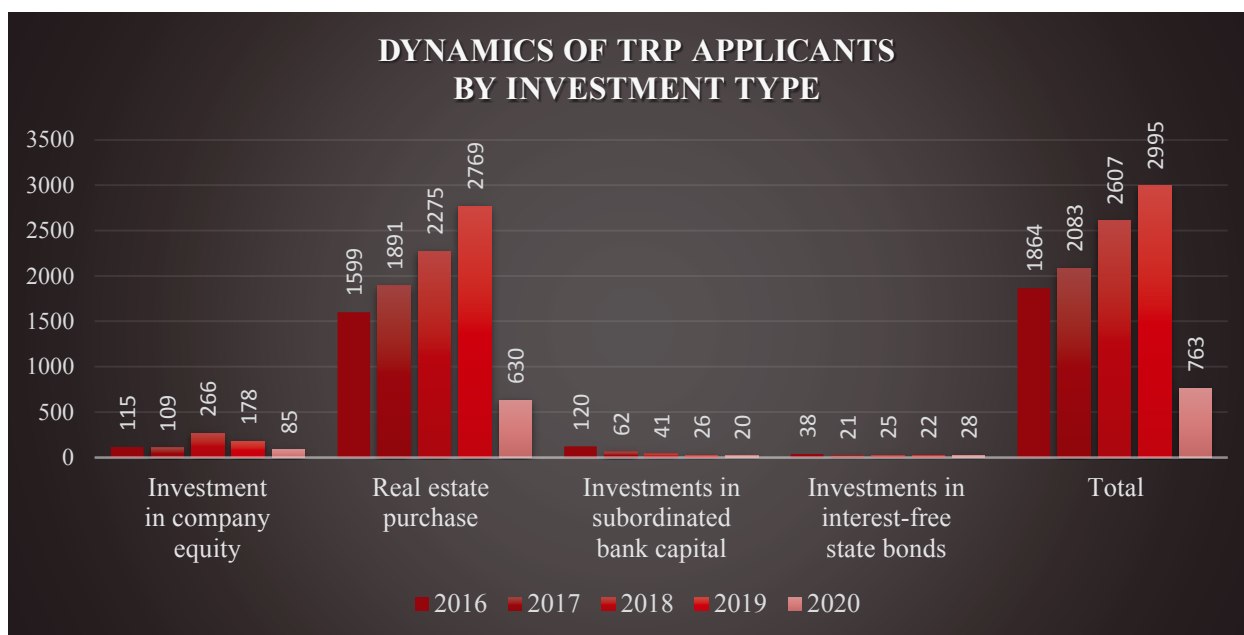
In this respect, VDD continued to carry out vetting of foreigners seeking temporary residence permits (hereinafter - TRP) in Latvia in exchange for investments and provided assessments to the Office of Citizenship and Migration Affairs (hereinafter – OCMA) for further decision. The service also took the necessary measures to provide the assessment of the true beneficiaries and the impact of the transaction on national security.

Last year, a total of 763 persons requested TRP (including spouses and minor children of the investors). 514 or 67% of the mentioned persons repeatedly applied for a TRP in Latvia due to the expiry of their TRP obtained in 2015. There were

249 first-time applicants for TRP in exchange for investments in Latvia.

The decrease in the number of investors compared to previous years is mainly due to the Covid-19 pandemic, which directly affected the possibility to travel to Latvia to invest and request TRP. At the same time, the decrease in the number of investors is also related to the relatively small number of investors in 2015 and, consequently, a lower number of repeated TRP requests.

Last year, there was a growing tendency for persons who had previously obtained TRP in exchange for an investment to apply for a permanent residence permit (hereinafter – PRP). VDD checked 333 such persons. Among other benefits, a person issued a PRP is not required to pay the annual fee of 1000 EUR, which must be paid for TRP registration. Also, five years after obtaining the PRP persons have the opportunity to apply for Latvian citizenship.



The biggest interest among foreigners was to obtain the TRP based on the purchase of real estate in Latvia – 169 first-time TRP’s were requested on such basis in 2020. The next most common position was obtaining TRP in exchange for investment in company equity, including 71 first-time TRP applications. Last year, there were no first-time TRP applications in exchange for investments in the subordinated bank capital, while 9 first-time TRP’s were sought in exchange for investments in interest-free state bonds.

The most common countries of origin of foreign investors applying for TRP remained unchanged last year. Russian citizens remained the largest proportion (364 or 48%) of the foreign investors checked by VDD. They were followed by Ukrainian citizens (64 or 12%), Vietnamese citizens (59 or 11%) and Chinese citizens (31 or 6%). It should be noted that 60 persons from countries with an increased terrorism group presence or other terrorism-related risks were also interested in receiving TRP in exchange for investments.

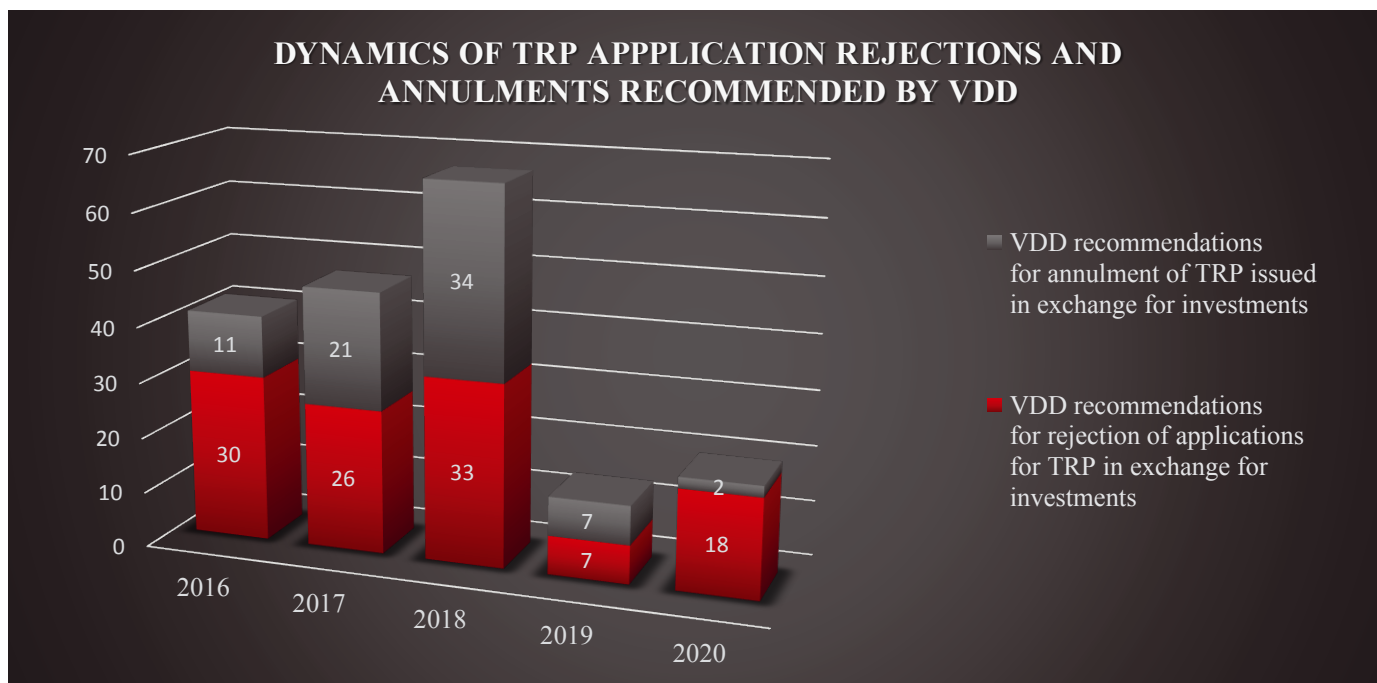
Based on the information obtained, last year the service recommended to refuse TRP issuance to 18 foreigners. Also, continuing the re-evaluation of foreigners who have previously been issued TRP and who carry out its annual registration, the service recommended the annulment of TRP for two foreigners.

