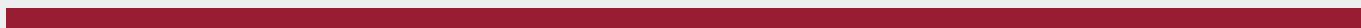




LATVIAN STATE SECURITY SERVICE

Annual Report for 2019



Annual Report
on the activities of Latvian State Security Service
in 2019

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Dear readers,

Latvian State Security Service (VDD) has prepared its annual report for 2019. For VDD, the year began with a crucial turning point, as significant amendments to regulations governing Latvia's intelligence and counterintelligence services entered into force. One of the most important changes was the change of the name of the Service itself, which ensured that the continuity principle also applies to Latvia's intelligence and security services. Honouring our colleagues who have selflessly served their country and given their lives to protect it, last summer we marked the centenary since on 11 August 1919 Latvia's first civilian counterintelligence and internal security service – the State Security Department - was founded, which in terms of its functions and mission was the predecessor of VDD. Although its name has changed several times, the Service's mission of protecting the independence of the State of Latvia, its democratic system of government and territorial integrity, remains unchanged.

One of the most important events for Latvia's security architecture in 2019 was the European Parliament elections held in the spring, with VDD contributing to its unimpeded course. There were no serious security incidents relating to the elections which might have affected their outcome.

Russia's actions against the North Atlantic Alliance (NATO) and the European Union (EU) continued at a high level of intensity, therefore counteractions against Russian influence activities remained high on the Service's agenda. Last year, VDD began criminal proceedings against persons suspected of giving support to furthering Russia's geopolitical interests in Latvia, including for espionage, i.e. gathering information on behalf of a Russian intelligence and security service.

The preceding year also confirmed that previously taken measures for developing Latvia's counterterrorism system and our preventative and reactive capabilities were justified and necessary. There has been no significant improvement in the international counterterrorism scene in the last year. Along with threats from Islamist terrorists, risks posed by right-wing radicals have also remerged. Last year, for the first time in the history of Latvia, VDD prevented terrorist acts by a right-wing extremist.

There was significant improvement in the cooperation mechanism for uncovering, analysing and preventing terrorism financing. In the course of implementing Moneyval¹ recommendations, VDD's priorities included improving monitoring of the international sanctions regime. Several significant criminal cases have been initiated for possible breaches of international sanctions binding on Latvia.

Last year marked five years since I was entrusted with heading VDD, and in the summer the Cabinet of Ministers extended my chairmanship for a further term. Looking to the future, there are no grounds for considering that the international security environment will significantly improve in the medium or long term. The world will not revert to the way we once knew it. Due to its location on the eastern border of NATO and the EU, Latvia will continue to be an object of political interest for Russia, as it continues to openly demonstrate its geopolitical ambitions and desire to regain influence within the area of the former Russian Empire. China also has ambitions of becoming a global superpower, especially in the field of technology, causing justified concerns about information and data security in the Transatlantic community. Unceasing military conflicts in the Middle East and North Africa continue to create international terrorist threats. Latvia's security environment is also affected by concepts such as hybrid war, espionage, terrorism, extremism, cyber threats, disinformation, fake news and populism.

¹ Moneyval – Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism.

In order to appropriately react to changes in the international and national security environment, VDD must continue developing international cooperation, increasing counterintelligence capacity, raising the professional qualification of its staff and improving its ability to forecast and prevent threats in a timely manner. The Service's priority is defending our values:

- State – the mission of VDD is to safeguard Latvia's independence, constitutional order and territorial integrity against external and internal threats by timely identifying and preventing them.
- Security – all the activities of VDD are aimed to ensure the security of the State and its people, as it is the foundation of the State's development and the well-being of its residents.
- Service – service in VDD is a particular type of service as it requires a faithful and unselfish serving to the Republic of Latvia, its Constitution and people.

Today, national security cannot be guaranteed without the conscientious and meaningful involvement of the public. Therefore, VDD extends its gratitude to all persons who have shown civic spirit in helping the Service perform its tasks.

Best regards,
Normunds Mežviets
Director General
Latvian State Security Service



Photo: VDD

1. COUNTERINTELLIGENCE

Over the last year, the greatest counterintelligence threat continued to be posed by Russia, which mainly carries out intelligence activities against Latvia from its own territory, as well as from fraternal states (mainly CIS members.) The threat from other countries' intelligence and security services against Latvia did not come close to that from Russia.

All of Russia's intelligence and security services continued operations against Latvia and its inhabitants: the Federal Security Service (FSB, in Russian: *Федеральная служба безопасности*), the Main Directorate of the General Staff of the Armed Forces of the Russian Federation (GRU, in Russian: *Главное управление Генерального штаба Вооружённых Сил Российской Федерации*), and the Foreign Intelligence Service (SVR, in Russian: *Служба внешней разведки*).

VDD observed both specific intelligence activities by these services as well as attempts to organise influence operations.

At the same time the interest shown by Chinese intelligence and security services in Latvia also continues to increase together with activities by China and its representatives in our region. Last year, VDD observed specific influence activities, mainly connected with lobbying China's interests.

Nevertheless the most significant risks (as also observed by other Western intelligence and security services) are associated with the use of Chinese technology by both the public and private sectors. China's regulatory framework creates the conditions, without the usual guarantees prevailing in Western countries (prior appraisal, neutrality, the rule of law), for Chinese intelligence and security services to obtain information circulating via China-related technologies.

Therefore, last year VDD focused on the intelligence and security services of Russia and its partner states, as well as Chinese influence activities against Latvia. There are no grounds for considering that the situation in this sphere may change significantly this year.

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

In the last year, no significant changes were observed in the range of interests of foreign intelligence and security services. Hostile foreign intelligence and security services were interested in Latvia due to its membership in international organisations (NATO, the EU) as well for foreign and domestic policy reasons.

At the strategic intelligence level, foreign intelligence and security services were interested in:

- Enhanced Forward Presence (eFP) by NATO partner countries on our soil;
- National security and defence policy as well as current legislative initiatives in these spheres;
- Latvia's foreign policy, especially membership of international organisations and positions on sanctions issues;
- Domestic policy as well as plans and development projects for sectors of strategic importance (energy, transit, for example, project Rail Baltica);
- The socio-economic situation, including public opinion, attitudes towards domestic politics, potential for social protest;
- Municipal issues, for example cross border cooperation projects, strategic enterprises under municipal control.

Furthermore, cases of espionage and recruitment of Latvian inhabitants uncovered by VDD show that in addition to strategic information, hostile foreign intelligence and security

services also seek tactical information which could be useful for recruitment and expanding espionage activities, organising influence operations, planning hybrid operations and potential military invasion plans.

Evaluating the activities of hostile foreign intelligence and security services against Latvia, it appears that at the tactical level they are most interested in:

- Information about persons involved in eFP, their location and capacities, as well as persons providing support and material and technical backing to eFP;
- State defence objects, including their location, infrastructure and current geospatial information;
- Personnel, capabilities, capacities and material and technical provisioning of state intelligence and security services, the National Armed Forces and law enforcement bodies;
- State and municipal officials and employees, particularly persons who travel outside NATO and EU member states;
- Personnel, internal security procedures, material and technical provisioning, current geospatial information, and opportunities for access relating to critical infrastructure objects;
- Scientific and academic personnel involved in innovative projects and information about specific projects;
- Weaknesses, addictions and involvement in illegal activities by state and municipal officials, as well as other discrediting information which could be used to recruit them.



Illustrative photos, VDD

ESPIONAGE RISKS IN CROSS-BORDER “COOPERATION” PROJECTS

So-called cross-border “cooperation” projects are a convenient instrument used by Russian intelligence and security services to obtain information.

Latvia’s municipalities continue seeking opportunities for cross-border cooperation with Russian subjects. Both bilateral projects and projects co-funded by the EU are initiated to this end. Most projects are in the fields of culture, sport and tourism, and municipal involvement in them is usually justified on the grounds of gaining funds to develop regional infrastructure.

Every year, VDD identifies projects with significant intelligence risks. Unfortunately, ignorance of or in some cases unwillingness to recognise the intelligence risks posed by Russia and other members of the Collective Security Treaty Organisation leads to situations where states hostile to Latvia can make audio-visual records of our regions, collect data on Latvia’s inhabitants and obtain information about critical infrastructure objects, their security systems and technologies.

In the last year, VDD identified three such projects which illustrate the typical risk factors:

- In the first case, the municipality made several attempts to secure EU co-funding for cooperation projects with Russia. One of these projects involved the placement of CCTV cameras for monitoring natural resources in the territory of municipality in cooperation with the Pskov Region administration. VDD had already encountered such cooperation projects with Pskov in 2018, involving the placement of Russian-made CCTV cameras around a certain Latvian lake. Both of these projects would have involved the storage of data obtained from the cameras in Russia, and the possibility of real time video surveillance was not excluded. The project was discontinued after objections by VDD.



Illustrative photo, VDD

- In the second case, a municipality in another part of Latvia planned a landscaping project in conjunction with several municipalities of Russia. Under the project, the Latvian municipality planned to establish nature recreation areas and install high resolution video cameras made in Russia. This case also involves significant intelligence risks in connection with storage of video data and possible remote access in real time. VDD has informed the responsible institutions regarding the aforementioned risks.
- In the third case, VDD became aware of a Latvian-Russian cross-border cooperation project called “Pure Water for Programme Regions,” involving several municipalities from Latgale under the leadership of the Pskov City enterprise “Gorvodokanal.” This company plans to be actively involved in the project, and its representatives have expressed interest in personally visiting water supply sources in Latgale and learning more about the local water supply enterprise’s premises and technologies, which is an object of national security interest. This Latgale company supplies the region with an essential resource—drinking water. VDD has informed the responsible institutions regarding the security risks.

Recruitment of Latvia's inhabitants

The recruitment of persons to obtain intelligence remains an important aspect of the activities conducted by hostile foreign intelligence and security services against Latvia. Despite the opportunities presented by modern technologies for unauthorised access to information, technology cannot replace information given personally, human expertise or explanations.

Although contacts with foreign agents may initially be covert by the agent not revealing one's belonging to a particular

service, subsequent cooperation would be impossible without the person being aware of the nature of their assigned tasks and secrecy requirements clearly pointing to collaboration with a foreign intelligence and security service.

Cases of recruitment of Latvian nationals and analysis of longer-term trends reveal that the most aggressive recruiting bodies are Russia's GRU and FSB. However, this does not mean that Latvian nationals may not become targets of other intelligence and security services hostile to Latvia.



Selection of targets

Any inhabitant of Latvia may become a target of Russia's intelligence and security services, irrespective of their position or access to classified information. In selecting potential targets, initially the most important criterion is whether the person periodically travels to Russia or its associated states and whether the person will have a legitimate reason to return. The reason for travelling is of secondary importance, i.e. tourism, visiting family, business interests

or employment, performing official duties, studies, attending courses etc.

Although Russian intelligence and security services are primarily interested in persons who are positively inclined toward Russia and support its policies, the identified cases affirm that Russian intelligence and security services may also employ blackmail, threats, compromising information, financial and psychological pressure to encourage cooperation.



Gathering information about persons

Preparations for recruitment, which include gathering information about a person, may take several years. One of the channels for obtaining initial information is visa applications, as well as interviews with persons at border crossings. The intelligence and security services will try to obtain information about:

- The person's contact details (phone numbers, e-mail, communication apps) and social networks;
- Information about the person's place of employment and position, access to information, ability to influence processes and events at work;
- Additional employment, leisure activities, travel habits;
- Circle of friends and relations, particularly friends and relatives living in the relevant target country;

- The person's habits and character;
- Their opinions and how deeply they are held, loyalty and attitude towards their own country;
- Possible psychological or psychiatric issues;
- Weaknesses which can be used to compromise the person;
- Behaviour while intoxicated;
- Possible cases of lawbreaking or illegal activities and other information available about the person.

Various channels are used to obtain the information, including information provided by other recruited persons, information posted on the internet by the target or their friends, social media, applications and submissions in the respective country, cyber espionage operations, technical means and signals intelligence.



Recruitment

As in earlier years, last year recruitment of Latvian nationals mainly took place within Russia.

The first contact is usually on the border, where Russian intelligence and security services can conveniently use the FSB Border Guard Service or Main Directorate for Migration of the Ministry of Interior as a cover for approaching the target. Officers of Russian intelligence and security services will travel great distances to make contact with a person of interest if their entry into Russia takes place at a location a long way from the officer's place of service.

Russian intelligence and security services select favourable conditions for recruitment (for example, during emotional crises in the target's private life such as divorce, illness or the death of kin; problems or disputes at work; possible breaches of law in Russia), or they organise the onset of such circumstances (framing for breaches of law or unwarranted detention).

Where possible, recruitment is documented (in writing or audio/ video recorded) to be used against the person to encourage further cooperation.



Managing recruits and giving them assignments

Russian intelligence and security services manage recruited persons from their own territory, or in exceptional cases from another favourable location.

In cases identified by VDD, the assignments given by foreign intelligence and security services are initially general and seemingly innocuous, aimed at gathering readily-available information to test the person's willingness to cooperate.

This is followed by recruitment cementing, wherein the foreign intelligence and security service assigns a task whose fulfilment means breaking the law. Even if the person decides to terminate further cooperation after performing the task,

the person has already compromised oneself and the intelligence and security service uses this to encourage ongoing collaboration.

For this reason, when making contact with suspicious foreign nationals, it is important to note the moment when the other side tries to get one to cross a "red line". Also, any task assigned by an intelligence and security service has a purpose even if it seems trivial, it is based on a specific interest the foreign intelligence and security service has in Latvia.

