

Annex I

State Measures for Strengthening Business Integrity

The secretariat is seeking information from States parties to the United Nations Convention against corruption on good practices, practical examples and lessons learned from engaging the private sector and using sanctions and incentives to strengthen business integrity in the last decade. This is in line with relevant resolutions of the Conference of the States Parties to the United Nations Convention against Corruption, including, resolutions 5/6, 6/5, 9/6 and 9/8, as well as the commitments made by Member States in the political declaration entitled "Our common commitment to effectively addressing challenges and implementing measures to prevent and combat corruption and strengthen international cooperation", adopted by the General Assembly at its special session against corruption held in 2021. The answers provided by States parties will be used to update the 2013 UNODC publication "A Resource Guide on State Measures for Strengthening Corporate Integrity" ([English](#) - [Spanish](#) - [Russian](#)) with contributions from relevant international organizations and to develop an e-learning tool that will further support States parties' efforts to strengthen business integrity.

The Resource Guide provides a catalog of measures that States parties can adopt to promote business integrity and the reporting of corruption involving the private sector. The Resource Guide features three chapters: i) The United Nations Convention against Corruption and the private sector, which describes the articles of the Convention that frame State interaction with the private sector; ii) Engaging the private sector, which outlines the business case for countering corruption with emphasis on governance and other factors that can drive business integrity; and iii) Using sanctions and incentives, which describes the range of sanctions and incentives that have been developed to prevent and address corruption involving the private sector.

The secretariat invites States parties to disseminate this questionnaire among relevant stakeholders, with a view to identifying internal measures adopted by private sector entities to prevent and counter corruption. Respondents may choose to answer the whole questionnaire or only sections that are applicable and relevant to a State party. The secretariat would especially welcome the provision of illustrative examples.

Respondents' contact details will be kept confidential. The secretariat may contact a respondent to seek additional information. Unless a State party requests otherwise when providing the relevant information, the secretariat may make the submissions publicly available, including through the [UNODC Business Integrity Portal](#).

The Government may wish to provide relevant information by completing the [online questionnaire](#) or by submitting its answers to the questionnaire (attached) to the secretariat by email to uncac@un.org at its earliest convenience but no later than **19 May 2023**.

Questionnaire

Chapter 1 - The United Nations Convention against Corruption (UNCAC) and the private sector

Background: It is important that States' legislative and other measures contain sufficient detail to inform the private sector of their requirements and scope of application. In line with the principle of legal certainty, it is important to have clear provisions outlining prohibited conduct and consequences to the private sector.

1(a) Please describe (cite or summarize) good practices and/or examples of measures taken by your country to promote business integrity and/or reporting of corruption in the private sector in line with the United Nations Convention against Corruption.

Good examples to promote business integrity and/or reporting of corruption in the private sector are:

- *The involvement of civil society, business and NGOs in the development of a corruption-resilient environment in both the public and private sectors, as foreseen in the National Anti-Corruption Agenda 2022-2033, is an important support for the creation of an anti-corruption environment in the country. It also sets out the Agenda's strategic objective to create a corruption-proof environment in the public and private sectors.*

- *The Law on Prevention of Corruption stipulates that the State shall encourage the participation of private sector entities in the creation of an anti-corruption environment in the public sector, as well as the activity of private sector entities in the creation of an anti-corruption environment in the private sector.*

To support businesses in creating anti-corruption environment Special Investigation Service (STT) has recently revised the Guidelines for creating an anti-corruption environment for business ¹, which is a practical and methodical tool for Lithuanian private sector entities seeking to operate in a transparent and responsible manner.

- *STT invites businesses to join the Transparency Academy initiative. This is important for the business itself, because the benefits of transparency are obvious: a better reputation - more attractive to foreign investors and customers. It is an opportunity to attract more honest and loyal employees, which also increases the efficiency and profitability of the business. STT works closely with the White Wave in the Transparency Academy to promote transparency in the private sector.*

- *The STT on its website ²published information for businesses about foreign bribery to promote integrity in businesses.*

- *Provisions for establishing whistleblower channels in the private sector are set in the Resolution of the Government ³. Representatives of the Prosecutor General's Office (responsible authority for methodological advice on whistleblower protection), STT, Transparency International, Investors' Forum and the State Tax Inspectorate organized a Whistleblower Protection Forum. The forum presented and discussed how the implementation of whistleblower protection in Lithuania is progressing, what challenges are being faced and what changes await businesses and public sector institutions after the amendments to the Law on the Protection of Whistleblowers.*

- *In 2022, STT Anti-corruption Education Division has developed an e-learning topic in the STT E-learning platform specifically designed for the private sector. The purpose of the topic is to draw the attention of business organizations to the risks and consequences that may arise due to corruption, to recommend corruption prevention measures, the implementation of which ensures operational transparency and responsibility, both within the organization and in relations with partners and the public sector. The topic was developed in cooperation with a business uniting organization "Clear wave", which is an initiative to promote business integrity and transparency .*

1(b) What challenges (if any) did you encounter in developing and/or enforcing such measures?