In the scope of last five years, it was during the last two years when the need for VDD to recommend to OCMA to refuse or annul person's TRP in exchange for investment has seemingly diminished. However, this can be explained by the mechanisms put in place by VDD in cooperation with the OCMA under which the OCMA annuls or refuses the TRP in certain cases without the recommendation of VDD, for example, if the investor has refused to provide the additional information requested by VDD as well as if concealed or knowingly provided false information. Consequently, the actual number of TRP rejections and annulments has not decreased significantly.

The need for rejection or annulment was mainly determined by the derogatory information at the disposal of VDD and the identified risks to Latvia's national security, which forms the legal basis to ban the presence of foreigners in Latvia, including denying the right to obtain a TRP.

The negative assessments in 2020 were mainly due to intelligence or economic risks, both of which existed in some cases.

The intelligence risks were related to the information at the disposal of the service, which shows that the TRP applicant is or may be used in the activities of foreign intelligence services directed against the interests of Latvia. However risks to economic security were mostly related to suspicions of possible money laundering through the acquisition of exclusive real estate and investments in company equities.



## Checks on Belarusian citizens

Given the deteriorating situation in Belarus after the presidential elections on 9 August, last year one of the tasks of VDD in close cooperation with Latvian Embassy in Belarus was to assess the applications of Belarusian citizens seeking visas for entry into Latvia under the so-called asylum program.

This program gives Belarusian citizens the opportunity to apply for a Latvian long-term visa on humanitarian grounds, namely, in relation to current or potential threats to health and life, fear of persecution and violence, and other circumstances that make it unsafe for the person to stay in

Belarus. Belarusian citizens can also apply for TRP in order to transfer their business to Latvia, creating or developing an innovative information technology product.

Last year VDD received information about more than 130 Belarusian citizens who sought humanitarian visa to enter Latvia. After checking these persons, in three cases a negative answer was given because of the risks identified.

Last year after the situation in Belarus worsened, the issue of the desire of several Belarusian companies to transfer their business operations to Latvia became topical. Several companies expressed a desire to transfer all economic

activities to Latvia, but some companies only wanted to do it formally so that they could use Latvia only as a legal place of business and use the Latvian financial system. VDD in cooperation with other institutions (Ministry of Foreign Affairs, Investment and Development Agency of Latvia, the FCMC and the Finance Association of Latvia) assessed the genuine desire of these companies to do business in order to prevent the abuse of Latvian financial system. When checking persons from Belarus who wanted to transfer their business to Latvia, VDD provided 36 positive answers regarding the issuance of a residence permit.

## Transit

As in other sectors, the Covid-19 pandemic highlighted the current challenges in transit sector.

In this respect VDD actively followed the activities of Latvia's large ports in the context of common trends in cargo flows and volume dynamics in the ports of the eastern coast of the Baltic Sea. VDD also focused on ongoing processes in the railway sector including the development of the Rail Baltica project. VDD also focused on the road freight transport and aviation freight transport sectors, the latter preventing a complete halt of the aviation sector during the Covid-19 pandemic.

Similar to previous years, the problematic point of Latvia's transit sector was the unreasonable reliance on the transportation of Russian energy resource freights, ignoring the changes that have occurred in Russia, which gave a clear sign that the situation has changed permanently and it is time to think about other types of cargo and business directions. VDD constantly accentuated this issue throughout last year by providing information to decision makers. Russia continued to systematically pursue the strategic goal of shifting cargo flows from the Baltic States' ports to its own, which is economically well-grounded step in the long-term. VDD analysis shows that at the same time there are political goals for such action, namely, to test Latvia's reaction and ability to adapt to the declining volume of cargo in ports and railway.

Finding alternative sources of cargo and developing new business directions in transit is difficult and time consuming, but not impossible. This can be seen in the project implemented last year, delivering truck trailers from Russia to the port of Liepāja on a special platform by rail. This was the first case in Latvia although in Europe such transportations have been carried out for several decades, as they are more environment friendly and help to relieve roads from freight transport. In order for this case not to remain the only experiment, Latvia must invest resources in the development of infrastructure, as well as make adjustments in the regulatory framework.

Belarusian citizens, who wanted to obtain a visa to enter Latvia last year were mainly entrepreneurs, wanting to transfer or develop business in Latvian jurisdiction, low-skilled professions, as well as the unemployed.

When checking the citizens of Belarus who wanted to use the opportunities provided by the asylum program, VDD considered various criteria of the risk assessment including the possibility to abuse this program as well as in the interest of foreign intelligence and security services. VDD also assessed the risks of radical-minded persons entering Latvia within the framework of this program.



*Illustrative photo, VDD*

Should this project be developed, it will be in close connection with the Rail Baltica project in the future. Such multimodal<sup>11</sup> east-west and north-south freight services should concentrate at the Salaspils multimodal freight terminal, which is planned to be developed under the Rail Baltica project. Latvia needs to make more visible progress in the coming years, not only in the implementation of the whole project, but in particular in the development of the Salaspils terminal and logistics centre.

The operation of the transit industry in the last year was negatively affected by the consequences of the Covid-19 pandemic and by the uncertainty surrounding the recovery of economic activity. Consequently, large state-owned transport companies needed state financial support. From VDD point of view, efficient use and control of state budget resources allocated to companies is an important issue of economic security.

Economic processes in Latvia continued to be affected by sanctions imposed by the US OFAC at the end of 2019. VDD regularly obtained information on the current situation at Ventspils port (which was most directly affected by these sanctions) and provided it to senior state officials.

<sup>11</sup> Multimodal freight transport: freight transport by a sequence of at least two different modes of transportation.