After recruitment cementing, the assignments become more specific, covering a broad range of interests, depending directly on the sphere of competence and responsibilities of the officer of the service.

HOW TO RECOGNISE CONTACT WITH A FOREIGN AGENT

The following may indicate you have been contacted by a foreign intelligence officer:

- The intelligence officer will try to shift the conversation away from legitimate issues relatively quickly;
- You may note a distinct familiarity or friendliness and attempts to adopt an informal style of conversation – the officer is trying to win your trust and goodwill;
- It suddenly transpires that you and the officer have shared interests, for example the same hobbies;
- If the meeting takes place in the context of professional contacts, the intelligence officer may lack specific knowledge in the relevant field;
- Instead of discussing professional matters, the intelligence officer may ask leading questions about the situation in your country or your workplace or your personal financial situation;
- You may encounter attempts to provoke a reaction which casts light on your ideological convictions, values, competencies and other personal characteristics – remember, the officer is trying to build a psychological profile of you;
- During the conversation, you may be invited to continue the contact in a more informal setting, including after your return to Latvia, and the officer might suggest using encrypted applications or other secret forms of communication;
- You will be asked to provide general information for private needs, possibly in exchange for your assistance a payment can be offered– the intelligence officer wants to get you accustomed to the benefits of collaboration.

Espionage in cyberspace

In the last year, there was no let-up in the espionage risks posed by the omnipresence of information and communications technologies in the daily lives of Latvia's residents. And there is no reason to believe that the situation will change in the near future, because as the range of technologies expands, so do the opportunities for exploiting their vulnerabilities.

While monitoring cyberspace activities, VDD observed various types of activities directed against Latvia conducted by both criminals and foreign states. To date, the most aggressive cyber espionage activities against Latvia have been carried out by so-called hackers and cyber criminal groups based in Russia, which are suspected in Western countries of collaboration with Russian intelligence and security services. Analysis by VDD of APT (advanced persistent threat²) cases directed against Latvia reveals that, as with personal recruitment, the infecting of objects of interest in cyberspace is also performed based on careful analysis and by sending malware specially developed for this purpose. The range of APT targets includes state and municipal institutions, critical infrastructure and strategic objects.

Latvia's cyberspace was used as a staging post for various types of illegal activities elsewhere. This was promoted by highly developed infrastructure, as well as neglect that lead to breaches of legal and ethical norms by some companies offering internet hosting services. VDD identified several cases where resources based in Latvia were used for illegal and harmful cyber activities for profit making purposes, after ignoring publicly available information about the malicious activities of the respective clients.

Both state-supported hacker groups as well as those motivated by personal reward used services provided by Latvian IT companies, which are attractive for the following reasons:

- Location in the EU and fast internet connection;
- Possibility of communicating in Russian;
- Lax quality control for services provided;
- Possibility of acquiring services anonymously;
- Possibility of payment in crypto currencies.

In conjunction with the other state security authorities (the Military Intelligence and Security Service (MIDD) and the Constitution Protection Bureau (SAB)), the Information Technology Security Incident Response Institution of the Republic of Latvia CERT.lv, as well as international partners,

last year VDD uncovered several cyber security incidents. Investigation and analysis of these cases shows that both IT and communications technology resource holders and users have negligent attitude towards security management. This is the main reason for compromising data, including large volumes, leakage to third parties, as well as for ransomware compromising resulting in major financial losses. There is no basis for presumption that these deficiencies in IT and communication management are due to deliberate neglect or malicious activities. The identified cases show negligence reflected in the desire to introduce the latest technological solutions without access to qualified specialists for their servicing and ongoing management, due to the state sector being unable to attract qualified specialists because of the wage gap with the private sector.

Analysis of the identified cases shows that most successful cyber attacks are due to human error. Therefore, to reduce threats to state and municipal institutions, the private sector and individual persons, everyone must practice cyber-hygiene on a daily basis and security issues must be an integral aspect of the IT and communications technology system.

To promote responsible actions by state and municipal institutions, last year VDD and the other state intelligence and security services developed recommendations for information technology security management, which will continue to be improved and developed. These recommendations are available on the VDD website.



Photo: rawpixel.com / Freepik

² APT – advanced persistent threat – is an attack by a state-supported cyber-operational group against information technology resources with the aim of permanently and secretly accessing a system to gather information over a long period.

Implemented preventative measures

One of VDD's primary tasks in the field of counterintelligence is identifying persons in Latvia who betray their country by collaborating with a hostile foreign power. To protect counterintelligence operations, VDD can only inform the public about cases where other objectives are not at stake and the identified person has been handed over for criminal investigation. Unfortunately, VDD cannot provide information about specific cases or their number in order for the investigations and counterintelligence operations to go undisturbed.

To date, VDD has informed the public about four criminal proceedings brought under Section 85 of the Criminal Law for espionage. Last year, the trial of former SJSC "Latvijas dzelzceļš" employee Aleksandrs Krasnopjorovs for spying for Russian military intelligence was concluded. The Supreme Court upheld the ruling of the appealation court sentencing Krasnopjorovs to imprisonment for three years and two months.

Last year, the trial of former Ministry of Interior Information Centre official Oļegs Buraks was initiated. VDD believes that under orders from Russian intelligence service, for financial reward, over a long period and systematically Buraks gathered a range of information, including classified information, and handed it over to Russian intelligence service. VDD reiterates that all persons are presumed innocent until found guilty in accordance with the law.

In parallel with conducting counterintelligence activities and criminal proceedings, VDD also carried out a range of other measures to prevent or minimize intelligence risks. VDD regularly informed Latvia's highest state officials and decision-making bodies about the results of counterintelligence operations and uncovered threats. VDD also organized educational events to raise awareness of foreign intelligence activities and associated risks. Last year, 44 such events were held with almost 2,000 officials and employees from 32 state and municipal institutions in attendance.

In the context of vetting foreign nationals (evaluating applications for visas and residence permits as well as foreign nationals already residing in Latvia on various grounds), VDD pays heightened attention to espionage risks. In cases where a person is found to be posing a threat to national security, VDD is one of the institutions authorized to recommend to the Minister of the Interior that this person should be placed on the blacklist of persons barred from entering Latvia. Last year, VDD recommended to the Minister of Interior that 53 foreign nationals be put on the blacklist. Of these, 45 persons were put on the blacklist for threats to the constitutional order, six – in connection with terrorism risks, and two – in connection with intelligence risks. Thirty-six of these persons were put on the blacklist temporarily while 17 were placed there permanently.

If you suspect you may have been contacted by a person of a foreign intelligence and security service, VDD urges you to report this by calling 67208964 or writing to 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.



Slepenības zvērests

Es zvēru, ka bez īpaša pilnvarojuma neizpauđišu vai nedarīšu zināmu nevienai iestādei vai personai informāciju, kas man ir kļuvusi zināma vai pieejama sakarā ar dienestu (darbu) valsts drošības iestādē.

Photo: VDD

2. PROTECTION OF OFFICIAL SECRETS

One of the main measures for protecting official secrets is checking persons applying for security clearances to access official secrecy objects (hereinafter – security clearances). Last year, work continued on improving the procedures for issuing security clearances, based on extensive amendments made in 2018 to the law “On Official Secret.” The upgrading of procedures for protecting official secrets remains relevant today.

VDD also performs special vettings before the issuing of specific categories of industrial security certificates for commercial enterprises applying to fulfil state tenders at objects

involving official secrets. There have also been changes in this sphere in the last year in connection with the aforementioned legislative amendments.

Alongside issuing security clearances and checking commercial enterprises, VDD also checks the compliance of premises with secrecy and state security protection protocols at institutions working with official secrecy objects, as well as making recommendations for improving the counterintelligence regime. Last year, VDD performed 58 checks at institutions under its supervision.

Checks for issuing security clearances

The term official secrets covers information which is critical for performing state functions and whose disclosure would cause irreparable harm to national security. Therefore, the Service may only issue a security clearance after checking the relevant person and establishing that their trustworthiness and ability to safeguard secrets is beyond reproach.

Persons who have received security clearances and work with official secrets on a daily basis are of the highest interest to foreign intelligence and security services. Although hostile foreign intelligence and security services have a broad range of interests in Latvia, official secrets are amongst their priorities. Therefore, VDD believes that requirements for working with

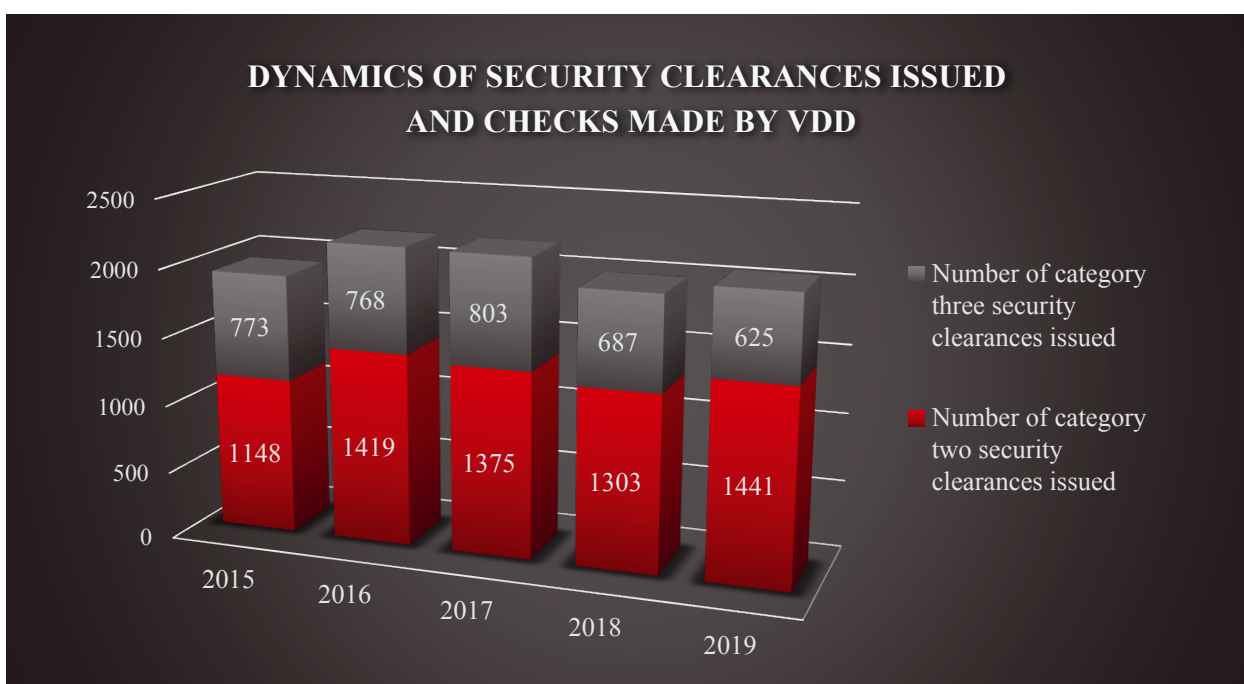
official secrets and counter-intelligence protocols for persons who have received security clearances must continue to be improved.

In accordance with the aforementioned legislative amendments, checks before issuing security clearances last for three months. However, experience gained in the last year shows that this timeframe is often objectively too short to evaluate a person's compliance with the law "On Official Secret" comprehensively and in accordance with currently identified intelligence risks. Therefore, in 100 cases, VDD used its rights under the law to extend the vetting period to six months.

The extension of the vetting period does not automatically mean that the person has been identified as subject to heightened risk factors. Rather, this may be due to the large

volume of information to be checked relating to the person's earlier activities, particularly if they have studied, worked or lived abroad. In cases where a person is found to be subject to heightened risk factors, more in-depth and lengthy checks are always conducted.

In the last year, the biggest challenge for conducting vettings of persons has been the lack of procedures by which a person with psychiatric or behavioural disorders, including abuse of alcohol, narcotics, psychotropic or toxic substances, may be sent for a medical examination. VDD considers that irrespective of whether an addiction is diagnosed, a person's excessive drinking or gambling is a heightened risk factor, therefore in such cases an assessment is always made as to whether the person's activities are compatible with the ability to keep official secrets.



In the last year, VDD issued a total of 2,066 security clearances, of which 1,441 were category two security clearance (up to secrecy level SECRET) and 625 were category three security clearance (up to secrecy level CONFIDENTIAL). VDD also checked 48 persons applying for category one security clearance (up to secrecy level TOP SECRET), forwarding the relevant materials to SAB for a decision.

VDD also sent SAB materials on vetting conducted on ten commercial enterprises, who required industrial security certificates when applying for tenders involving work with official secrets.