¹ <https://stt.lt/data/public/uploads/2023/04/guidelines-for-business.pdf>

² <https://www.stt.lt/en/corruption-investigation/4971>

³ <https://e-tar.lt/portal/lt/legalAct/c5d99180ed8a11e88568e724760eeafa/asr> (in Lithuanian only)

It should be noted that success depends on the willingness of business itself to engage in the process of creating an anti-corruption environment, as the Law on Prevention of Corruption does not provide for mandatory anti-corruption measures for private business.

Currently, there is a lack of initiative and involvement in such measures from the private sector's side. Moreover, STT's Anti-corruption Education Division has limited personnel to create and continuously develop such measures throughout Lithuania.

1(c) Please describe the steps you took to overcome such challenges (if any).

STT seeks to engage business through Transparency Academy events (<https://skaidrumoakademija.lt/en/news/>). The events focus on the benefits of transparency for business, with presentations by representatives of organizations and companies involved in transparent business.

It is important to mention that STT Anti-corruption Education Division has clear priorities and target groups for each year that allows to reach the most efficiency. STT representatives actively seek for means of cooperation with business uniting organizations such as the "Clear wave" that allows to tackle some of the challenges using the umbrella principle.

Chapter 2: Engaging the private sector

Background: Anti-corruption programs, commonly referred to as compliance programs, are a primary tool used by companies to advance ethical business practices. They provide a framework for articulating the values, policies and procedures used by a company to educate its employees and to prevent, detect and counter corruption in its business operations.

2(a) Please describe (cite or summarize) good practices and/or examples of measures taken by your country to promote integrity through anti-corruption programs in the private sector.

As already mentioned above, the Guidelines for creating an anti-corruption environment for business is a practical and methodical tool for Lithuanian private sector entities seeking to operate in a transparent and responsible manner was updated in 2023. Also, STT invites businesses to join the Transparency Academy initiative and invites in its methodological advice events for businesses (eg "Integrity in Business - duty or benefit", "Due diligence", "Conducting transparent business", "Risk management"). It also must be noted that the Plan for the Implementation of the National Anti-Corruption Agenda for 2022-2033 in 2023-2025 includes a measure to involve private sector actors in the Transparency Academy project to promote anti-corruption standards and excellence in the private sector, as well as measure for promoting reporting channels (in order to develop the whistleblower protection mechanism and make it more attractive, assess the practical application of Law on the Protection of Whistleblowers, provide methodological assistance to public and private sector entities, and encourage individuals to blow the whistle on corrupt acts (social advertising presentations, events)). The Plan also includes a measure to reward persons who have reported criminal offenses of a corrupt nature, but who do not have the status of a whistleblower under the Law on the Protection of Whistleblowers of the Republic of Lithuania, for the valuable information they have provided on the criminal offences.

STT Anti-corruption Education Division offers a variety of tools for both public and private sectors and the public in general. The activities and tools include: theoretical lectures, practical workshops, discussions, events, public campaigns, E-learning platform, video lectures, handouts, etc. All of which enables promoting integrity throughout Lithuania.

2(b) Please describe (cite or summarize) good practices and/or examples of measures you have used to encourage transparency, public reporting and/or public participation through your anti-corruption programs (both for the public and private sectors).

Measures for encouraging overall transparency both for the public and private sectors in different priority areas (political activities and legislation; activities of judicial and law enforcement authorities; public procurement; health care and social protection; spatial planning public construction supervision and waste management; supervision of the activities of economic entities; public administration civil service and asset management) were always included in plans for implementation of the national anti-corruption strategies.

Public reporting has been encouraged through different measures of these plans and social campaigns. Plan for the Implementation of the National Anti-Corruption Agenda for 2022-2033 in 2023-2025 also includes different social campaigns to strengthen public anti-corruption awareness in different areas and previously mentioned measure to promote whistleblower channels and protection.

Public participation is encouraged through social campaigns to raise anti-corruption awareness and different measures of the implementation plans for data openness seeking to involve society in decision-making or control processes.