## Energy security

In the field of energy security VDD focused on the processes in the natural gas market both in Latvia and in assessing the global developments of the energy market, paying particular attention to the Baltic Sea region. VDD also followed trends in the electricity market in the context of the efforts of the Baltic States to join the Western European electricity network.

Last year two deals important for economic security were concluded in the field of natural gas transmission. As a result, the Russian energy company “Gazprom” as well as the company “Marguerite Gas I S.a.r.l.”, which represents the interests of the financial fund “Marguerite”, sold their shares of natural gas transmission and storage system operator JSC “Conexus Baltic Grid”.

Within the scope of its competence, VDD carried out an evaluation of potential investors of JSC “Conexus Baltic Grid” and provided recommendations to decision makers. JSC “Conexus Baltic Grid” shares owned by “Marguerite Gas I S.a.r.l.” were acquired by the financial fund “MM Infrastructure Investments Europe Limited” representing Japanese multisectoral company “Marubeni Corporation”. Whereas Latvian state decided to buy shares owned by “Gazprom”, thereby becoming the largest shareholder of JSC “Conexus Baltic Grid” through the state-owned company JSC “Augstsprieguma tīkls”.

In the assessment of VDD, this deal will strengthen the state’s energy security, as the state with the acquisition of a decisive influence will have greater responsibility and control over decision-making in the field of natural gas transmission. JSC “Conexus Baltic Grid” controls important critical infrastructure – main gas pipelines and Inčukalns underground gas storage. The deal is also favourable in the context of the natural gas market liberalisation, since now JSC “Conexus Baltic Grid” as a transmission operator will have the same position vis-à-vis all market participants, who use Latvian infrastructure for natural gas supplies.

In the electricity sector last year the focus remained on the issue of a unified approach by the Baltic States towards the electricity trade with third countries. This issue became particularly important after the Astravets nuclear power plant in Belarus became operational.



*Illustrative photo, Rihards Rudzis / Momenti.lv*

At that point Lithuania, which had previously promised to boycott electricity produced by the Astravets nuclear power plant, stopped importing electricity from third countries<sup>12</sup> through Belarus to the Baltic States. Lithuania’s decision was based on concerns about safety standards during the construction of the Astravets nuclear power plant.

Consequently Latvia also confirmed its position to abandon the electricity generated at the Astravets nuclear power plant. In the assessment of VDD targeted measures should be implemented to reduce dependence on electricity imports from third countries in the long-term. It is also necessary to continue moving towards the strategic goal of the Baltic States - to separate their electricity network from the BRELL<sup>13</sup> energy circle in 2025, at the same time joining the common Western European electricity network.

In addition, in order to increase energy security and at the same time reduce the electricity deficit, Latvia needs to develop new electricity generating capacities.

<sup>12</sup> Mainly from Russia and Belarus.

<sup>13</sup> Energy cycle of BRELL has remained since the time of the USSR. It is based on an agreement signed jointly by Belarus, Russia, Estonia, Latvia and Lithuania on the mutual synchronization of the operation of the electricity networks of all these countries and the operation in a single regime.



Illustrative photo, VDD

## 6. COUNTERTERRORISM

Last year, terrorists continued to pose threat to the security of European countries and there were increased terrorism threats in several European countries. The main threat to Europe's security in 2020, like other years, was posed by the Islamist terrorist group *Daesh*, whose preached ideology facilitated the radicalisation and involvement of European Muslims in terrorist activities. Also last year the attacks were mainly carried out by the so-called homegrown terrorists, who have radicalised mostly under the influence of propaganda of terrorist groups, but are not directly associated with these groups.

In 2020, the terrorist groups *Daesh* and *Al-Qaeda* did not have sufficient resources and combat capabilities to plan attacks in Europe. At the same time the ideology preached by the groups encouraged some radicals to attack civilians at mass gathering sites as well as to target law enforcement officials.

In Europe the terrorism threat posed by the right-wing extremists remained elevated last year. Representatives of this ideology carried out and planned terrorist attacks directed at ethnic minorities.

In 2020, the level of terrorism threat in Latvia remained low. VDD continued increased monitoring of groups vulnerable to radicalization and obtaining information on persons whose behaviour has shown signs of radicalization, taking appropriate measures to prevent these persons from engaging in violent activities.

In 2020, VDD continued to work in all areas of counterterrorism – planning preventive and response measures, obtaining pre-emptive information, improving the cooperation and response capabilities of institutions involved in counterterrorism measures, ensuring the operation of the explosives precursors contact point and working with terrorism risk objects.

In the context of the Covid-19 pandemic and the state-introduced epidemiological security measures VDD cancelled some of the planned activities, such as the counterterrorism exercise in full force. At the same time, it should be noted that the Covid-19 pandemic did not significantly affect the development of the counterterrorism system, and VDD continued the inter-institutional cooperation aimed at improving the counterterrorism system in accordance with the established epidemiological security requirements.

## Terrorism threat trends in Europe

Also during last year, a number of European countries had to deal with increased terrorism threats. In total, there were 16 terrorist attacks in Europe in 2020, of which 15 were carried out by Islamic extremists and one by a right-wing extremist. Furthermore, the institutions responsible for counterterrorism measures managed to prevent another 19 terrorist attacks. 15 of the prevented attacks were planned by Islamic extremists, two by right-wing extremists and two by left-wing extremists.

Although terrorists in 2020 carried out twice as many attacks in Europe as in 2019, only one of them can be considered a relatively large-scale act of terror, while the others can be regarded as small-scale incidents. Thus, the increase in the number of attacks does not in itself indicate an increase in the terrorism threat in Europe.

Last year, terrorist groups based in armed conflict areas tried to fulfill local-scale goals and did not directly focus on planning attacks in Europe. As the impact of the armed conflict in Syria on the terrorism threat situation in Europe diminishes, the main subjects of the terrorism threat have become the homegrown terrorists – persons born, raised and socialized in European countries, who have turned to radical interpretations of Islam and are carrying out terrorist activities on their own initiative. Although homegrown terrorists usually do not act on behalf of terrorist groups, they carry out attacks under the influence of online propaganda materials distributed in previous years by the terrorist groups *Daesh* and *Al-Qaeda*.