However, the vettings of persons do not conclude with the issuing of security clearance, since VDD continues to assess their suitability for working with official secrets and compliance with requirements set out in laws and regulations. In cases where

risks to preserving official secrets are uncovered, emergency vettings are performed. Last year, the Service initiated 25 such vettings. The following were some of the reasons for initiating emergency vettings:

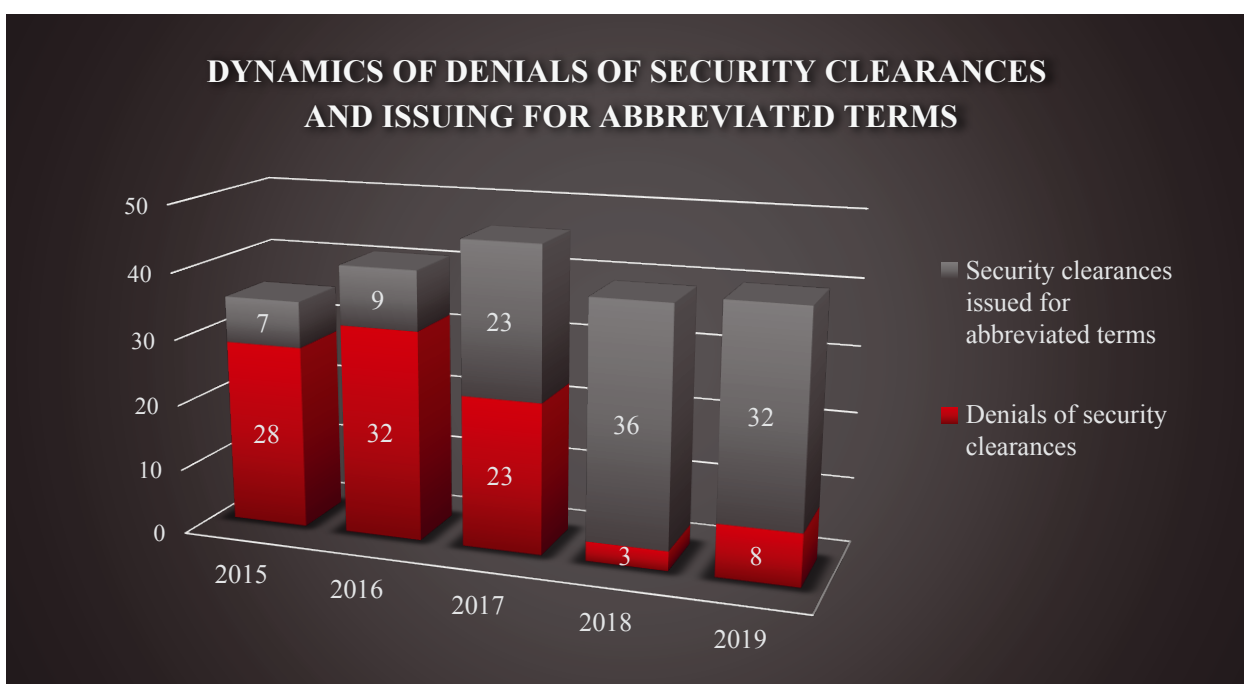
- It was found that the person had breached procedures for working with, using and protecting official secrets, for example by processing information containing official secrets in inappropriate information systems;
- Heightened intelligence risks, for example trips to Russia, CIS countries or China;
- Suspicions that the person maliciously abused their position;
- The person was found to have unexplained or unjustified financial transactions;
- The person was identified as having a heightened reputation risk.

Reasons for denying access to official secrets

VDD considers that official secrets can only be entrusted to persons who are loyal to the State of Latvia and obey its laws. Unfortunately, last year VDD once again uncovered cases where a person's professional or private activities were incompatible with receiving a security clearance for working with official secrets or were grounds for annulling an already-issued security clearance.

Last year, VDD made eight decisions denying persons access to official secrets. In two cases, security clearances were denied for first-time applicants, while in six cases persons with existing security clearances were denied access to official secrets.

In five cases, the persons did not appeal VDD's decision, while in three cases appeals were lodged. In one case, the process has been concluded with the Administrative Court upholding the decision barring the person from accessing official secrets. In the remaining two cases proceedings are continuing, after the Prosecutor General's Office reversed its adopted decision due to uncertainty over the procedure for sending persons for medical examination to determine if they are addicted. In both cases, VDD is continuing vettings of the persons to remove doubts about the correctness of the initial decisions.



Last year, access to official secrets was denied for the following reasons:

- In two 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 six 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 specific cases where heightened risk factors are found, a security clearance may be issued for an abbreviated term. In such cases, there is continuing in-depth assessment of the person's suitability to be given a security clearance for access to official secrets. Last year, VDD issued security clearance for abbreviated periods in 32 cases.

WHO IS BARRED FROM ACCESSING OFFICIAL SECRETS

For the first time since the entry into force of amendment to the law “On Official Secret,” a person denied access to official secrets has used all of their rights enshrined in law to appeal the decision.

In the respective case, the Service denied access to official secrets to an official in a law enforcement body, based on the criterion stipulated in Section 9 Paragraph 3 Article 6 of the law “On Official Secret,” i.e. grounds for doubting their trustworthiness and ability to keep official secrets.

In making its decision, VID took into account several disqualifying circumstances, including:

- An audit of the natural person uncovered that their expenditures exceeded their income by more than 45,000 euros;
- In the last year, the person had withdrawn more than 55,000 euros in cash from ATMs, whose origin they were unable to explain;
- In 2018, the person has received a disciplinary caution for breaches in performing work duties, indicating conflict of interest risks;

- From 2016 to 2018, the person obtained information from a database they had access to in cases which were unconnected with performance of their job;
- The person failed to provide reliable information to VDD regarding loans from natural persons;
- The person has historically been involved in fights while under the influence of alcohol;
- The person did not provide information to VDD in a timely manner about changes in their questionnaire form pertaining to administrative and disciplinary penalties.

Assessing the information obtained by VDD during the vetting period, the court concluded that the uncovered infringements provided sufficient grounds for doubting this person’s ability to keep official secrets. The court also found the person displays characteristics of greed and unwillingness to obey the law, which given their official position and responsibilities give grounds to doubt their trustworthiness.



3. PROTECTION OF THE CONSTITUTIONAL ORDER

Despite Russia's attempts in recent years to divide Latvia's society through influence measures, over recent years our country has developed an immunity against blatant propaganda and disinformation campaigns, and these have failed to achieve Russia's aims. However, identifying hidden influence measures remains a challenge. Last year, VDD continued uncovering Russia's attempts to shape Latvia's political agenda and public opinion through both open and covert methods.

In the last year, the most serious threats to our constitutional order continued to come from activities staged by Russia to consolidate its compatriots and use them for its own interests, the historical memory policy aimed at forcing the "correct" version of history onto Latvia's people, and information influence and propaganda measures. There are no grounds to believe that this year will bring positive changes.

The last year also brought the European Parliament elections, and one of VDD's priorities was ensuring their security. Although no attempts to influence the elections in Latvia by Russia or other foreign states were identified, Russian propaganda made use of longstanding narratives against Latvia, which were updated in line with current events and presented in the context of Russia's interests.

There is little support in Latvia for extreme or radical ideas. However, there is concern about attempts by some individuals to establish contacts with organisations based abroad who advocate violence as a means of achieving their goals. We also cannot ignore the experience of Western countries where Russia has sought to make contacts with extremists to manipulate them in its own interests. Therefore, the Service keeps a constant watch on individuals with extremist or radical tendencies.

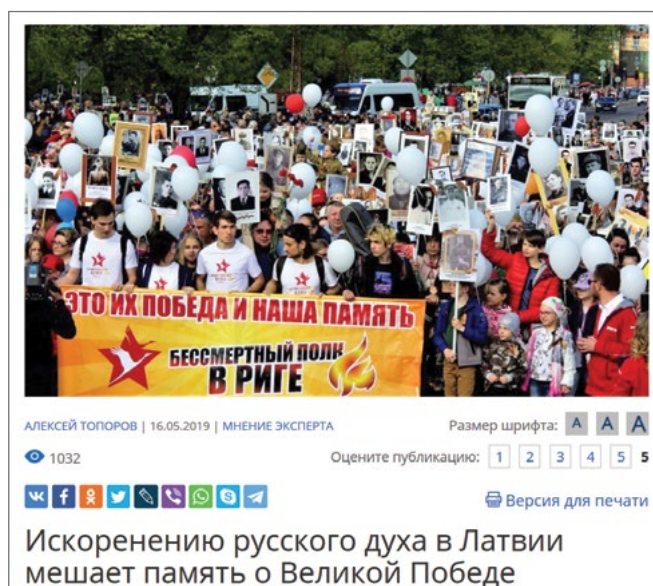
Russian non-military influence activities in Latvia

Since the collapse of the Soviet Union, Russia has sought to restore and increase its international influence. Ignoring international law, it has pursued this goal in recent years using military force in Georgia and Ukraine, as well as continuing to develop various non-military influence instruments.

In the last year, VDD did not notice any changes in Russian influence activities aimed against Latvia. Based on guidelines issued by the Presidential Administration, Russia's diplomatic representations in Latvia (its embassy in Riga and consulates general in Daugavpils and Liepāja) continued their attempts at so-called compatriot consolidation, coordinating the pushing of Russian historical memory in Latvia and conducting information influence measures.

VDD believes that Russia's diplomatic representations in Latvia continued to play a leading role in planning and coordinating influence measures. Russian diplomats:

- guided the activities of the so-called informal compatriots' body the LSOP ("Latvian Council of Civic Organisations") and played an active part in establishing a youth counterpart for this body;
- controlled the participation by so-called compatriot representatives from Latvia at events in Russia and other CIS countries;
- coordinated access to funding instruments. For example, Russian diplomats evaluate applications to receive funding from "Rossotrudnichestvo" (an institution subordinated to the Russian Ministry of Foreign Affairs – the Russian Federal Agency for the CIS Affairs, Compatriots Living Abroad, and International Humanitarian Cooperation);



Last year saw the continuation of the "Immortal Regiment" campaign, which is used by Russia as a tool for consolidating the Russian nation and compatriots abroad.
Screenshot from fondsk.ru.

- headed the Military Memorial Works Council, the main body coordinating military memorial work in Latvia;
- guided the work of Latvian media representatives loyal to Russia, for example organising round table discussions with Latvian journalists and promoting articles sympathetic to Russia in Latvian media outlets.

Promoting Russia's interests under cover of so-called compatriot defence

Russia's policy planning documents clearly state that protecting so-called compatriots abroad is a part of their mission. In reality, Russia only wants to use its compatriots to gain support for its aggressive actions.

- Firstly, "concern" about compatriots abroad is a useful domestic policy instrument to distract attention from social and economic issues.
- Secondly, by using the hands of so-called compatriots, Russia can meddle in the internal affairs of other countries by influencing the political agenda, imitating civil society activity and shaping public opinion.
- Thirdly, so-called compatriots are an essential tool for Russia to influence global events from a supposedly neutral standpoint, i.e. ensuring that decisions favourable to Russia are made by international forums and organisations. For this reason, so-called compatriot support funds and financial instruments are steered toward Russian influence agents regardless of their ethnicity.

On the international scene, last year Russia continued seeking the lifting of the sanctions regime imposed after the violation of Ukraine's territorial integrity following the illegal annexation of Crimea. Russia continued to use its so-called compatriots as opinion leaders and "experts," arguing that the sanctions have a negative economic effect on the West. For example, representatives of the Latvian Russian Union (LKS) political party used information platforms available at the time of the European elections to call for the "immediate" lifting of the sanctions, claiming that "they only do harm to Latvia" and "could lead to war in Europe."

In an attempt to legitimise the Crimean annexation, Russia organised events for so-called compatriots in Yalta (for example, the Yalta International Economic Forum and the forum "The Nuremberg Trials: History and Today"), in which some so-called compatriots from Latvia took part. VDD believes that these activities show that sanctions are an effective instrument against Russia and they should not be lifted.

EXAMPLES OF SO-CALLED COMPATRIOTS BEING USED TO SUPPORT RUSSIA'S INTERESTS

In the last year, Latvia's so-called compatriot defenders were used by Russia to "prove" its claims that Latvia is a hotbed of "Russophobia," "the rebirth of Nazism and Fascism," "infringements of Russian rights" and other messages favourable to Russia's interests. A clear example was the deployment of so-called compatriots in marginal "protests" and Russian propaganda clips against the "spy mania," "witch hunts" and "security service revenge campaigns and justifications for their existence" in the Baltic States, as well as "the Russophobic and ethnocratic Latvian regime" and "restrictions on free speech and human rights abuses."

Attempting to discredit the Baltic intelligence and security services, last year so-called compatriots became involved in public activities in Latvia relating to real espionage trials.

- Several events were held outside the Embassy of Lithuania in Riga in support of Algirdas Paleckis, on trial in Lithuania on charges of spying for Russia. Simultaneous events were also observed in Lithuania and Estonia.
- Protests were held outside Riga courthouse where former Ministry of the Interior Information Centre official O. Buraks was being tried in the largest espionage case investigated by VDD to date.

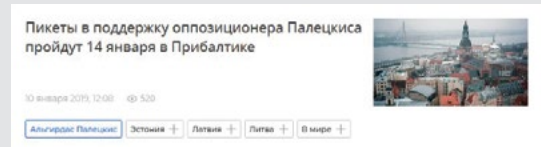
Analysing these events in the Baltic States, it appears they bore certain common features, moreover they were held simultaneously, thus trying to create the illusion that the inhabitants of the Baltic States are united against the politicisation of the court system.

- Firstly, the average number of participants did not exceed 20 persons, mainly the most active so-called compatriots.
- Secondly, the protests played out as a brief period of holding posters and waving slogans in support of the accused. The posters and slogans broadcast the aforementioned narratives.
- Thirdly, immediately after the events the participants took to social media (primarily Facebook) to disseminate the information.
- Fourthly, the most interest in these marginal protests was shown by Russia's propaganda channels, which devoted a lot of airtime in supporting them.

VDD believes that such cases illustrate Russia's real objectives in working with so-called compatriots.



Event in support of A. Paleckis held on 21 October 2019 in Riga. Image from Baltnews.lt.