2(c) What was the impact of the measures described above (2a and 2b)?

Social campaigns to promote transparency are one of the effective measures of promoting transparency, eg in 2021, the communication campaign 'Corruption – a vanishing species' was shown more than 2 million times in various channels. The public was invited to report the cases of corruption that are known to people: 'If you saw a dinosaur, report this to the STT'. In the first week of the campaign, the number of reports received at the STT has grown by 81%. 3 times more reports were received by the 'Report to STT' line than a week before the campaign. The comparison of the number of the reports received with the data for the same months of the previous year shows that the number of the reports has increased by 40%, and in January - by 19%. The communication campaign 'Corruption – a vanishing species' won 2 awards at the conference 'Password 2022': the most effective public sector campaign, and the campaign that gained sympathy from the most participants of the conference. Thanks to this campaign, the number of reports received by the STT has increased.

The impact of the measures (especially in public sector, but also in business) can be also assessed although the data of the STT survey "Map of Corruption in Lithuania" were opinion and also experience of general public, civil servant and business CEOs is expressed, ranking most corrupt areas, institutions, processes etc. ⁴Eg percentage of businesses which take responsibility for the prevalence of corruption themselves raises, as well as willingness to participate in creating a corruption-proof environment in their company.

2(d) What challenges (if any) did you encounter in implementing the measures above (2a and 2b)?

As mentioned, success depends on the willingness of business itself to engage in the process of creating an anti-corruption environment, as the Law on Prevention of Corruption does not foresee mandatory anti-corruption measures for private business.

Chapter 3: Using sanctions and incentives

Background: While effective sanctions for corruption offenses are required under the United Nations Convention against Corruption, the Convention also recognizes the essential role of incentives that encourage and reward corporate self-reporting and preventive efforts.

Part A - Sanctions

3(a) Please describe (cite or summarize) good practices and/or examples of sanctions used to strengthen business integrity and/or reduce corruption in the private sector in your country.

⁴ <https://stt.lt/data/public/uploads/2022/03/2021-map-of-corruption-in-lithuania.pdf>

Detailed version (only in Lithuanian): <https://www.stt.lt/analitine-antikorpucine-zvalgyba/lietuvos-korupcijos-zemelapis/7437>

Criminal offenses of a corrupt nature, which are punishable by criminal law, are listed in the Law on Prevention of Corruption of the Republic of Lithuania, and their constituent elements are laid down in the Criminal Code of the Republic of Lithuania. According to the Criminal Code of the Republic of Lithuania, the five main corruption-related offenses are: Bribery (Art. 225), Trading in Influence (Art. 226), Graft (Art. 227), Abuse of Office (Art. 228) and Failure to Perform Official Duties (Article 229). Corruption can also take the form of other activities that do not give rise to criminal liability, but which do not comply with the powers conferred on a private sector entity, or the standards of conduct derived therefrom, for the purpose of benefiting oneself or others, knowing that doing so is likely to cause harm to the interests of others or the public interest. In such a case sanction according to the legal acts regulating the case are imposed, usually disciplinary liability or limitations in carrier (e.g. in case of infringement of the rules on conflicts of interest, the responsible individual should not be promoted during the year). The Law on Public Procurement (Art. 46) sets out the grounds for excluding a supplier from public procurement (bidder eligibility condition), among which are convictions for bribery, trading in influence, fraud.

3(b) What were the main challenges (if any) your country faced in enforcing these sanctions?

3(c) What steps did you take to overcome those challenges (if any)?

Guidance on 3(a): Sanctions could, for example, include any of the following:

- Monetary sanctions for legal persons (companies) liable for the participation in an offence of corruption
- Incarceration or other criminal sanction of natural persons (individuals) who have committed an offence of corruption acting on behalf of a company
- Confiscation of proceeds of corruption for both companies and individuals who acted on their behalf
- Contract remedies and other means to communicate and enforce anti-corruption contractual provisions
- Suspension and/or debarment of contractual partners from government processes
- Denial of government benefits (fiscal or otherwise)
- Liability for damages and compensation of victims of corruption
- Reputational damages to hold wrongdoers publicly accountable
- Any other type of sanctions not listed above

1. Criminal case no. 2K-169-689/2018

Legal entity - UAB "S" was sentenced according to Art. 20 part 2, Art. 270 part 2 (Breach of the rules of environmental protection or use of natural resources), Art. 300. 1 d. (Forgery of a document or possession of a forged document) of the Criminal Code and a fine of 4,000 MGL (150,640 EUR) was imposed.