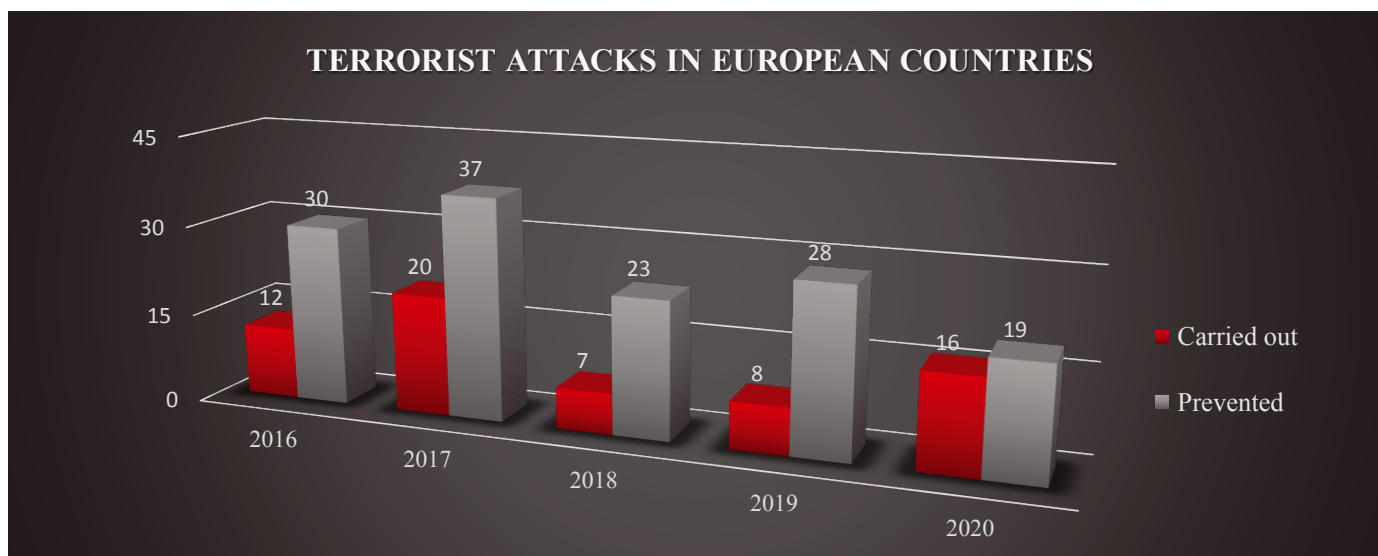
Like before, terrorist propaganda materials available online have been the main contributory factor of radicalization

over the past year. These propaganda materials include not only ideological motivation, but also practical advice for committing terrorist attacks.

Right-wing extremists also continued to pose terrorism threat in several countries. Last year, one right-wing extremist terrorist attack took place in Europe<sup>14</sup>, but at least two attacks by right-wing extremists were prevented by services in charge of counterterrorism at the planning stage. In addition, it should be noted that last year in Germany and Great Britain three right-wing extremist groups (*Combat 18* in Germany, *Sonnenkrieg Division* and *Feuerkrieg Division* in Great Britain) were banned as terrorist organizations alongside the Islamist terrorist groups. Under these circumstances, the number of arrests of right-wing extremists on suspicion of terrorist crimes increased in Europe over the past year.

As before, civilian mass gathering sites and law enforcement officers – police officers and prison guards – were the two main targets of the Islamist terrorist attacks over the last year. At the same time, representatives of other social groups were also chosen as attack targets. Two Islamist attacks were directed against the critics of Islam and one – against Christian church visitors. Whereas right-wing extremists primarily targeted various ethnic minorities.

In 2020, as in previous years, terrorists mainly used simple methods to carry out the attacks. In 12 cases terrorists used various types of sharp objects, in two cases – firearms, while two other attacks were carried out by using a vehicle.



<sup>14</sup> Shooting in Hanau, Germany on 19 February 2020.

## Terrorism threat trends in Latvia

Last year in Latvia, the level of the terrorism threat remained low. There were no terrorist attacks in our country and no terrorist groups or individual terrorists were detected. The most significant risks continued to be posed by persons whose behaviour showed signs of radicalization and who established and maintained contacts with representatives of terrorist or extremist organizations abroad, as well as those members of the Latvian Muslim community who travelled to the armed conflict zones of Syria and Iraq to join the terrorist group *Daesh*.

The level of activity of the Latvian Muslim community remained low last year and had no effect on the security situation in Latvia. During the state of emergency, the Muslim community organizations reduced their activity even more. In addition, VDD did not detect an increase in radicalization trends in the community.

At the same time, certain individuals who have shown increased interest in radical interpretation of Islam remained under VDD's radar also during last year.

Under certain circumstances, radicalization can affect any member of society, regardless of age, level of education, occupation, financial status, nationality, religion, mental health or other factors. However, experience in other countries has shown that converts or the so-called new Muslims remain the primary group at risk of radicalization. Therefore VDD continued to take appropriate measures also last year in order

## Measures to prevent radicalisation

One of the most important activities of VDD in the field of counterterrorism is the identification of persons at risk of radicalization and the assessment of the threat they pose, in order to prevent their involvement in violent activities in a timely manner.

Last year, the inter-institutional working group "Prevent"<sup>15</sup> led by VDD continued its work. The working group's task is to coordinate measures to prevent radicalization in the country. "Prevent" includes representatives from state and municipal institutions, whose daily work is closely related to the social groups most exposed to the risk of radicalization.

Taking into account the epidemiological situation, two working group meetings were held last year. During the meetings, the radicalization trends in Europe and Latvia were discussed along with the measures taken to prevent radicalization cases, as well as recommendations and ideas for further activities.

In addition to promoting inter-institutional cooperation in preventing radicalization, one of the main areas of work of

<sup>15</sup> Working group created by the Expert Advisory Council of the Counterterrorism Centre of VDD.



to timely identify possible cases of radicalization in this social group. At the same time, it should be noted that in assessment of VDD, the interpretation of Islam proclaimed in the houses of worship of the Latvian Muslim community, does not promote radicalisation of converts.

VDD's attention was also raised by several individuals with mental health issues, and the information obtained about them indicates possible radicalization. Being influenced by various ideologies that justify violence is associated with the risk that the preached ideas may encourage individuals to engage in violent activities.

*It is radicalization or the adoption of an ideology that justifies violence that is considered to be the main cause of terrorism. In order to identify and prevent the terrorism threat at the earliest possible stage, VDD carefully evaluates the activities of persons whose behaviour shows signs of radicalization.*



Illustrative photo, Racool\_studio / Freepik

“Prevent” was the organization of trainings and workshops. Within the cooperation established by “Prevent”, last year VDD organized briefings on radicalization for officials of several public administration institutions.

## Preventive measures

Last year, VDD continued its preventive work, by strengthening and improving the readiness of the national counterterrorism system to prevent and overcome terrorism threats through various measures.

In December 2019 the government adopted the updated National Counterterrorism Plan<sup>16</sup>, therefore one of the most important tasks of VDD in 2020 was to review and specify the individual support plans of institutions involved in the prevention of terrorism threats in accordance with amendments to the National Counterterrorism Plan. The individual support plans of the institutions determine in detail their actions in the event of a declaration of an elevated, high or severe level of terrorism threat. VDD provided assistance to the involved institutions, updating the individual support plans of 18 institutions in total and thus ensuring their more coordinated involvement in situations where the possibility of a terrorism threat increases in Latvia.

As in the previous year, VDD continued to develop cooperation with various non-governmental organizations, providing information on the risks of radicalization and the possibilities of engagement to prevent it.