Screenshots from articles on Russian news portals (RIA.ru, Sputnik, EADaily) and a TV clip (Rossija 1) on events in the Baltic States in support of A. Paleckis and O. Buraks.

Last year, so-called compatriots continued protesting against legislative amendments introducing a gradual transition to instruction in the state language in all secondary education schools. Protests were held by the unregistered KSAŠ (HQ for the Defence of Russian Schools). The activities of KSAŠ abated after the European Parliament elections, confirming VDD's view that their primary purpose was to serve as a platform for LKS during the election campaign. But despite the reduction of activity, there are no grounds for thinking that the education and language issue generally has lost its appeal for the orchestrators of Russia's influence measures against Latvia. Russia is not interested in the strengthening of critical thinking or the emergence of a knowledgeable and competitive new generation in Latvia, as such people would be harder to manipulate and exploit. Furthermore, the education issue is handy for the campaign to discredit Latvia abroad. For example, at the end of 2019, in parallel with a European Russian forum in Brussels a "youth forum" was held as part of the series "Russian identity outside Russia." During the intermission, young LKS activists dropped tendentious booklets titled "Minority Schools Under Attack in Latvia" in the mailboxes of MEPs, claiming that Russian schools face "deliberate extermination" in Latvia.

In 2019, VDD identified cases where so-called compatriots were used to provoke clashes of opinion which could lead to verbal or physical confrontations and result in vivid propaganda clips and opportunities to discredit Latvia on the global stage. As in previous years, Russia attempted to do this with the memorial events for Latvian legionnaires held on 16 March, but on the whole Latvia's society is immune to such efforts. Therefore, working together with the State Police, VDD managed to prevent any potential provocations.

There were also cases where so-called compatriots exploited the privileges of freedom of speech to stir up ethnic tension and hatred between different ethnic groups, denying the fact that Latvia was occupied in 1940 and the subsequent illegal repressions. After VDD began criminal proceedings in one such case, Russian propaganda presented the accused as martyrs, and claiming this further proved the existence of "Russophobia" in Latvia and the need to fight for so-called compatriots' rights. It is notable that Russia's Ministry of Foreign Affairs and the organisation "Fund for the support and protection of the rights of compatriots living abroad" (a subunit of "Rossotrudnichestvo") have paid the legal fees of some so-called compatriots in Latvia.



Last year, LKS distributed tendentious booklets titled "Minority Schools Under Attack in Latvia" on the deliberate extermination" of Russian schools in Latvia to MEPs. Screenshot from LKS Facebook page.



"Что вы имели в виду?" Почему в Латвии лучше держат язык за зубами

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LKS board member Aleksandrs Filejs, against whom VDD initiated criminal proceedings last year under Section 74.1 of the Criminal Law for denial and public glorification of Soviet war crimes against Latvia and its inhabitants. VDD reiterates that all persons are presumed innocent until found guilty in accordance with the law. Screenshot from RIA.ru.

Attempts to consolidate youth and identify new leaders

In working with so-called compatriots, Russia follows a set of common principles. The unregistered entity LSOP, headed by Viktors Guščins and entrusted with coordinating all the so-called compatriot organisations, is similar to other models established elsewhere.

VDD believes that LSOP's activities are in reality limited in scope. Last year, it continued bringing together the same group of persons (the most active so-called compatriots) who "performed" in return for money received from Russian government funds or hope to receive funding in future, thus gaining personal benefits. LSOP's activities are closely controlled by the Russian embassy.

One of Russia's long-term problems in working with so-called compatriots in Latvia is a lack of interest from young people. So-called compatriot representatives have raised this issue at various forums in Russia and elsewhere, including events organised by LSOP in Latvia.

Last year, VDD identified new attempts to draw young people to the so-called compatriot movement in Latvia. With the direct and indirect (via the LSOP) involvement of Russia's diplomatic corps, a proposal was made to establish a new body, the LJSOKP (Coordination Council of Youth Civic Organisations in Latvia). With the blessing of the Russian embassy in Latvia, Aleksejs Vesjolijs, Viktors Urvačovs and Jānis Kuzins were appointed as leaders of the unregistered body.

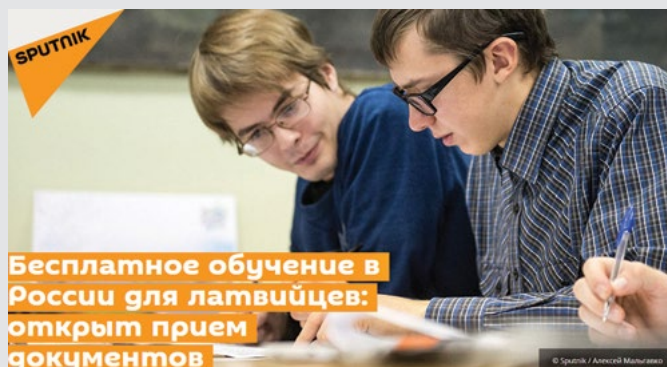
The creation of this new organisation drew a very negative reaction from the older generation of so-called compatriot activists, particularly the "anti-fascists." The situation was further aggravated at a Russian youth conference held at Moscow House in Riga at the end of 2019, which saw clashes over funding from Russia's institutions. The conference also produced a split in the LJSOKP, as Vesjolijs was appointed with the support of the Russian embassy as head of a new, as yet unnamed organisation for consolidating the youth movement.

VDD believes that the disputes between the so-called compatriots are due to funding issues, which in the current "austerity" conditions is causing other divisions and lack of effectiveness amongst so-called compatriots. At the same time, competition amongst so-called compatriots in Latvia serves Russia's interests, as the struggle for funding makes the supplicants keener to perform effectively in the eyes of Russia's institutions, in turn making them more dependent on Russia.

In line with activities to "consolidate" youth, Russia continues to earmark funds to attract foreign students to universities in Russia. One of the main programmes is that coordinated by "Rossotrudnichestvo". Last year the number of places offered to Latvia was increased again, to 135 in total.

RISK FACTORS ASSOCIATED WITH GETTING AN EDUCATION IN RUSSIA

- **High intelligence risks** - although not all foreigners arriving in Russia come to the attention of the intelligence and security services, students are a high-risk group, with the services seeking to identify and recruit information sources and future influence agents.
- **Forming an influencer network** – both intelligence and security services and other Russian institutions seek to forge contacts to lobby Russia's interests in future.
- **Ideological indoctrination** – curriculums are filled with interpretations of history and geopolitical processes favourable to Russia aimed at strengthening students' ties to the so-called Russian world, particularly in humanitarian studies.
- **Incompatible education systems** – qualifications obtained in Russia may not be recognised in Latvia.



Russia continues to attract foreign students by offering free tuition for studies. Screenshot from the Latvia version of "Sputnik."

Russia's political objectives under the cover of shaping historical memory

Efforts to shape historical memory in line with Russia's geopolitical interests comprised one of the main non-military influence measures deployed last year.

- Firstly, Russia continued to produce alternative explanations and interpretations, mainly through organising pseudo-scientific conferences and publishing books on 20th century events in line with Russia's interests.
- Secondly, Russia actively promoted the dissemination of historical interpretations favourable to its policies in Latvia through restoring and maintaining Soviet memorials, as well as military archaeology which could lead to new memorials being erected.
- Thirdly, Russia provided support to commemorations of historic events it considers significant, thus ensuring interpretations of these events favourable to its interests, thereby consolidating a circle of persons beyond the ranks of the so-called compatriots.
- Fourthly, Russian propaganda broadcasts devote a lot of airtime to historical subjects and highlight all activities in this realm.

Last year, the world marked the 80th anniversary of the signing on 23 August 1939 of the Nazi-Soviet Pact, whose secret protocol carved up Eastern Europe and the Baltic States into spheres of influence. This tragic chapter of history for Latvia in no way flatters Russia's "victory ideology," through

which Russia presents itself both at home and abroad as the winner of the Second World War rather than one of its key instigators. In order to marginalise this event, Russia supported pseudo-scientific studies by "experts" sympathetic to Russia to try and create alternative interpretations. However, Russia's attempts to organise such events in the Baltic States with the participation of local historians gained little support in Latvia. Information available to VDD indicates that Russia's intelligence and security services had a keen interest in the 80th anniversary of the Molotov-Ribbentrop Pact, which in VDD's view confirms that history is a crucial tool in furthering Russia's political interests.

The most important sphere of activity for shaping historical memory in ways favourable to Russia is military-memorial work, which in Latvia is coordinated by the Russian Embassy's Military Memorial Work Council under the 2007 bilateral governmental agreement on the Status of Latvia's Burial Sites in the Territory of the Russian Federation and Russia's Burial Sites in the Territory of the Republic of Latvia. On a daily basis, this sphere is managed by members of the Russian diplomatic corps, who organise the restoration of existing memorials, grant funding for restoration work and coordinate and supervise so-called search units, which search for the remains of missing soldiers and arrange their reburial.

EXAMPLES OF SHAPING HISTORICAL MEMORY

- At the end of July 2019, LSOP and LKS organised events in Dobeles and Jelgava commemorating the 75th anniversary of the so-called "liberation day", attended by the ambassadors of Russia, Belarus and Azerbaijan. In a speech made in Stacijas parks in Jelgava on 31 July, Russian Ambassador Evgeny Lukyanov said that "history is being rewritten" in Latvia. These events drew little support from the local communities, which instead hosted their own commemorative events not involving the so-called compatriots.
- On 13 October, also in honour of "liberation day," a flower laying ceremony was held with Ambassador Lukyanov in attendance at the so-called Victory Monument in Riga. Speakers at the event praised the Red Army and criticised what they see as Latvia's official interpretation of history and attitude toward the so-called Victory Monument. At the same time, the "Committee of Latvian Anti-Nazis"

held a "crossing of Lake Ķīšezers" event, during which several participants crossed the lake in boats in imitation of the Red Army's attack on Riga in 1944.



"The crossing of Ķīšezers."

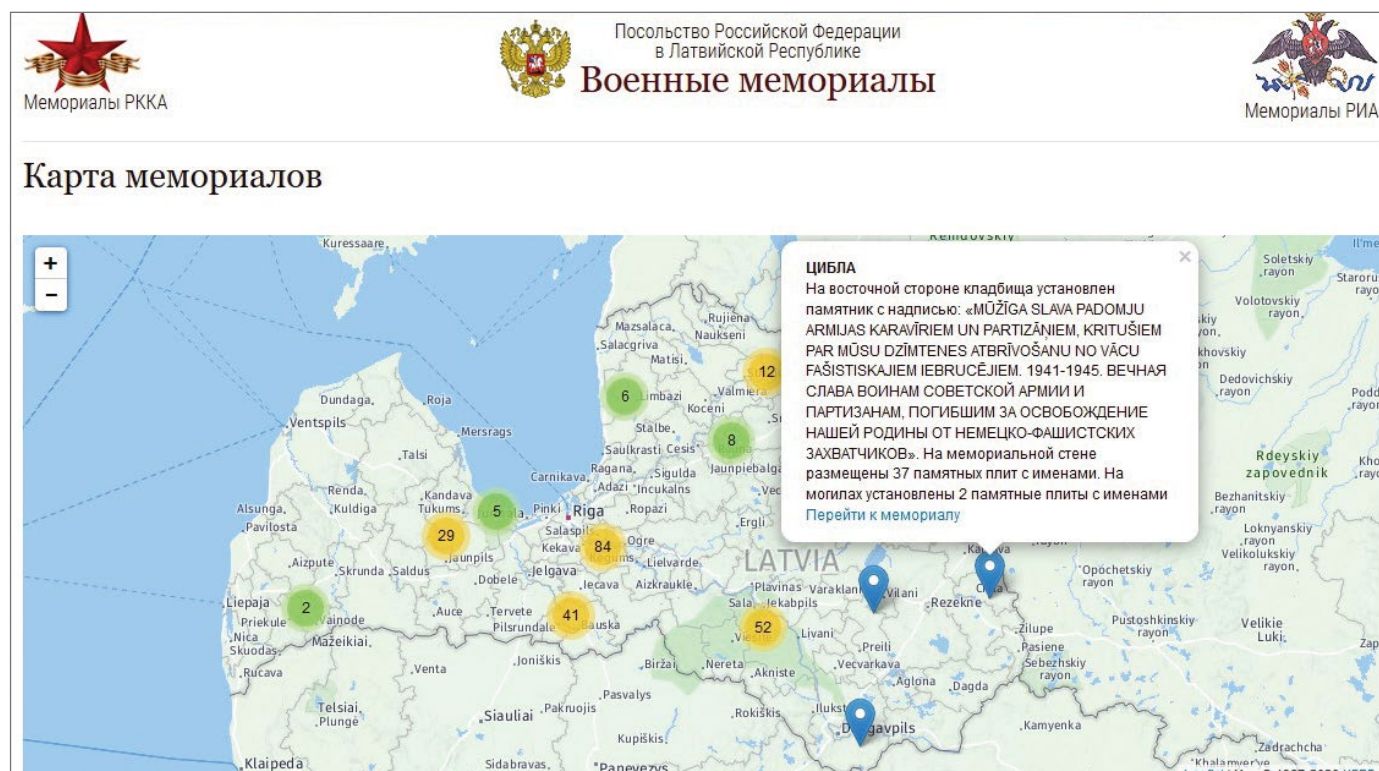
Image from Vladimirs Lindermans' Facebook page.