Also according to Art. 270 part 2, Art. 300 part 1 of the Criminal Code, the general director of the company was sentenced to a fine of EUR 15,064 and the manager of works was fined to a fine of EUR 10,356.

The essence of the case: the general director of UAB "S" together with the works manager acted for the benefit and interests of the company in order to reduce the costs of waste transportation and processing, construction waste was to be transported, stored and processed only in the designated area, but he instructed the employees to transport construction waste to an area not designated for that purpose. In this way, the aim was to reduce the company's costs related to the transportation and processing of waste, which resulted in 801,096.5 EUR of damage to the environment. In addition, they falsified documents, stating that the waste was transported to an area not designated for that purpose, and submitted the falsified documents to the officer who inspected the waste removal, who, based on untrue data, did not find any violations.

The court prosecuted the legal entity UAB "S" according to Article 20 part 2, Art. 270 part 2 of the Criminal Code because the case data confirmed the existence of all the circumstances justifying the criminal liability of the legal entity.

The director held a managerial position in a legal entity, i.e. was the general director of UAB "S", committed this criminal act for the benefit and interests of UAB "S", i.e. in order to reduce the costs of the legal entity he manages, related to the transportation and processing of waste, he also avoided a possible fine from 1448.1 to 2896.2 EUR according to the norms of the Code of Administrative Law Violations and the possible loss of a permit to handle construction waste.

The director was the sole shareholder (owner) of UAB "S" at the time of the criminal act, therefore he was aware of the criminal act committed by him as a natural person, for the benefit of a legal person, i.e. the legal entity is guilty of the committed criminal act.

2. Criminal case no. 1-7-766/2016

Legal entity - KB (cooperative) "Ž" was found guilty according to Art. 22 part 1, Art. 207 part 1 (Breach of the rules of environmental protection or use of natural resources), Art. 300 part 1 (Forgery of a document or disposal of a forged document), Art. 222 part 1 (Fraudulent management of accounting) of the Criminal Code and a legal entity liquidated by a court decision.

The following were also convicted: a member of the board and a servant in accordance with Article 22 part 1 and Article 207 part 1 of the Criminal Code, the accountant and cashier were fined 210 MGL (7,980 EUR) in accordance with Article 222 part 1 of the Criminal Code, a fine of 20 MGL (760 EUR) was imposed.

The director of KB "Ž" is exempted from criminal liability according to the surety under the basics of Article 40 of the Criminal Code.

The essence of the case: The board member and the accountant, acting in the name, benefit and interests of KB "Ž", falsified a real document - the Support application, which she submitted to the National Payment Agency under the Ministry of Agriculture of the Republic of Lithuania, Department of Rural Development and Fisheries Programs, in order to fraudulently receive the European Union and Lithuanian 685,250 Lt (198,623 EUR) subsidy (support) from the state of the Republic of KB "Ž" for the purchase of technological equipment, trailer and consultancy for the preparation of the project, but these criminal acts were not completed due to circumstances beyond the control of the accomplices, as the Special Investigation Service of the Republic of Lithuania started a pre-trial investigation and reported these criminal acts to the National Payment Agency.

During the pre-trial investigation, the judge ordered a temporary suspension of the activities of KB "Ž", obliging the company to cease all economic, commercial, and financial activities provided for in the founding documents until the court verdict came into force, and after the verdict came into force, this restriction was lifted.

3. Criminal case no. 1A-32-929/2020

Legal entity - UAB "A" was found guilty according to Art. 20 part 2, Art. 226 part 1 (Trading in influence) of the Criminal Code, a fine of 800 MGL (30,128 EUR) was imposed.

Legal entity - UAB "P" found guilty according to Art. 20 part 2, Art. 226 part 1 of the Criminal Code and a fine of 800 MGL (30,128 EUR) was imposed.

The director and sole shareholder of these companies was found guilty under Art. 226 part 1, Art. 222 part 1 of the Criminal Code, a fine of 546 MGL (20,562.36 EUR) was imposed.

The essence of the case: The director and sole shareholder of UAB "A", acting in the interests of UAB "A", gave a bribe of EUR 1,830.06 to the chief advisor of the General Director of the Lithuanian Agricultural and Food Market Regulatory Agency (hereinafter - RRA) in order that he, using would influence RRA civil servants with their powers so that they would not create procedural obstacles and make a decision as soon as possible to allocate support for the implementation of the applications of the company it represents, and create conditions for UAB "A" to win the public procurement tender.