Also in 2020, the procedures for declaring terrorism threat levels<sup>17</sup> were updated, providing a set of actions for implementing the National Counterterrorism Plan as well as informing the public about the identified threat and recommended measures for self-protection in the event of an increase in the terrorism threat.

Last year, VDD held two meetings of the Expert Advisory Council of the Counterterrorism Centre in order to discuss with various field experts the current terrorism threat trends, the accomplished and planned activities of VDD in the field of counterterrorism, as well as proposals for the development of the counterterrorism system. These meetings focused on the lessons learned from the institutions during the Covid-19 pandemic on different crisis management solutions, assessing their adaptation in terrorism-related cases.

## Circulation control of explosives precursors

Global and European terrorism threat trends show that terrorists in their attacks continue to use explosives and improvised explosive devices. Within the framework of the EU joint fight against terrorism, VDD has been designated as Latvia’s national contact point for reporting about suspicious transactions with explosives precursors<sup>18</sup>. Merchants involved in the trade of such substances are obliged to report suspicious purchases, transactions or thefts related to such substances to the contact point.

In relation to the new EU Regulation on the Trade and Use of Explosives Precursors<sup>19</sup>, which entered into force on 1 February 2021, last year VDD prepared and distributed informative material on the new rules to merchants involved in the precursors’ trade. The identification of such merchants was carried out, and several new merchants were identified, also the contact persons for cooperation in the field of safety

of the circulation of precursors of VDD were updated.

Last year, VDD identified that one of Lithuania-based online stores offering goods on the Latvian, Lithuanian and Polish markets illegally offered to purchase hydrogen peroxide in unauthorized concentration as a disinfectant (concentration 12 times exceeding the permitted threshold). In cooperation with the Lithuanian National Contact Point, a fine was imposed on the online store for suspicious transactions with precursors. As a result of cooperation between VDD and the Lithuanian National Contact Point, the product was withdrawn from the market.



*Illustrative photo, Pixabay.com*

<sup>16</sup> The National Counterterrorism Plan is a classified document that specifies the preventive measures to be taken by the institutions responsible for the prevention of terrorism threats in accordance with the four levels of terrorism threats.

<sup>17</sup> Cabinet of Ministers Regulation No.485 of 10 July 2007 “Procedures According to which Terrorism Threat Levels are Declared”.

<sup>18</sup> Explosives precursors - substances and mixtures of substances which may be used to manufacture explosives, although they are marketed for completely different purposes, such as agriculture, construction or pharmaceuticals.

<sup>19</sup> Regulation (EU) 2019/1148 of the European Parliament and of the Council of 20 June 2019 on the marketing and use of explosives precursors.



Taking into account the explosions that took place on 4 August 2020 in Beirut, Lebanon, which occurred directly due to improper storage of the explosives precursor (ammonium nitrate), VDD carried out several activities related to security inspections of similar objects in Latvia. Within these activities, the terminal for mineral fertilizer

transshipment and short-term storage “*Riga Fertilizer Terminal*” in Riga port was inspected on a priority basis, as well as the necessary information was provided to state institutions and media regarding ammonium nitrate circulation, storage, transportation and control of these processes in Latvia.

## Strengthening the security of terrorism-risk objects

Last year, VDD continued active work in the field of security of terrorism risk objects. Bearing in mind the terrorism threat trends in Europe, critical infrastructure objects<sup>20</sup> and mass gathering sites<sup>21</sup> have been identified as terrorism risk objects. VDD, in cooperation with the other two state intelligence and security services, monitors the provision of appropriate physical security measures at terrorism risk objects, as well as takes measures to strengthen the security of these objects. As in previous years, last year VDD carried out inspection of terrorism-risk objects, evaluated the physical security measures and their implementation, and provided recommendations for improving the security of the objects. Within its remit VDD also assessed and approved the persons responsible for security at the objects, as well as vetted persons requiring access to the restricted areas of the objects of critical infrastructure.

Work on the security of terrorism risk objects continued also during the state of emergency, with VDD officials identifying the impact of Covid-19 pandemic and epidemiological security measures on the object operation and the implementation of physical security measures. VDD also carried out a number

of notification checks at risk objects to ensure that the contact persons were available and able to respond to crisis situations. Last year, the service inspected 40 critical infrastructure objects, evaluating the implemented security measures and their observance, the corresponding internal procedures and contingency plans. In all cases recommendations were made to improve physical security measures to minimize the risks of terrorist attacks. The recommendations were mainly related to the need to improve internal security procedures, coordination of security work or security systems.

Also last year, VDD inspected 12 mass gathering sites, including six shopping centres and six entertainment and cultural venues. In seven cases, the service provided recommendations for the improvement of physical security measures at these facilities.

It should be noted that due to the epidemiological situation, the work of many people working at mass gathering sites, such as hotels and cultural spaces, was completely suspended for a long time last year and the inspection of these places was not topical.



<sup>20</sup> Critical infrastructure is objects, systems or parts of it located in the Republic of Latvia, which are essential for the implementation of important public functions, as well as for the provision of human health, safety, economic or social welfare and the destruction or disruption of which would significantly affect the implementation of state functions.

<sup>21</sup> Places gathering a large number of people - supermarkets, shopping centres, theatres, entertainment and leisure centres, sports centres, concert halls.

## Improving response measures and counterterrorism training

Last year, on the basis of conclusions from the counterterrorism exercises “Pūlis 2018” and “Pūlis 2019”, VDD improved the guidelines of the responsible services in case of a terrorist attack at a mass gathering site. The updated guidelines were coordinated with the services involved in rescuing victims, responding to the hazards and preventing the terrorism threat. VDD then organized a briefing on the updated guidelines for the representatives of the operational services’ structural units in Kurzeme region. In order to improve the response capacity of operational services at the regional level, VDD plans to continue organizing briefings in the regions of Latvia. After the said briefing, VDD also organized table-top (theoretical) exercises for the representatives of the operational services’ structural units in Kurzeme region, where the services had the opportunity to test and improve their readiness to act in accordance with the guidelines. The training scenario envisaged a terrorist attack at a public place, during which the representatives of the operational services presented in detail the activities to be conducted in order to ensure the flow of information, coordination of activities on site and threat management.



*Illustrative photo, pressfoto / Freepik*

The planned annual counterterrorism exercise in the urban environment planned for 2020, with the full force deployment and involvement of the responsible services, was cancelled, taking into account the gathering restrictions imposed due to the Covid-19 pandemic.

## Control of entry of foreign nationals

In addition to identifying radical-minded persons in Latvia, VDD continued to participate in the control of the entry of foreigners by conducting checks on visa and residence permit applicants from countries with an elevated presence of terrorist groups or other terrorism-related risks. The competence of the service is to assess whether the entry and residence of these persons in Latvia may pose a threat to the security of our country.

Due to the Covid-19 pandemic and the travel restrictions imposed to overcome it, the number of visa and residence permit applicants fell sharply last year.