A central event in accordance with Russia’s historical interpretations, and to which military-memorial work was largely directed last year, was the 75th anniversary of the “liberation from fascism” of Latvia and Estonia, which also ushers in preparations to celebrate the 75th anniversary of the so-called Victory Day on 9 May 2020. While the most energetic so-called activists carefully tracked the calendar and held another event to commemorate “liberation,” Russia’s Embassy in Latvia continued organising the restoration of Soviet war memorials in Latvia. Last year, Russian diplomats continued forging direct contacts with local municipalities to ensure decisions in their favour. For example, Ambassador Lukyanov regularly visited Daugavpils, and at the end of 2019 he attended a ceremony for lighting an eternal flame in city’s Dubrovina Park, even though an eternal flame had already burned there before.

VDD believes that commemorating the fallen is an essential activity regardless of which side the soldiers fought on. This attitude originated after the First World War with the concept of “brothers in arms” cemeteries. However, information gathered over a long period indicates that Russia seeks to exploit its fallen soldiers to further its interests. This was illustrated by an incident in late 2019, when for a lengthy period the Russian

Embassy refused to take any notice of obligations to transfer the remains of fallen soldiers to Russia. On the whole, Russia has little interest in reinterring its fallen soldiers, as this in no way serves to strengthen its claims to historical memory in Latvia. On the contrary, Russia wishes to create new war cemeteries and memorials in Latvia, using such physical objects to embody its presence in Latvia’s cultural space.

Historical subjects also drew extensive coverage in Russia’s media and other information platforms under its control or promoting its interests (hereinafter – Russia’s information channels.) Russia carefully monitored issues relating to memorials and monuments and reacted sharply to changes unfavourable to its interests, even in cases where monuments are not protected under the bilateral treaty. For example, after Russia’s information channels learned of plans to demolish a rundown monument in the Riga suburb Daugavgrīva, Russia’s media accused Latvia of breaching international agreements and demanded the restoration of the memorial. In reality, this was a clear case where Russia sought to unjustifiably interfere in Latvia’s internal affairs, so that in similar future cases it could influence decisions in favour of Russia’s rather than Latvia’s interests.



An interactive map developed with the support of the Russian Embassy showing Russia’s war memorials in Latvia, hosted under the Latvian domain bralukapi.lv. Screenshot from bralukapi.lv.

Propaganda and information influence operations

Last year, VDD saw no significant changes in Russia's information influence activities. Russia continued using the information channels at its disposal both to polish its own image and discredit other countries for events it didn't approve of. The main propaganda messages also remained the same. On the one hand, Western states, including Latvia, were depicted as "aggressors trying to provoke Russia" whose "efforts are doomed to failure." On the other hand, Russia was "a victim of Western aggression," which only desired "good relations and friendship" but was "being unjustly slandered." In this

manner, Russia's media performed public relations services for the Russian state rather than providing objective journalism. For this reason, information resources which strictly follow the guidelines of Russia's Presidential Administration and subsist of state funding are more akin to PR exerts than journalists.

Russia also continued aggressively using both Western and Russian social media platforms against Latvia (particularly Facebook but also Twitter, VKontakte and Odnoklassniki) to anonymously (using trolls) and automatically (using bots) generate interpretations of events and propaganda messages.



Image: from the website of the Russian Embassy in Latvia Latvia.mid.ru

Last year the Russian Embassy held another round of the "Amber Parker" competition for journalists, which presented awards to Latvian reporters favourable to Russia. The editor of the Latvia edition of "Sputnik" received a prize for reporting from illegally-annexed Crimea, which indicates to VDD that the competition itself is used by Russia to push its political agenda.

Russia's propaganda activities were mainly based on two principles: firstly, carefully planned clips justifying and spreading its main messages, and secondly, close monitoring of social processes and reaction to events which could be used to reinforce existing messages. For example, "Sputnik" disseminated the view that the case against Aleksandrs Filejs was fabricated to frighten ethnic Russians out of expressing views which contradict official positions. This aspect was deliberately linked to education and language issues, thus reinforcing the message that "everything Russian is restricted" in Latvia.

Thanks to various media awareness campaigns and initiatives to uncover lies spread by Russia, VDD believes that a large part of Latvia's society is able to recognise propaganda and not be affected by it. However, a part of society only consumes information in the Russian language and inhabits

an information space dominated by Russia's information channels. Last year, there were still only a limited number of objective Russian-language media outlets, and these were difficult to access. Therefore, that part of Latvia's society which only accesses information in Russian is most susceptible to Russia's influence activities.

A major role in Russia's propaganda architecture is played by its large media companies, holdings and news agencies which produce content (from entertainment shows, movies and children's programmes to news about events in Russia and the world), and the platforms which distribute it (TV channels, radio stations, press and digital platforms). Given that these media holdings are either directly owned by the Russian state or persons close to President Putin, objective journalism is all but impossible in such pseudo-media.

Last year, the multimedia platform “Sputnik”, operated by the Russian information agency “Rossiya Segodnya,” came to public notice in Estonia and Latvia due to possible breaches of sanctions. In Latvia, the registration of “Rossiya Segodnya” was denied in 2015 in accordance with the EU Regulation of 17 March 2014 covering sanctions for actions which undermine or threaten the territorial integrity, sovereignty and independence of Ukraine. Also last year, the Latvian domain of the website baltnews.lv was suspended³, which had long sought to hide its links to “Rossiya Segodnya”. The Latvia version of “Sputnik” and baltnews.lv were both run from Moscow. VDD regards “Sputnik” as one of the most aggressive of Russia’s influence instruments, which systematically spreads manipulative, deliberately misleading and false information about current events around the world and Latvia.

VDD assesses possible breaches of international sanctions binding on Latvia in context with other media holdings. For example, one of the true beneficiaries of the “National Media Group” is subject to the EU sanctions regime. VDD recommends avoiding any direct or indirect contact with these Russian subjects and reiterates that persons breaching sanctions may be charged under Section 84 of the Criminal Law.

VDD continued criminal proceedings brought against the producers in Latvia of imhoclub.lv, another internet site run by Russia. Although imhoclub.lv formally changed its editors and resumed operations last year, VDD believes that this portal still serves as a platform supporting Russia’s political agenda.

THE MAKING OF A RUSSIAN PROPAGANDA STORY

A clear example of systematic Russian propaganda was a story aired by Russian TV channel NTV on 19 October about the visit of Ukrainian President Volodimir Zelensky to Latvia, and the alleged unjustified expulsion of NTV reporters from Latvia.

The NTV journalists had travelled to Latvia to film a story about the Ukrainian president’s visit, which took place on 16 October 2019, from an angle aligning with Russia’s interests. To mask their true intentions, they entered Latvia on tourist visas. After discovering the journalists were here for professional reasons rather than tourism, on the recommendation of VDD the State Border Guard annulled their visas on the grounds of falsely stating the purpose of their visit.

After returning to Russia, the reporters reacted to the situation in line with Russia’s strategic and communications objectives. In other words, a manipulative story was produced and aired which denigrated Western values and slandered Latvia and Ukraine. The report dishonestly claimed the visas had been annulled so that Latvia could protect Zelensky from Russian journalists who were “only doing their job and gathering information for the public.” There was no mention of the reporters having failed to state their true intentions.



Screenshot from the NTV story.

Russia’s media also make use of some local “journalists” who are paid to appear in TV stories filmed in Latvia. Clear instructions are given regarding the selection of opinion leaders and following a particular discourse. Posing as local journalists and without revealing the real intentions behind the story, they attempt to get quotes from local political leaders so these can later be used in propaganda clips.

³ After being blocked in Latvia, this Russian-funded site moved to a .com domain.

The European Parliament elections in Latvia

In the sphere of protecting the constitutional order one of VDD's main priorities last year was supporting the proper holding of the European Parliament elections in Latvia. The Service cooperated closely with the other state intelligence and security services, law enforcement agencies and state and municipal institutions, exchanging information about possible breaches and discrepancies.

In the sphere of elections, VDD's remit covers identifying and preventing threats from abroad and at home to the free and democratic conduct of elections. Based on experience in other countries such as the USA and France, where systematic Russian attacks on the democratic process have occurred, VDD monitored Russia's information influence activities as well as cyber security in conjunction with CERT.lv and the other state intelligence and security services.

Information available to VDD indicates there were no direct and systematic attempts by foreign states to subvert the recent elections. Analysis of Russian information influence measures indicates that the elections were subordinated to other, longstanding narratives adapted for the audience. For consumers of Latvian-language media, the main message was that the EP elections were of little importance given the "looming collapse of the EU." On the other hand, the Russian-language audience was

told that the elections were important and people should vote for parties defending Russia's interests so as to "influence processes in the EU to pressure Latvia into reversing its Russophobia."

VDD also received reports of possible breaches of the election regulations and illegal influencing of voters. Information or "signals" was received regarding 21 possible infringements. As in previous elections, the most information pertained to possible breaches in the conduct of the polls. Four signals were received concerning possible illegal influencing of voters, including possible vote buying. Seventeen signals were received about possible breaches in the conduct of the polls. After checking the information received, no evidence was found of criminal wrongdoing, while the respective polling stations and the Central Election Commission were informed regarding possible deficiencies.

VDD believes that in recent years there has been a noticeable improvement in public awareness of democratic processes, and with a few exceptions, people no longer regard buying or selling votes as acceptable behaviour. Preventative measures taken by VDD have also played an important role. As it did before the 13th Saeima elections, before the EP polls VDD was involved in informing the election commissions about current threats and indications of possible illegal influencing of voters.

Extremism and radicalism, paramilitary organisations

As in previous years, the overall threat posed by both right-wing and left-wing radical and extremist organisations remained low in Latvia. The majority of persons with such tendencies continued operating autonomously or in marginal groups with a few associates, mostly online, as they shared their opinions on information platforms (blogs, forums, Facebook groups) or by spreading hostile messages and comments online against globalisation, 5G threats, migration, Latvia's membership of the EU and NATO, specific ethnic groups or races, sexual minorities etc.

Since extremist views on a range of issues align with narratives spread by Russia against Latvia, a few of the public events organised by such persons came to the notice of Russian information channels, which gave these marginal views much more airtime than they deserve. Experience shows that Russia is also interested in supporting local extremists (both right-wing and left-wing) in other Western countries.

Firstly, such persons (particularly right-wingers) provide Russia with "evidence" of, for example, supposed "extensive dissatisfaction with the EU" and "desire to leave it" in Latvia. Secondly, such groups align with Russia's aim of dividing and polarising local society, potentially leading to protests, verbal and physical confrontations.

There were growing indications that right-wing extremists are forging contacts with similar organisations abroad (in Western countries, Ukraine), including with persons who have organised violent protests. Inspired by these contacts, some persons in Latvia made greater efforts to attract new supporters. Unfortunately, the Service uncovered cases where persons with mental illness were drawn to extremist ideologies. VDD believes that forging contacts and exchanging information with radicals and extremists abroad, as well as exposing mentally ill people to extremism, creates risks of extremism in Latvia in the future.

AN EXAMPLE OF AN INDIVIDUAL RIGHT-WING EXTREMIST

Last year, VDD arrested a person planning to carry out terrorist attacks at a school and several stores in Jūrmala. The arrest occurred as part of criminal proceedings initiated at the end of 2018 for alleged incitement of ethnic hatred and intolerance. The person came under VDD's radar after posting comments on various internet sites calling for the destruction of ethnic Russian and Roma inhabitants of Latvia.

Investigations revealed that the person regards himself as a follower of the Norwegian right-wing extremist Anders Behring Breivik and was completely obsessed with him, avidly consuming all available information about him. Video materials of Breivik's 2011 bombing in Oslo and mass murder of young people on Utoya Island were found on the person's computer.

VDD found that, inspired by Breivik's crimes, the person had begun preparing for a violent attack on children at a minority school as well as terrorist attacks on a number of stores. The person had planned to carry out the attacks on 13 February, Breivik's birthday.

The person had begun to acquire equipment for intimidating and murdering people, and his plans included a bomb blast. Thanks to timely investigations, VDD was able to foil these plans.

Based on evidence uncovered in the investigation, the person was found guilty of these crimes under Section 15 Paragraph 3 and Section 79.¹ (preparation for terrorism) and Section 78 Paragraph 2 (triggering national hatred or enmity) of the Criminal Law. Further investigations revealed



*Some of the weapons seized at the person's home.
Photo: VDD.*

that the person may be mentally ill, and after psychiatric and psychological evaluations the person was deemed to have not been of sound mind at the time of committing the crimes. Based on expert opinion, VDD handed over the materials of the criminal case to the prosecutor with the recommendation that the person be detained in a medical institution.

At the end of 2019, the person was found guilty of the crimes he was charged with, but because of him not being of sound mind he was absolved of criminal liability and placed in a psychiatric institution. The sentence has entered into force and cannot be appealed.

VDD also continues to monitor paramilitary organisations. The Service has learned of several individuals and organisations which are learning military skills, including weapons training and military tactics. Such organisations could be used in a hybrid war for surveillance or to cause provocations.

Several organisations with paramilitary features are still active in Latvia. For example, teams playing military simulation games (airsoft) continue learning specific military tactics, and they also travel to Russia where they have come to the notice of the Russian authorities.



Russia's international airsoft game "War: 24 hours on tanks," which involves the use of heavy military equipment. Screenshot from riamo.lv.