The director and sole shareholder of UAB "P", acting in the interests of UAB "P", gave a bribe of EUR 4,732 to the Chief Advisor of the General Director of RRA in order to use his authority to influence RRA's civil servants so that they would not create procedural obstacles and make a decision as soon as possible provide support for the implementation of the applications of the company it represents, and create the conditions for UAB "P" to win the public procurement tender.

4. Criminal case no. 1-9-334/2022

Legal entity - UAB "G" found guilty under Art. 20 part 2, Art. 300 part 1 (Forgery of a document or possession of a forged document), Art. 222 part 1 (Fraudulent management of accounts) of the Criminal Code, a fine of 500 MGL (18,830 EUR) was imposed.

The company was also sentenced according to Article 183 part 2 (Misappropriation of property), Article 222, Article 300 of the Criminal Code, a fine of 200 MGL (7,532 EUR) was imposed.

The essence of the case: the director of UAB "G" conducted fraudulent accounting, deliberately falsified accounting documents, accepted money for construction work performed by UAB "G" in a house under construction owned by one person - EUR 38,070.06 and intentionally did not include them in the company's accounting, thereby misappropriating the assets in his possession. He also concluded a fictitious loan agreement, according to which he received a loan of EUR 17,200 from UAB "G" as a natural person.

5. Criminal case no. 1-2-215/2019

Legal entity UAB "O" found guilty according to Art. 227 part 2 of the Criminal Code (Graft), fined 400 MGL (15,064 EUR).

The legal entity UAB "T" was found guilty according to Art. 227 part 2 of the Criminal Code (Graft), and a fine of 400 MGL (15,064 EUR) was imposed.

Shareholder and director of these companies found guilty under Art. 227 part 2 of the Criminal Code, a fine of 350 MGL (13,181 EUR) was imposed.

The essence of the case: the sole shareholder of UAB "O", acting in the interests of the company, gave a bribe of 2,000 euros to the director of UAB "M" for a promise and illegal influence, that is, for the victory of UAB "O" in the public procurement organized by UAB "M" for main water pipes and household appliances execution of sewage network construction works.

Also, the director and sole shareholder of UAB "T", acting in the interests of the company, gave a bribe of 2,000 euros to the director of UAB "M" for a promise and illegal influence that UAB "T" would be guaranteed a win in the public procurement organized by UAB "M" for the laying of a water pipe works.

6. Criminal case no. 1A-71-966/2022

Legal entity - Small Partnership (MB) "B" was found guilty under Art. 227 part 2 of the Criminal Code (Graft), a fine of 400 MGL (20,000 EUR) was imposed.

The actual manager and founder was found guilty under Art. 227 part 2 of the Criminal Code, a fine of 200 MGL (10,000 EUR) was imposed and 1,000 EUR was confiscated.

The essence of the case: MB "B", represented by the actual owner and founder, who has the right to make decisions on behalf of this company and control its activities and who acts for the benefit and interests of this legal entity, gave a bribe of EUR 1,000 to an employee of the State Labor Inspectorate for the fact that an inspection at the construction site during the inspection, he would not record the detected violations in the documents and would not initiate proceedings for administrative offenses for the commission of administrative offenses (after it was recorded that persons were working illegally at the construction site during the inspection) against the actual owner and founder and the company MB "B" managed by him.

By the decision of the court of first instance, MB "B" was released from criminal liability on bail, after the court found that all articles 40 of the Criminal Code. (Exemption from criminal liability by bail) in relation to the legal entity MB "B" have been established: the legal entity has not been convicted, no property damage has been caused by a criminal act, there were no data in the file that would lead to a negative assessment of the legal entity. MB "B" was transferred to the responsibility of the guarantor, who is the mother of the director of MB "B".

However, the higher court stated that MB "B" was released from criminal liability on the basis of bail without grounds, in the absence of all articles 40 of the Criminal Code. specified conditions. The de facto manager is the sole founder and sole member of MB "B", as well as the sole management body of the legal entity, the de facto manager, and this implies that his decisions for the legal entity's activities are essential and decisive, and it is he who can influence the legal entity. The court had no reason to believe that the guarantor could actually have a positive influence on MB "B".

7. Criminal case no. 1A-263-197/2016

Legal entity - UAB "K" was found guilty according to Art. 228 part 2 (Abuse of Office), Art. 182 part 2 (Swindling), Art. 300 part 3 (Forgery of a document or possession of a forged document) of the Criminal Code and sentenced to liquidation of a legal entity.