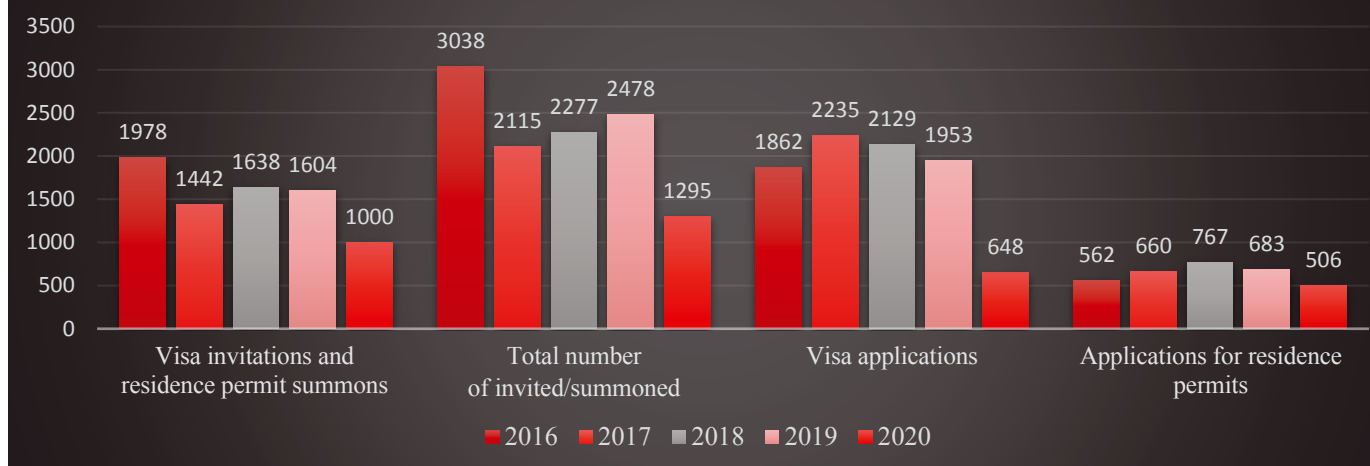
During the past year, VDD in accordance with its competence evaluated 1000 visa invitations and residence permit summons for a total of 1295 foreigners from the so-called terrorism risk countries, for whom Latvian inviters have expressed the readiness to take on the commitment specified in the Immigration Law. The service also evaluated 648 foreigners’ visa applications and 506 applications for a residence permit. As visas and residence permits issued in Latvia provide the opportunity to travel freely to other Schengen Area countries, thorough checks of visa and residence permit applicants is an important precondition not only in the context of ensuring national but also European security. As a result of the checks carried out last year, VDD recommended to refuse

visa in 143 cases and in 11 cases gave specific instructions to allow visa issuance, such as reducing the number of stays and/or entries, requesting additional documents, re-interviewing a foreigner at a consular post, etc. As regards the examined applications for residence permits, in 62 cases a refusal was recommended, while in 49 cases specific instructions were given for the approval of the permit – mainly the need to submit additional documents.

Last year, two categories dominated among the checked foreigners: students and family members. Some of the visa applicants were *Erasmus+* students who remained in Latvia and could not return to their home countries due to the pandemic.

Even during the Covid-19 pandemic, study opportunities in Latvian educational institutions remained one of the main reasons for the entry into Latvia for persons from countries with an increased presence of terrorist groups. VDD observations show that some Latvian educational institutions are still not sufficiently critical when assessing foreign students’ applications. Also last year, most of the initiated residence permit refusals and requests for additional documents were directly applicable to foreigners wishing to study in Latvia. Such practice of higher education institutions facilitate the risk that radical persons may enter Latvia by pretending to be students.

## DYNAMICS OF CHECKS MADE BY THE VDD



Last year, the negative trend of certain tour operators issuing visa invitations for persons, whose real purpose is not tourism but the possibility to move freely within the Schengen Area, has significantly decreased. However, this was mainly due to travel restrictions and the slowdown in tourism, rather than tighter controls on tourists by tour operators, so it is expected that this trend may increase again as the epidemiological situation stabilizes.

The service also continued to carry out in-depth assessment of asylum seekers' requests. The purpose of such checks is to prevent the cases when terrorist organizations might use the flow of refugees to send potential terrorists to Europe. Last year 127 asylum seekers were examined. VDD checked 54 people from countries with an increased presence of terrorist groups, and in three cases recommended to refuse the asylum.

## Processing airline passenger data

Last year, the improvement of the airline Passenger Name Record<sup>22</sup> remained relevant. The State information system maintained by VDD, which collects passenger data received from air carriers, last year proved to be an important tool not only in detecting and preventing threats to national security, but also in the field of epidemiological security.

In accordance with the Directive (EU) 2016/681 of the European Parliament and of the Council, adopted in 2016, all EU countries have the obligation to establish and maintain national passenger data processing systems to facilitate the detection of terrorist offenses and other serious crimes and to strengthen Europe's common security.

When the development of the aircraft passenger data processing system was started, initially only data on the EU external flights were stored, namely, flights from Latvian airports to third countries. However, taking into account the requirements of investigations and other competent authorities<sup>23</sup>,

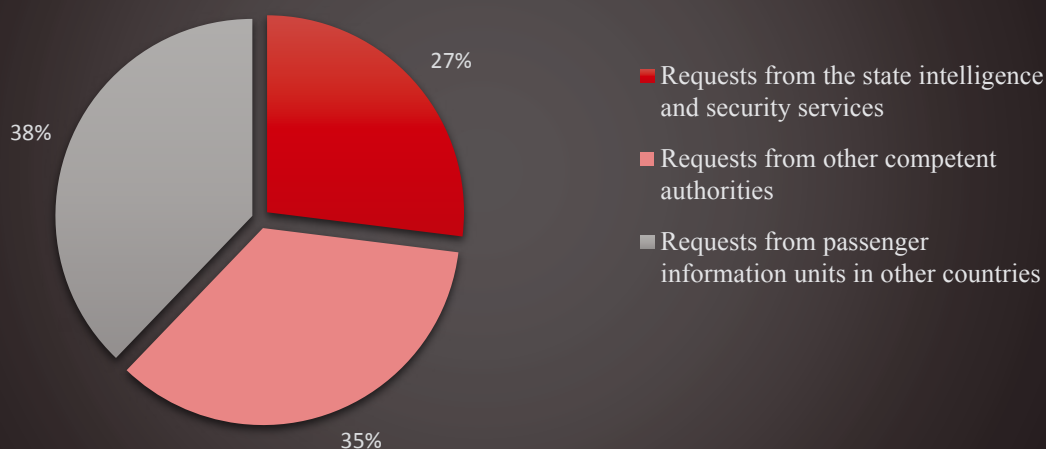
as well as experience in cooperation with passenger information units of other EU countries, in 2019 VDD proposed amendments to the law, which would allow the storage of passenger data in the aircraft passenger data processing system not only for the EU external flights, but also information regarding intra-EU flights. Since these amendments have entered into force on 20 November 2019, passenger data on intra-EU flights have made it possible to better understand the travel routes and habits of risk-persons, as well as to identify the possible whereabouts of internationally wanted persons.