Of note are the activities of the pro-Kremlin Night Wolves MC motorcycle club, which attempted to restore its Baltic chapter last year. Some of the club's members are employees of Russian intelligence and security services and other state structures, and club members took part in the annexation of Crimea. On the recommendation of VDD, in 2016 the Minister of Interior placed Night Wolves leader and citizen of Russia Igor Lakatosh on the blacklist. Following other appeals, Lakatosh

has appealed to the Constitutional Court, basing his case on Article 92 of the Constitution. On 17 December 2019, the Constitutional Court initiated the case under the Immigration Law, which stipulates the order for appealing and reviewing decisions on placing persons on the list of foreign nationals barred from entering Latvia. The central leadership of Night Wolves MC in Russia is still interested in operating in Latvia and it supports Lakatosh.



4. ECONOMIC SECURITY

Protection of economic sovereignty, especially the financial security matters under VDD's remit, were amongst the Service's priorities last year. Although VDD rates the risk of terrorism financing in Latvia as low, based on the "Moneyval" recommendations and in conjunction with the Financial Intelligence Unit and other institutions, VDD continued upgrading Latvia's terrorism financing prevention system to ensure these risks do not increase in future. VDD also focussed its attention in the prevention of proliferation and observance of Latvia's commitments to the international sanctions regime. The Service learned of several cases of possible proliferation financing and breaches of sanctions which are currently being investigated.

Financial security

Continuing policies initiated in 2018 to significantly reduce the proportion of high-risk foreign capital in Latvia's financial system, last year the total volume of foreign capital continued to decline. This is due to a change in the business model of Latvia's

VDD also continued checking foreign investors and true beneficiaries in transactions with national security implications, particularly their compatibility with the sanctions regime and money laundering risks.

In the sphere of economic security, VDD's priority remained the European-standard "Rail Baltica" project, Latvia's biggest development in the transit sector of recent years. VDD was also involved in the risk assessment of potential OFAC⁴ sanctions impact on Latvia's transit sector and overall economic security. Developments in Latvia's natural gas market and electricity sector were also on the Service's agenda.

commercial banks, which are gradually shedding their high-risk clients while reorienting toward local and eurozone clients. In VDD's view, this will reduce financial reputation risks in future and make Latvia more attractive to foreign investors.

⁴ OFAC - US Office of Foreign Assets Control.

DEVELOPMENT OF THE TERRORISM FINANCING AND PROLIFERATION PREVENTION SYSTEM

VDD continued to cooperate with the state institutions involved in supervision of the financial sector and prevention of terrorism financing and proliferation – the Financial and Capital Market Commission and the Financial Intelligence Unit. Continuing the work begun in 2018, VDD was actively engaged in the implementation of the recommendations on preventing terrorism financing set in the Council of Europe Committee of Experts “Moneyval” report:

- All of the tasks set for VDD by the Cabinet of Ministers Decree of 11 October 2018 “On the action plan to prevent money laundering and terrorism financing up to 31 December 2019” were implemented;
- In fulfilling the stated tasks, VDD gave briefings to the representatives of financial sector who are in charge of terrorism financing prevention, and to the supervisory

institutions (the Financial and Capital Market Commission, Bank of Latvia, commercial banks etc.) ;

- In conjunction with other state institutions, VDD developed the Guidelines for Preventing Terrorism Financing and Proliferation, as well as organised training events for relevant institutions on terrorism financing and proliferation prevention issues and the implementation of the guidelines;
- In conjunction with other state institutions, VDD developed the Terrorism Financing Prevention Strategy for 2019-2021;
- The Service also upgraded the cooperation mechanisms with all institutions involved in terrorism financing and proliferation prevention to identify possible breaches in this sphere in a timely manner.

Last year VDD also continued conducting counter-intelligence activities to obtain pre-emptive information regarding potential threats to the national financial system from foreign states, as well as monitoring the information about the financial system in Latvia’s information space. Unfortunately, also last year the Service learned of several cases with a potential negative impact on the financial system. These were mainly rumours spread in the media and social networks about upcoming financial problems.

For example, at the end of 2019, false information was spread in Daugavpils about supposed financial problems for AS “Swedbank,” which resulted in queues at cash machines as people sought to withdraw their money. In a bid to grab readers’ attention, this was uncritically reported by several local media outlets and sensationalist portals, further spreading panic. It appears that due to historic experience, our society is vulnerable to being manipulated by fake news about financial stability, raising the potential for panic.

Given these risks, VDD believes there needs to be further education of the public to prevent fake news about the financial system stability being used to harm the financial sector and

national interests as a whole by, for example, hostile foreign powers.

Фотофакт: горожане выстраиваются в очереди и снимают деньги в банкоматах Swedbank (ДОПОЛНЕНО) 102



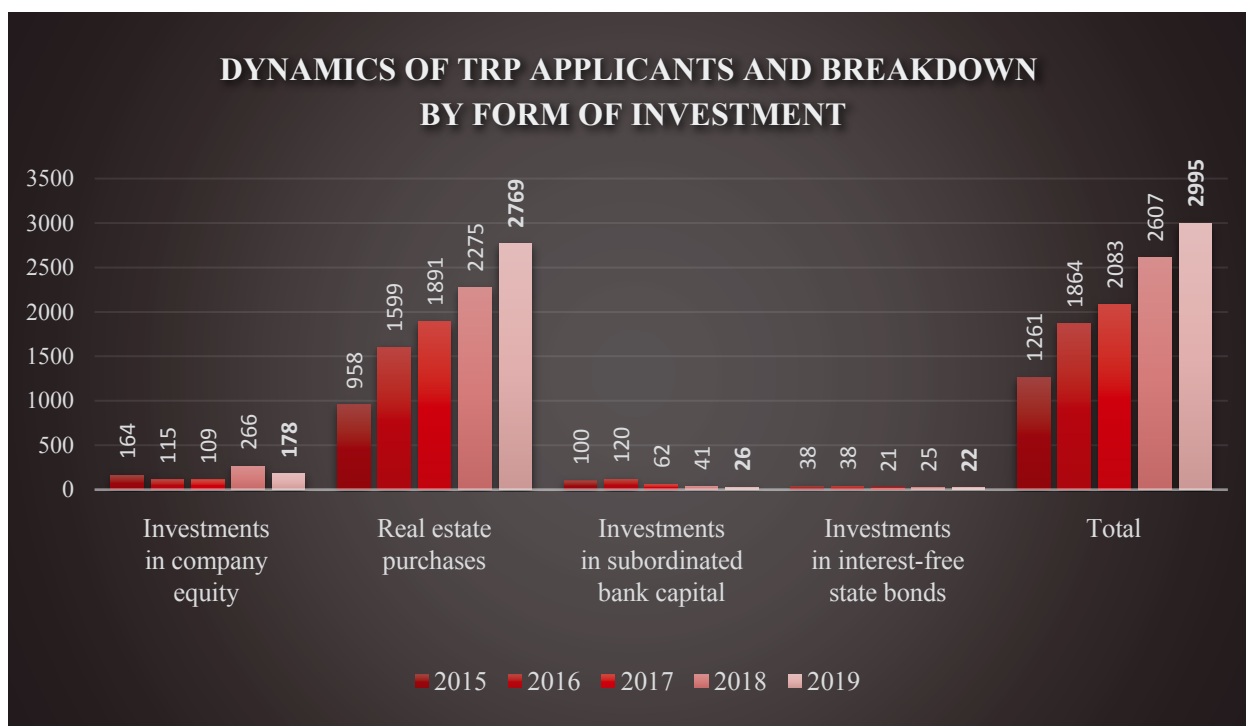
Image: screenshot from gorod.lv, one of the first sources to publish information about panic at cash machines.

Checking of investors

one of VDD's tasks in the field of economic security is checking investors, wherein the Service evaluates the risks of potential investments and their impact on national security. Firstly, the Service performs checks of foreign investors seeking temporary residence permits (TRP) in Latvia in exchange for investments, and submits reports to the Office of Citizenship and Migration Affairs (PMLP). Secondly, the Service performs activities to fulfill its function stipulated in the national legislation (for example, the National Security Law regarding commercial enterprises of importance to national security) - produces reports on true beneficiaries or the impact of transactions on national security.

Last year, a total of 2,995 persons requested TRP (including children). As anticipated, there was an increase in the number of

applicants who had obtained TRP in exchange for investments earlier and were now requesting five-year extensions – extension requests comprised around 84% of the total number of persons to be checked. It is forecast that henceforth the number of applications will stabilise or decline, as 2014 was the last year when there was a high number of first-time applications for TRP in exchange for investments. There was also a trend for persons who had earlier obtained TRP in exchange for investments to request permanent residence permits (PRP). Last year, VDD checked 525 such persons and their family members. Along with other benefits, holders of PRP do not have to pay the annual fee of 1000 euros for registering TRP. Moreover, five years after obtaining PRP persons are eligible to apply for Latvian citizenship.



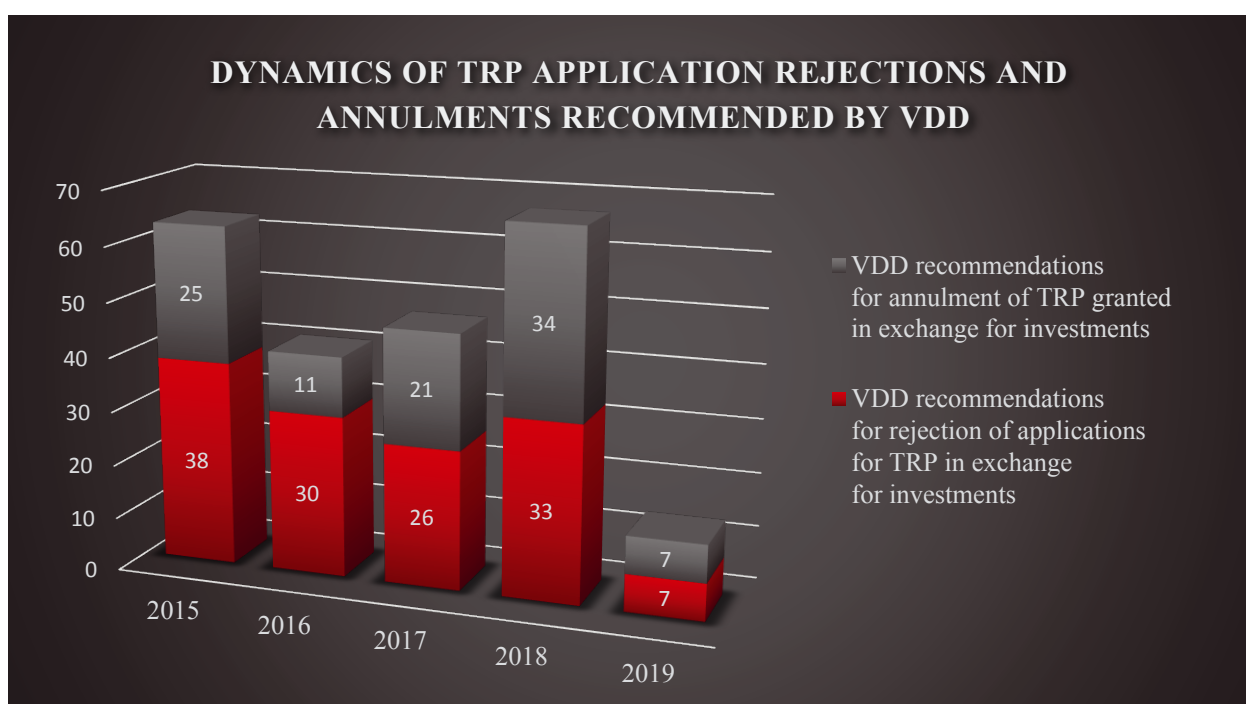
Applications for first-time TRP in Latvia in exchange for investments were filed by 466 persons. While persons were most interested in gaining TRP through real estate purchases in Latvia, there was an overall 50% decline in first-time TRP applications (last year totalling 292 persons including family members) compared with 2018 (531 persons).

The next most popular category under TRP in exchange for investments was investments in company equity, totalling 157 TRP. There was relatively little interest from first-time TRP applicants in investing in interest-free state bonds or subordinated bank capital, with 11 and 6 applications respectively.

Comparing the number of TRP applicants over a five-year period, last year saw the lowest level of interest in investments in subordinated bank capital, due to events in the financial sector such as financial institutions gradually ceasing to seek subordinated capital. Persons who have invested in subordinated capital, instead made real estate purchases, thus changing the grounds of their TRP. There was also a decline in the already minimal interest in investing in interest-free state bonds. It is forecast that over time both these categories will become completely redundant.

There was no change in the breakdown by country of TRP applicants last year. The largest number of checked persons continued to be citizens of Russia (1,962 persons, 65% of the total) followed by citizens of China (281, 9%), Ukraine (153, 5%) and Vietnam (135, 5%). There were also applications for TRP

in exchange for investments from 81 persons from so-called high-risk countries⁵. Last year, VDD recommended rejecting the TRP applications of seven foreign nationals. Continuing checks of foreign nationals who have previously received TRP and were seeking the annual re-registration, the Service recommended that the TRP of seven foreign nationals be annulled. Viewed over a five-year period, last year saw a decline in the number of recommendations made by VDD to PMLP to reject or annul TRP applications in exchange for investments. However, the cooperation mechanisms with PMLP ensure that in some cases PMLP already identifies risks during initial checks, leading to rejection or annulment without requesting recommendations from VDD, indicating that the number of high-risk persons among the TRP applicants has not actually declined much.