The director of the company was found guilty under Art. 228 part 2, Art. 182 part 2, Art. 300 part 3 of the Criminal Code, imprisonment was imposed for 1 year 6 months, with the execution suspended for 2 years.

UAB "K", representing and acting on behalf of the company, for its benefit and interests, abused his official position in pursuit of financial gain, fraudulently avoided a high-value property obligation, that is, without having permits to export freshly frozen blood plasma from the Republic of Lithuania for sale, organized the illegal sale of 84,161 units, the export of freshly frozen blood plasma to an Austrian company, and in the letters the Ministry of Health of the Republic of Lithuania falsely stated that the blood plasma was being exported for processing (fractionation), and thus fraudulently avoided a high value property obligation in favor of the company, i.e. return to the budget of the Mandatory Health Insurance Fund (hereinafter referred to as PSDF) 228 119 EUR of PSDF budget funds were allocated for donor compensations, which caused significant property damage to the state.

The court found that the legal person in the case in question was a means or tool for the director to commit criminal acts. Therefore, the interaction between a natural person and a legal person manifested itself, which determined the commission of criminal acts by a natural person, and at the same time, responsibility for the criminal acts committed by a natural person arose for the legal person.

When sentencing UAB "K", the court was guided by the general principles of sentencing, the economic nature of the committed criminal act, a bankruptcy case was filed against the company, therefore the punishment was liquidation of the legal entity.

8. Criminal case no. 1A-59-307/2019

Legal person - "Ž" was found guilty according to Art. 20 part 2, Art. 24 part 6, Art. 228 part 2 (Abuse of Office) of the Criminal Code, the prescribed punishment is the liquidation of the legal entity.

The chairman of the board was found guilty under the Art. 24 part 6, Art. 228 part 2 of the Criminal Code and sentenced to imprisonment for 1 year 6 months, suspended for 1 year.

The board member was found guilty under the Art. 24 part 6, Art. 228 part 2 of the Criminal Code and sentenced to imprisonment for 2 years. 9 months, suspending execution for 2 years.

Legal entity - "Ž", which was essentially managed and all decisions related to the company's activities were made by its main shareholders and board members, the chairman of the company's board, in order to benefit the company, helped to abuse his official position in AB "P" to the Head of the Procurement Service, the Chairman of the Public Procurement Commission for Goods, Services and Works and AB "P" to the chairman of the public biofuel procurement commission and AB "P" general director, giving the company advantages over other companies when competing in tenders announced by AB "P".\

9. Criminal case no. 1-6-879-2023

Legal entity - UAB "M" was found guilty according to Art. 20 part 2, Art. 227 part 2 (Graft) of the Criminal Code, a fine of 200 MGL (10,000 EUR) was imposed.

The director of the company was found guilty under Art. 227 part 2 of the Criminal Code and a fine of 200 MGL (10,000 EUR) was imposed.

The essence of the case: the director of UAB "M", acting for the benefit of the company, gave a bribe to the director of UAB "I" for gratuitous environmental clean-up works on a plot belonging to one person - EUR 997.04, for satisfying the interests of UAB "M" and for exceptional status and favor.

Part B - Incentives

3(d) Please describe (cite or summarize) good practices and/or examples of incentives used to strengthen business integrity and/or reduce corruption in the private sector in your country.

Besides information provided to questions 1 (a), 2 (a), iTILS assesses the transparency of the private sector every year (<https://skaidrumas.lt/imones>).

3(e) What is the main impact of such incentives?

According to the survey "Corruption Map of Lithuania" the number of company CEOs say they know where to report corruption raised, as well as willingness to participate in anti-corruption activities. The number of business leaders who believe that they are also responsible for corruption in Lithuania has risen by as much as 19 per cent.

Guidance on 3(d): Incentives could, for example, include any of the following:

- Penalty mitigation – encourages self-reporting of offences, credits companies' preventive efforts
- Procurement preference – rewards good practice through procurement preference
- Preferential access to benefits – rewards good practice with preferential access to government benefits and/or services
- Reputational benefits – encourages good practice through public recognition
- Whistle-blower protection and awards – encourages reporting of potential violations by individuals
- Any other types of incentives not listed above

1. Criminal case no. 1-17-383/2022

Legal entity - UAB "G" found guilty according to Art. 20 part 2 and Art. 227 part 3 (Graft) of the Criminal Code, a fine of 2,500 MGL (94,150 EUR) was imposed. Confiscated property benefit (profit) obtained from criminal acts - EUR 15,146.21.

The director of the company was found guilty under Art. 227 part 3 of the Criminal Code and a fine of 500 MGL (18,830 EUR) was imposed.