VDD continued to compare the received passenger data with national and international information systems, as well as the lists of persons established by the competent authorities. Upon detecting the possible presence of a risk-person or an internationally wanted person on a flight, VDD officials checked the information and transferred the necessary information to the competent authorities.

<sup>22</sup> The airline Passenger Name Record is a national information system that stores passenger data received from air carriers, their reservation system holders and departure control systems.

<sup>23</sup> A list of competent authorities which, after obtaining the consent of a judge, have the right to request passenger data stored in the register, can be found in Article 10 of the Aircraft Passenger Data Processing Law.

## PASSENGER DATA REQUESTS PROCESSED BY VDD



Last year, VDD evaluated the current cooperation with the competent authorities and continued to work on the improvement of the passenger data processing mechanism. After gathering information on the process performance so far and considering the recommendations of the competent authorities, in 2020 VDD proposed new amendments to the Aircraft Passenger Data Processing Law, which in particular cases would allow competent authorities to receive passenger data in a simplified manner.

In connection with the crisis situation caused by Covid-19, VDD started cooperation with the Centre for Disease Prevention and Control (hereinafter – CDPC). The service provided support to CDPC in identifying Covid-19 infected persons and their contacts, by issuing data from the Passenger Name Record on passengers and their seats from certain

flights, if upon arrival in Latvia a passenger was found to be infected with Covid-19. The provided information allowed the CDPC to promptly warn the contact persons about the possible infection and to detect other infected persons. In order to facilitate further cooperation with the CDPC and to ease the use of passenger data to prevent epidemiological threats, VDD proposed to supplement the Aircraft Passenger Data Processing Law with additional purpose – prevent threats to public health.

Finally, during last year VDD developed cooperation with passenger information units of other EU member states by participating in international online working groups and workshops. In 2020, VDD organized and chaired the workshop for the passenger information units of the EU member states of the Baltic Sea Region in order to strengthen operational cooperation at the regional level.



Illustrative photo "seized evidence", VDD

## 7. PRE-TRIAL INVESTIGATION

Along with anticipating and preventing threats to national security, VDD's competence encompasses also the investigation of offences against the interests of Latvia's national security. Among the three Latvian intelligence and security services only VDD is entitled to conduct a pre-trial investigation. VDD focuses on investigating the offences related to possible threats to Latvia's national security, where establishing the liability of those committing the offences is crucial in ensuring the national security. The offences investigated by VDD are those directed against the Republic of Latvia, assistance to a foreign state in action directed against the Republic of Latvia, espionage, disclosure of official secrets, violation of sanctions imposed by international organisations and the Republic of Latvia.

Similar to 2019, in 2020 around 70% of all criminal proceedings initiated by VDD were for offences directly related to possible threats to national security or otherwise affecting the national security interests.

The most time consuming criminal proceedings in 2020 were the ones investigating the possible violation of sanctions imposed by international organisations. VDD assesses that detecting and preventing the violation of sanctions is significant

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***In 2020, one of the priorities of VDD in the field of pre-trial investigation was offences related to violation of sanctions imposed by international organisations. The criminal proceedings initiated for such offences were also the most complicated and time-consuming.***

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to both Latvia's national security and international security environment, as the sanctions imposed by the United Nations, the European Union and other international organisations serve as regulatory mechanism to restore peace, security and rule of law in countries which have faced armed conflicts, occupation or other unlawful foreign activity.

In 2020, while investigating an offence directed against the national security interests, VDD identified another unrelated case of money laundering and performed the activities required to ensure the seizure of the illegally obtained funds. The results of the investigation performed by VDD allowed the court to rule that the seized funds amounting over 1.5 million EUR were illegally obtained and were therefore confiscated by the State of Latvia.

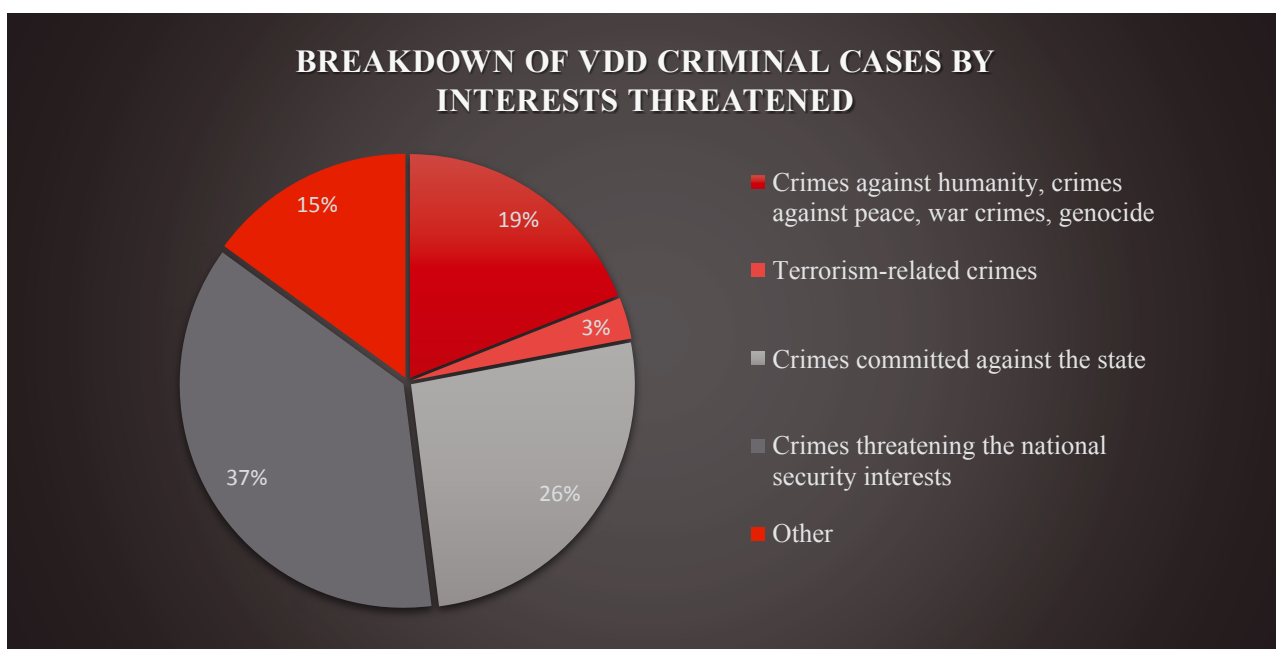
During last year VDD initiated 22 criminal proceedings in total and assumed the leadership of another five under its jurisdiction that were transferred from other investigation

authorities. Also in 2020 the main grounds for initiating criminal proceedings was the information obtained by VDD as well as applications from natural and legal persons.