The main grounds for rejection or annulment were negative character information or risks to Latvia's national security identified by VDD, which is legal justification for restricting a foreign national's presence on Latvian soil, including barring TRP. In all cases, the negative recommendation was made due to counterintelligence risks, i.e. information indicating that the TRP applicant is or may be used by a foreign intelligence and security service against Latvia's interests. Risks to the constitutional order and economic security were also identified.

The said risks to the constitutional order were related to Russia's influence measures and its so-called compatriot policy. The risks to economic security were mainly connected with suspicions of money laundering through purchasing exclusive real estate and investing in company equity. In some cases, it was found that criminal charges have been filed in a foreign national's home country for economic crimes, leading to suspicions that the individual's TRP application in Latvia is motivated by attempts to evade justice at home.

⁵ Cabinet of Ministers Regulation No. 554 of 21 June 2010 "Regulation Regarding States for the Citizens of which in Issuing a Visa or a Residence Permit an Additional Assessment shall be Performed"

Transit

For a long time, VDD has informed decision makers about the excessive dependence of Latvia's transit sector (i.e. large ports and railways) on cargoes from Russia, which is short-sighted and risky given that Russia has frequently stated that it aims to shift cargo flows from Latvian ports to its own transport infrastructure. Although last year experienced a clear trend of decline in volume of Russian energy resource cargoes passing through Latvia's transit corridor, relevant conclusions and decisions were still not made in some transit sector segments regarding the review of their business models and resource optimisation.

Under conditions in which cargo volumes continue to decline, VDD believes it is important not to allow the sharp fall in value or even bankruptcy of some transit sector enterprises and their subsequent privatisation, or see certain business segments fall under the influence of private enterprises or third countries.

VDD considers that it is vital that alternatives to transit from the East be developed, and the "Rail Baltica" project offers great future economic potential. One of the indicators of the economic and geopolitical significance of this project is revealed by media and social network monitoring performed by VDD in the last year, showing that Russia continued to oppose the project by spreading the traditional narratives, such as "Rail Baltica" is allegedly being developed for military purposes and



Photo: "Rail Baltica" publicity image.

"is potentially aimed at Russia," the project has no economic justification and the Baltic States will be unable to maintain it.

Last year, VDD informed decision makers on several occasions of problems creating significant risks in successful implementation of "Rail Baltica" project. Although last year the project made some progress and designing is underway on some sections of the track in Latvia, important managerial issues have not been resolved, which could lead to further delays. There are also concerns that some elements of the project could increase overall costs.

Energy security

Last year saw the completion of important work to create a joint natural gas market between the Baltic States (Latvia and Estonia) and Finland. Although Lithuania is currently not formally a member of the common market, it is a *de facto* participant since it is already linked to the infrastructure of the aforementioned states. At the end of 2019, the "Balticconnector" natural gas pipeline connecting Estonia and Finland was successfully commissioned, which will connect the natural gas infrastructures in the Baltics and Finland. This infrastructure already permits the delivery of liquefied natural gas from Lithuania's Klaipeda LNG terminal to customers in Finland via Latvia and Estonia. VDD regards this interconnector as an important advance for national security and energy resource diversification, as it will reduce Latvia's dependence on a single supplier, as well as increase competition and allow delivery source diversity.

"Balticconnector" also increases the role of the Inčukalns underground gas storage (UGS) in the regional natural gas market, because now Finland can also store natural gas for its

internal market at Inčukalns UGS. Last year the interest from Latvia's neighbours in storing natural gas at Inčukalns UGS was high, as demand exceeded capacity at UGS. VDD considers that for the sake of energy security, Latvia must continue modernizing the Inčukalns UGS so it can continue providing stable volumes of storage in the years to come.

The next important step for the regional natural gas market will be establishing the "GIPL" gas interconnection between Poland and Lithuania, expected to be completed in the next year. This infrastructure will give the Baltic States the access to the EU natural gas infrastructure.

In the context of these developments, the question of the future role of the State in the gas distribution system operator AS "Connexus Baltic Grid" is becoming increasingly important. Last year, several investors expressed interest in purchasing shares of "Connexus Baltic Grid" from the current stockholders "Marguerite Gas I S.a.r.l." and "Gazprom." VDD gathered information on these investors and their intentions and informed the respective decision makers.

VDD also believes that Latvia must increase its electricity generation capacity to compensate for possible shortfalls. It was noteworthy that last year, Russia's Kaliningrad Region carried out an electricity network desynchronization test by disconnecting from the BRELL system, which is crucial for

Latvia's electricity security. The Baltic States had been planning a similar test but have postponed this indefinitely. Russia's test affirms that it is technically ready to leave the BRELL before the Baltic States have integrated into the European energy system and Latvia can supply all the electricity it requires.



Photo: VDD

5. COUNTERTERRORISM

Terrorism remains one of the greatest threats to the security of European countries. Although there were no large-scale terrorist attacks in Europe last year, the ideology preached by the terrorist groups *Al Qaeda* (AQ) and *Daesh* fostered the radicalisation of Muslims and inspired European based Islamists to carry out several violent small-scale attacks, mainly at mass gathering sites. Last year, terrorism threats from right-wing extremists increased in Europe and there were several attacks against ethnic minorities.

Although planned terror attacks by right-wing extremists were prevented in Latvia last year, the overall terrorism threat level in Latvia remains low. Analysing the experience of foreign partners, VDD took steps to obtain pre-emptive information about radicalised persons and take preventative measures against

possible threats. VDD also continued cooperating with other institutions involved with the National Counter Terrorism Plan, reviewing and updating the Plan and developing institutional preparedness to take preventative and reactive measures.

VDD continued working with critical infrastructure objects and mass gathering sites, providing recommendations on how to improve security measures. The interinstitutional cooperation was further developed and counterterrorism measures during large-scale public events were improved.

One of the most important events in the counterterrorism field of 2019 was the annual national counterterrorism full-scale exercise organised by VDD “Pūlis 2019” (Crowd 2019), which played out a vehicle ramming into crowd of people terror attack scenario.

Terrorism threat trends in Europe

Terrorism threat levels remained high in several European countries last year. Islamists carried out six small-scale attacks in Europe, with a further two terror attacks by right-wing extremists. Additionally, authorities of European countries managed to prevent at least another 28 planned attacks.

The growing role of the Internet in promoting radicalisation and the spread of information useful for planning terrorist attacks means that residents of any country, including Latvia, can engage in terrorism. Although the volume of propaganda created by terrorist groups declined, Islamists living in Europe continued using propaganda produced in earlier years both for fostering radicalisation and recruitment and for getting practical advice for carrying out attacks.

Terrorist groups such as *Daesh* which are based in the conflict zones do not currently have the combat capacity to prepare and send fighters to Europe for large-scale attacks. In the short term, the ability of *Daesh* to plan, prepare and carry out terrorist attacks has also been affected by the death of its leader *Abu Bakr Al-Baghdadi*. However, supporters of *Daesh* in Europe continue to be inspired by its ideology and earlier propaganda materials, which fostered their radicalisation and incited for violent attacks.

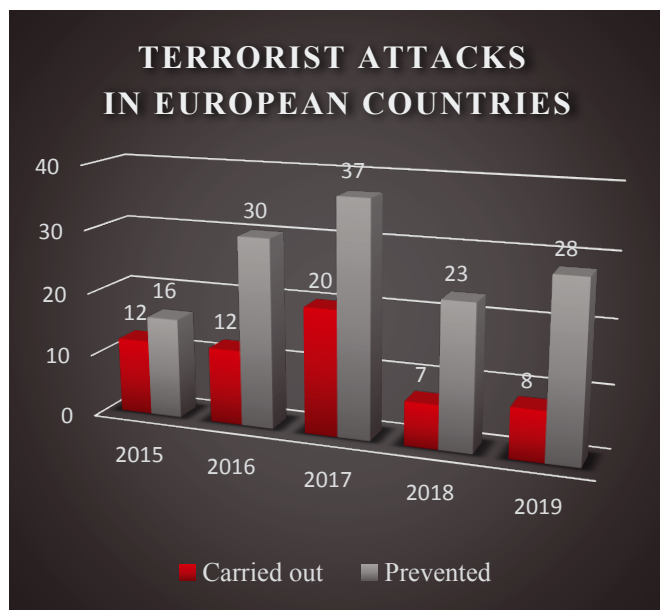
AQ continues to be based in Afghanistan, where it collaborates with local terrorist groups to enhance its combat capabilities. Last year, AQ has not had sufficient combat capacity to carry out attacks in Europe. However, there are still AQ supporters in Europe who use the group's propaganda materials for radicalisation and learning practical skills.

VDD's concerns about contacts between Latvian extremists and foreign organisations relates to the fact that last year right-wing extremists carried out two terrorist attacks in Europe, in

Terrorist threat trends in Latvia

Even though VDD uncovered several risk factors which could influence the security situation in future, including managing to prevent planned terrorist attacks by a radically inclined individual, the overall terrorism threat level remained low in Latvia last year.

In Service's view, the most serious risks are posed by the radicalisation of certain individuals, establishment of contacts with members of extremist and terrorist organisations abroad, as well as those members of Latvia's Muslim community who have previously travelled to Syria/Iraq to join *Daesh*.



Germany and Norway. Right-wing extremists also carried out two other politically motivated attacks which the authorities did not classify as terrorist attacks. Four terrorist attacks by right-wing extremists in Europe were foiled at the planning stages. These incidents confirm the rising threat from right-wing extremists over the last year.

Civilians at mass gathering sites (shopping malls, public transport and pedestrian-only streets) and law enforcement officers are currently the two main targets of Islamist terrorist attacks. Right-wing extremists mainly target ethnic minorities.

To carry out the attacks the terrorists mainly used sharp objects, firearms or improvised explosive devices.

As previously, Latvia's Muslim community overwhelmingly kept to itself and had no impact on Latvia's security situation. VDD has not established signs of growing radicalisation in this community or regarding Muslims being involved in terrorist activities in Latvia. Last year VDD also did not find any new trends which could encourage radicalisation. However, the Service did monitor specific individuals who showed interest in radical interpretation of Islam. The interest of these persons was mainly defined by their contacts within international environment where they were influenced by particular supporters of conservative or radical interpretation of Islam.

One of the groups most at risk of radicalisation are so-called new Muslims, i.e. converts. The information analysis conducted by VDD indicates that the interpretation of Islam preached in Latvia's Muslim prayer houses does not encourage the radicalisation of converts. Personal and external factors play a bigger role, for example coming under the influence of ethnic Muslims representing the radical interpretation of Islam and trusting their preaching. However, overall the chance of Muslims who have come to VDD's attention, including those accepting the radical interpretation of Islam, engaging in violent activities in Latvia or abroad currently is low.

Last year, VDD noted growing radicalisation risks for people with mental health problems. There is a risk that such persons may be influenced by a violence-advocating ideologies and engage in planning specific attacks. An example of this is the case already described in Chapter 3, in which VDD detained a person for preparing terrorist attacks. VDD is also monitoring several other persons with mental health problems who have shown signs of initial radicalisation and expressed support for individual terrorists or terrorist groups.

Measures to prevent radicalisation

Preventing radicalisation is one of Service's counterterrorism priorities. The main cause of terrorism is radicalisation, i.e. adopting an ideology which advocates violence. To prevent terrorism threats in their early stages, VDD is assessing the behaviour of persons showing signs of radicalisation.

Last year, the Counterterrorism Centre's Council of Experts (headed by VDD) officially launched the interinstitutional working group "Prevent," which is tasked with coordinating radicalisation prevention measures at the national level. In 2019, "Prevent" began focussing more deeply on preventing radicalisation amongst prisoners and the persons with mental health issues.

"Prevent" includes representatives from state and municipal institutions whose officials come into contact in their professional work with the groups most at risk of radicalisation.

Based on international experience, last year VDD consulted non-governmental organisations about possible cooperation in preventing radicalisation.

In addition to interinstitutional cooperation, "Prevent" also organised training events and seminars. Under the auspices of "Prevent," VDD gave briefings on radicalisation to officials



of several state bodies. VDD also took part in radicalisation prevention training organised by the State Probation Service.

Last year VDD also prepared informative materials about radicalisation, which are available on Service's website.

Preventative measures

In accordance with the prevailing terrorism threat level and risks analysis, VDD continued performing a range of preventative measures to ensure the effective operation of the counterterrorism system. Firstly, the cooperation and coordination mechanisms for the institutions forming Latvia's counterterrorism system were further improved, and reaction capabilities were tested. Secondly, VDD inspected sites at

risk of terrorist attacks, developed recommendations for improving their physical security, and participated in planning and implementing physical security for public events. Thirdly, under the auspices of "Prevent," the Service actively coordinated measures for the identification and prevention of radicalisation risks. Fourthly, the precursors point of contact where persons can report suspicious transactions continued operating.

Cooperation and improvement of preventative measures and response capabilities

Last year, VDD reviewed and updated the National Counterterrorism Plan in line with current terrorism threat trends in Europe, the development of various technologies, e.g. the wide availability of unmanned aerial vehicles and their potential threats. Significant changes were made regarding institutional action in the event of a

severe terrorism threat level, i.e. when a terrorist attack has occurred or is imminent. The Plan particularly focuses on increasing security at mass gathering sites, efficient sharing of information and more rapid institutional response. The Plan is reviewed not less than once every three years and was last reviewed in 2016.

COUNTERTERRORISM TRAINING



In order to strengthen inter-institutional cooperation and response capabilities in the counterterrorism sphere, every year VDD organises national-level counterterrorism exercises.