The essence of the case: the founder, sole shareholder, director of UAB "G", acting for the benefit and interests of the company, gave a bribe of EUR 7,500 to the general director of UAB "K", consisting of a discount from the value of the tractor, by concluding a purchase and sale agreement and re-registering this tractor in UAB "K" on behalf of the CEO. The bribe was also given for the purpose of the latter acting as the head of the procurement organization in order to patronize UAB "G" in public procurement.

The director of UAB "G" gratuitously and illegally transferred to the general director of UAB "K" a bribe - a tractor worth EUR 14,235.03, and provided parts and services related to the use of this wheeled tractor, for which UAB paid and/or incurred costs. "G", i.e. - for the amount of EUR 14,525.54. The tractor was recognized under Article 225 part 3 (Bribery) and Art. 227 part 3 of the Criminal Code (Graft) is a subject of the provided criminal acts, therefore it was confiscated.

When sentencing UAB "G", the court took into account the fact that due to the criminal actions of the company's director, UAB "G" did not receive significant financial benefits, therefore the restriction and liquidation of the legal entity's activity was not applied, but only a fine was imposed.

2. Criminal case no. 1A-39-487/2022

Legal entity - political party "T" was found guilty according to Art. 20 part 2, Art. 226 part 4 (Trading in influence), Art. 184 part 2 (Squandering of property), Art. 300 part 1 (Forgery of a document or possession of a forged document) of the Criminal Code, fined 3,000 MGL (112,980 EUR); confiscated property benefit obtained from criminal acts - EUR 279,156.04.

The essence of the case: the political party "T", acting through its representative - a person who held a leading position in this legal entity, accepted a bribe worth EUR 90,063.14 from businessmen for the benefit of the political party "T" for a promise to influence the Ministry of the Interior, its civil servants, that these legally and illegally act in the exercise of authority in organized public procurements and make useful decisions for interested companies.

The court found that the actions of all the convicts created a situation due to which the political party "T" received publicity services for which it did not actually pay for and therefore saved a sum of

money in accordance with the publicity contract concluded with the company, therefore it decided to confiscate the corresponding sum of money as criminal acts the result.

When sentencing the legal person, the court took into account the fact that the acts were committed by the representative of the legal person who acted for the benefit of the political party, using his public position and powers. The court also assessed the duration of the case process, that a long period of time has passed after the commission of these crimes, during which no new criminal acts were committed, and no negative characterizing data was received. On the basis of all these circumstances, the court appointed the mildest Article 43 d.1 of the Civil Code. (Types of punishments for legal entities) provided punishment - a fine, if their amount is chosen lower than their average provided by the Criminal Code, based on their base amount valid at the time of the crime. The court combined the sentences with more favorable methods of including sentences and partial sentences.

3. Criminal case no. 2K-7-8-788/2018

Legal entity - UAB "D" was found guilty according to Art. 227 part 2 (Graft) of the Criminal Code, a fine of 300 MGL (11,304 EUR) was imposed.

The director of the company was found guilty under Art. 227 part 2 of the Criminal Code, a 2-year suspended sentence was imposed.

Legal entity - UAB "E" was found guilty under Art. 227 part 2 of the Criminal Code, 200 MGL (7,536 EUR) fine as imposed.

The director of the company was found guilty under Art. 227 part 2 of the Criminal Code, a fine of 100 MGL (3,768 EUR) was imposed.

Legal entity - UAB "A" was found guilty according to Art. 227 part 2 of the Criminal Code, a fine of 250 MGL (9420 EUR) was imposed.

The director of the company was found guilty under Art. 227 part 2 of the Criminal Code, sentenced to 1 year and 6 months of imprisonment, sentence suspended.

Legal entity - UAB "V" was found guilty according to Art. 227 part 2 of the Criminal Code, a 200 MGL (7,536 EUR) fine was imposed.

The director of the company was found guilty under Art. 227 part 2 of the Criminal Code, a fine of 100 MGL (3,768 EUR) was imposed.

The essence of the case: the director of the administration of the municipality of Trakai district accepted a bribe of EUR 5,797 from the director of UAB "V", who acted in the interests of the company, for the benefit of himself and other persons, for illegally acting in favour of UAB "V" in the exercise of his powers in a public procurement tender, creating conditions for UAB "V" illegally to win the aforementioned public procurement tender.