The verification of information and circumstances in another 30 cases led to refusal to initiate criminal proceedings as the grounds required by the Criminal Procedure Law were not established.

Similar to previous years, also in 2020 VDD obtained information about possible offences where the investigation falls within the remit of other law enforcement authorities. In such cases VDD transferred the information at its disposal



to the competent law enforcement authority for further assessment. Over the years a fruitful cooperation in terms of information exchange has developed with the State Police, Corruption Prevention and Combating Bureau, State Revenue Service, State Border Guard and other law enforcement authorities.

In 2020, 16 criminal cases were referred to the Prosecutor's Office for criminal prosecution, seeking to launch prosecution against 19 persons in total, two of them being state officials at the moment of crime commitment.

Of the criminal cases referred for criminal prosecution, six were initiated in 2020, another six in 2019, one in 2018 and one in 2017, and two in 2016. Among those, the following should be highlighted:

- two criminal cases for violation of sanctions imposed by international organisations;
- criminal case for activities directed against the Republic of Latvia and for assistance to a foreign state in action directed against Latvia along with deliberate public acquittal and glorification of the USSR war crimes;
- criminal case for the disclosure of official secrets and other sensitive information;
- criminal case for gross trivialisation and acquittal of the USSR crime against humanity – the deportations of Latvia's residents to Siberia;
- three criminal cases for activities triggering national hatred and enmity.

To add regarding the criminal proceedings for possible triggering of national hatred and enmity, during 2020 VDD has registered the increase in the proportion on aggressive comments in Latvia's Internet environment. Acting within its remit, VDD launched investigation in cases causing suspicions on threats to national security interests, e.g., establishing that the author behind the comments has an extremist or radical mindset. The cases of the so-called hate speech related to possible threats to public order and security, or targeting particular persons were referred to the State Police.

VDD recalls that in a democratic state everyone has the right to the freedom of speech, however this right is not absolute and cannot violate the rights of other persons. Administrative or criminal liability may be imposed for both violence or threats of violence.

Last year VDD terminated 19 criminal cases – 12 due to the lack of constituent elements of a criminal offence and five as they became statute-barred. Another criminal case was terminated as the established offence had not caused the harm requiring criminal liability. Finally, one criminal case was terminated as the suspect had deceased.

In addition, during 2020 VDD received three mutual legal assistance requests from foreign law enforcement authorities.

The activities of VDD also during the last year were more focused on obtaining pre-emptive information about potential threats to national security in order to prevent them before any real harm has been caused.







The visit of the President of France Emanuel Macron to Latvia. VDD

## 8. DIGNITARY PROTECTION

In 2020 the dignitary protection field faced multiple challenges related to the complicated epidemiological situation in Latvia and abroad. Given the rapid spread and often serious course of COVID-19 infection, the tactics of bodyguards employed to ensure the dignitary protection had to be aligned with the state-set epidemiological safety requirements.

As in previous years, VDD continuously ensured the security of the Speaker of the Saeima and the Prime Minister.<sup>24</sup>

Closely following the developments of the epidemiological situation and the restrictions set by the Latvian government to prevent the spread of COVID-19, VDD adapted the bodyguard work accordingly, therefore ensuring the dignitary protection at all times and situations.

During the last year the dignitaries often worked remotely, therefore increased efforts were devoted in ensuring the safety of their residences.

Although the COVID-19 threats were present throughout the last year, the epidemiological situation was stable for a few months, which allowed several public events to take place,

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*Distancing, using face masks and other preventative measures became an integral part of the bodyguard work in 2020.*

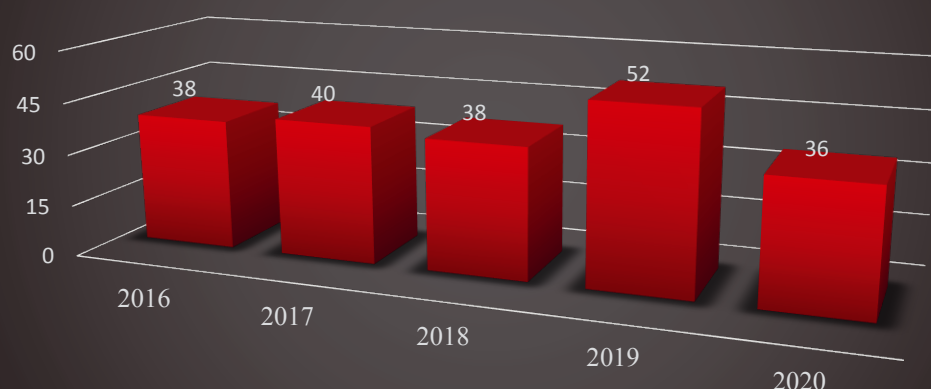
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always in line with the epidemiological safety requirements. In 2020 VDD provided security for 21 event in Latvia with the participation of dignitaries protected by VDD.

A great challenge was posed by the necessity to organise and ensure security measures during the visits of foreign dignitaries to Latvia. Nevertheless, in 2020 VDD ensured 36 safe and undisturbed visits of representatives of foreign governments and international organisations. Because of the travel restrictions imposed by many countries, the last year did not stand out with a great number of prominent foreign guests. However, VDD had to devote much more efforts and resources in order to organise and ensure the security measures during the visits according to both the threat level and epidemiological security requirements.

<sup>24</sup> Security of the State President as well as foreign military leaders and officials from international defence organisations is provided by the National Armed Forces Military Police

## THE COUNT OF EVENTS PROVIDING SECURITY DURING VISITS OF REPRESENTATIVES OF FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANISATIONS TO LATVIA



Last year the most public and mass media attention was attracted by the visit of the President of France Emanuel Macron to Latvia on 29 and 30 September, as the last visit of the President of France had taken place almost 20 years ago<sup>25</sup>. This time also the French Minister for Europe and Foreign Affairs Jean-Yves Le Drian visited Latvia. During the visit of French dignitaries the security measures were organised and provided by the National Armed Forces Military Police and VDD, each according to its remit.

Last year VDD bodyguards also successfully accompanied Latvian dignitaries in their foreign visits. The security of the Speaker of the Saeima was provided during five visits abroad, while for the Prime Minister – during 11 visits abroad.

In 2020 VDD's attention was caught by comments made by several persons in the online environment, which contained direct or indirect threats to lives and health of members of the Saeima and national government. After identification of the threatening comments, VDD in cooperation with the State Police conducted the necessary measures to assess the situation and threat seriousness. Some cases resulted in explanatory interviews with the authors of the comments. In VDD's assessment the increase in aggressive comments on the Internet last year was related to the challenging socio-economic situation caused by the COVID-19 pandemic.

<sup>25</sup> The President of France at the time Jacques Chirac visited Latvia in 2001.



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