In the opinion of the panel of judges of the Supreme Court of Lithuania (hereinafter - LAT), by giving bribes to civil servants, the director of the company acted exclusively for the benefit of the company, he was rewarded for helping the illegal company to win the tender. It can be stated that according to the circumstances established by the courts, the criminal liability of the legal entity UAB "V" has been properly applied.

The director of UAB "D", acting in the interests of the company, agreed on a bribe of EUR 28,985 and gave a part of it, i.e. EUR 8,695 disguised as support, to civil servants for voting in favour of the lease of this company's premises.

The director of UAB "E", in the exercise of his powers, acted for the benefit of the company, agreed that he would return to the director of administration EUR 2,898 as a bribe from the municipality of Trakai district for road repair works paid to company "E", in implementing the agreement, he gave him a bribe of EUR 2,898 for illegal action in the exercise of powers.

The head of UAB "A" gave the director of the administration of the municipality of Trakai district a bribe of EUR 5,797 for creating conditions for the company to win the municipal administration's public tender for the purchase of construction and repair works without any obstacles.

In the opinion of the LAT panel of judges, by agreeing to give a high-value bribe and transferring a part of that bribe to civil servants, the director of the company acted exclusively for the benefit of the company, rewarded the tenders won by the company and paid for the opportunity to receive orders for works in the future. It can be stated that according to the circumstances determined by the court, the criminal liability of the legal entity UAB "A" has been properly applied.

The proceedings in the case lasted for more than 10 years due to the large volume and complexity of the case, the large number of defendants, the need to investigate and answer legally significant questions raised by the defence, to ensure the procedural rights of the defendants, and to prepare procedural decisions of considerable scope. In the assessment of the LAT panel of judges, after such a long period of time, the application of a real prison sentence to persons convicted of criminal acts of an economic nature, who do not hide from justice and do not pose a direct danger to society, is hardly compatible with the goals of punishment and the principles of law.

4. Criminal case no. 1-111-1035/2023

Legal entity – UAB "G" was found guilty according to Art. 20 part 2 points 2, 3 and Art. 227 parts 1, 3 (Graft) of the Criminal Code, a fine of 600 MGL (30,000 EUR) was imposed.

Chairman of the Board found guilty under Art. 227 parts 1, 3 of the Criminal Code, a fine of 360 MGL (18,000 EUR) was imposed.

The essence of the case: UAB "G" acted through an employee, shareholder and member of the board (chairman) of this company, who, acting for the benefit and interests of this legal entity, gave a bribe of EUR 7,000 to the doctor for prompt payments made by VšĮ Vilniaus district Nemenčinės poliklinika to UAB "G" according to contracts. He also gave him a bribe of EUR 13,000 for the conclusion of the contract between VšĮ Vilniaus district Nemenčinės poliklinika and UAB "G" regarding a digital X-ray diagnostic machine and the fulfilment of the contract and favouring UAB "G" in the future.

The case was examined after an abbreviated examination of the evidence, the legal entity fully confessed to having committed criminal acts, therefore Art. 64 part 1 of the Criminal Code provisions were applicable to him and the sentence imposed on him shall be reduced by one third.

The prosecutor asked for a punitive measure - a contribution to the fund for victims of crimes. The court did not impose this measure, because the prosecutor did not state the reasons for its imposition, and this measure of criminal impact by its nature is close to a fine and duplicates it in the case under consideration, so it can be considered redundant.

Part C - Additional measures

3(f) Please describe (cite or summarize) good practices and/or examples of any other additional measures used to strengthen business integrity and/or reduce corruption in the private sector in your country.

Guidance on 3(f): Additional measures could, for example, include any of the following:

- Integrity pacts – written agreements between government agencies and companies to strengthen integrity in public procurement, usually overseen by an independent monitor
- Collective action – collaborative initiatives that bring companies and other relevant stakeholders together to prevent and counter corruption and raise standards of business integrity
- Public sector reform – civil service and/or regulatory reforms that reduce the opportunities for corruption
- Public education – activities that raise public awareness of corruption and its harmful effects

The Law on Prevention of Corruption sets out mandatory requirements for the public sector in the process of implementing an anti-corruption environment. Training, events and seminars are organized for the private sector to encourage them to engage voluntarily in the process of creating an anti-corruption environment.

Meetings with business representatives and business uniting organizations' representatives are organized both on the initiative of STT and on the initiative of organizations. STT Anti-corruption Education Division always welcomes any initiative from specific businesses to strengthen the awareness of their employees, including the executive level. Occasionally such invitations are received that result in work meetings and trainings taking into account the specificity of particular business.

Additional information

Is there any other information that you wish to share which has not been addressed by the previous questions?