Last year, VDD organised the training event “Pūlis 2019” (Crowd 2019) with over 300 participants. The event scenario involved a vehicle-ramming attack on a mass gathering site, and the implementation of a multifaceted counterterrorism response including notification, arrival at the scene, resource coordination, providing medical assistance, rescue operations, operational and investigatory actions, neutralising the attacker etc. This training event also tested the guidelines developed by VDD in 2018 for action by responsible services in the event of a terrorist attack, which covers initial duties,

information exchange and coordination at the site by first responders (State Police, State Emergency Medical Service, State Fire and Rescue Service, municipal police).



At the end of 2019, VDD also organised the annual table-top exercise “Sarkanais kods 2019” (Red Code 2019), covering the announcement of the terrorism threat level and the implementation

of the National Counterterrorism Plan. The aim of the exercise was to test the ability of institutions forming the counterterrorism system to react when faced with increasing terrorism threat levels. The main goal of the exercise was in conjunction with relevant institutions prepare to act in accordance with the updated National Counterterrorism Plan.



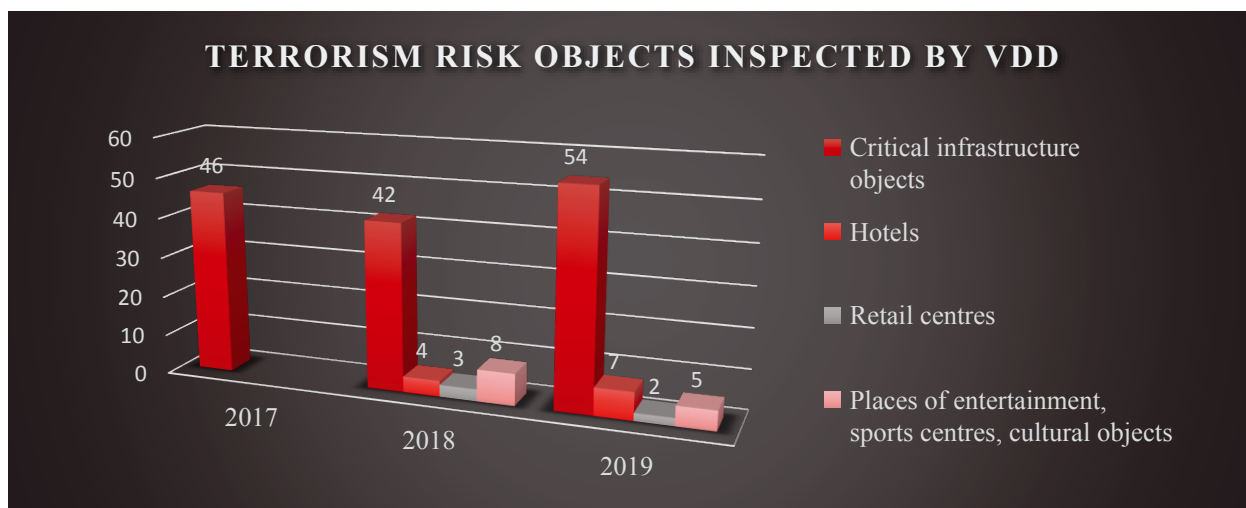
Images from the counterterrorism exercise “Pūlis 2019” held on 30 May 2019, organised by VDD. Photo: VDD.

Work with terrorism-risk objects

VDD continued to improve cooperation with owners and managers of terrorism-risk objects (critical infrastructure objects of public and national importance and mass gathering sites such as shopping malls, cinemas, entertainment venues) and organisers of mass public events (concerts, marathons, festivals etc.).

Last year, the Service inspected 54 critical infrastructure objects, assessing their preventative security measures and

contingency plans. In 27 cases, recommendations were made for improving physical security measures to reduce the possible risks of potential attacks. Work was conducted also with the personnel employed at mass gathering sites. Inspections were made at 14 mass gathering sites, with recommendations made in 11 cases regarding action by their staff in the event of a threat situation.



VDD also engaged in planning and implementing physical security measures for mass events in conjunction with other institutions and event organisers. Last year, the Service participated in providing security for nine mass public events, including national-level events dedicated to Latvia's Centenary in Riga and regional centres.

VDD considers that over the last years, organisers of mass public events have become more aware of the importance of

timely and systematic physical security planning. However, to encourage the harmonious observance of minimal requirements, laws and regulations should stipulate common security requirements for public mass events. Therefore, last year VDD continued to push the amendments to the Law on Safety of Public Entertainment and Festivity Events to enhance security requirements for events involving large numbers of people, i.e. over 5,000.

Contact Point for reporting explosives precursors

In line with trends across Europe for persons with terrorist plans to attempt to make their own explosive devices, VDD continued to operate the contact point for reporting suspicious transactions with explosives precursors. The contact point is primarily intended for commercial enterprises distributing certain precursors, i.e. substances or mixtures containing such substances which can be used to make explosives.

Last year, the contact point did not receive any reports of suspicious attempts to purchase precursors. There were also very few reports in other EU member states.

The Service collated and updated information about trading venues where explosives precursors could be bought. In order

to improve the capabilities of Latvian enterprises involved in the sale of precursors to recognise suspicious purchases, VDD held a briefing for largest Latvian enterprises on precursor circulation security issues. The briefing provided information about how to treat the event of precursors being lost or stolen. Also, informative materials about precursors and related guidelines for enterprises selling precursors were updated.

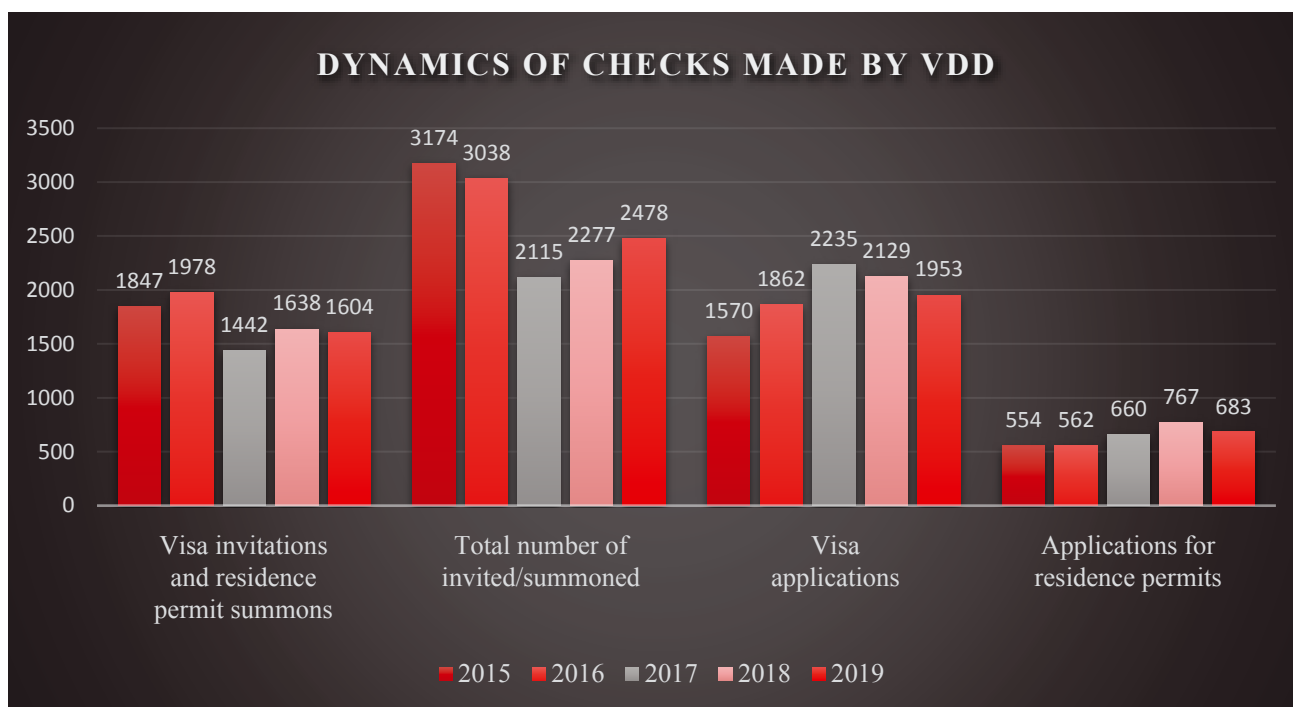


Control of entry of foreign nationals

One of the most important measures for reducing terrorism risks is controlling the entry of foreign nationals. VDD conducts checks on foreign nationals travelling to Latvia from so-called risk countries.

Last year, VDD checked 1,604 invitation and summons applications for a total of 2,478 foreign nationals.

The Service also checked 1,953 visa applications and 683 applications for residence permits. Compared with the previous year, there was a small drop in the number of applications for visas and residence permits. The total number of persons checked continued to increase, though not reaching the level seen in 2015.



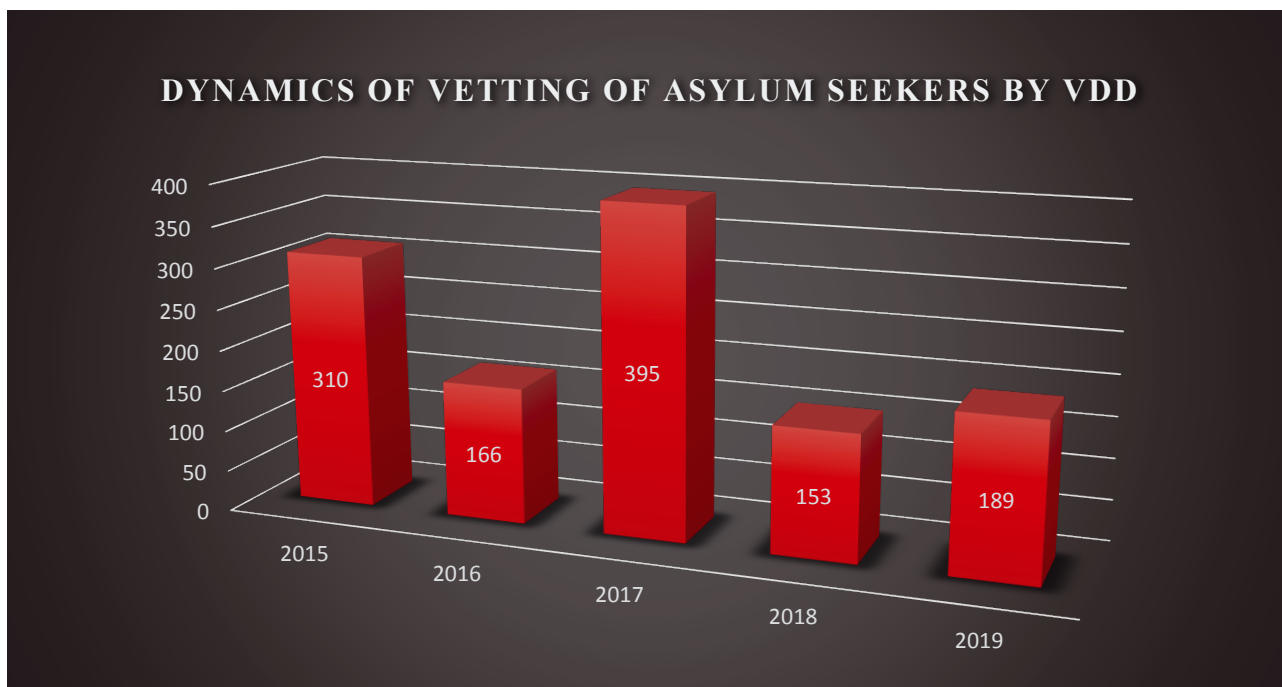
Since holding a visa or residence permit allows a person to travel freely within the Schengen Area, carefully checking such persons is important for the security of Latvia and Europe as a whole. Last year, following checks, VDD recommended that visa applications be rejected in 616 cases, and in a further seven cases that the visa be granted with restrictions stipulated by VDD. A total of 161 residence permit applications were given the recommendation of rejection while 24 were approved with additional comments.

It should be noted that last year, the opportunity to study in Latvia was the main reason for the arrival for persons from countries with a heightened presence of terrorist groups. VDD considers that in seeking profitmaking opportunities, some Latvian educational institutions failed to critically evaluate

applications by foreign students, as evidenced by the high number of rejected residence permit applications in this category. The Service has also noted a similarly lax attitude by some tour operators who provide visa invitations to persons whose primary goal is to enjoy free movement within the Schengen Area rather than tourism. Such actions by educational institutions and tour operators increase the risk of both illegal immigration and Latvia being infiltrated by radically inclined persons posing as students. Moreover, in cases where a person is detained in another European country and expulsion proceedings are begun, Latvia is obliged to cover the costs of expulsion. VDD recommends the introduction of stricter control mechanisms to reduce potential reputational risks for the relevant sectors and the country as a whole.

The Service also continued an in-depth vetting of the asylum seekers. The aim of such vetting is to prevent terrorist groups from exploiting the flow of refugees to infiltrate potential terrorists into Europe. Last year 189 asylum seekers

were vetted. A total of 49 persons from countries with a heightened presence of terrorist groups requested asylum in Latvia. In six cases, VDD recommended that asylum be refused.



Processing airline passenger data

One of the most important tools for safeguarding security in Europe is the creation of a mechanism for exchanging airline passenger data. Last year, VDD continued developing the airline Passenger Data Register (hereinafter - Register). The Register is a national information system gathering passenger reservation and check-in data received from airlines. In accordance with the Aircraft Passenger Data Processing Law (hereinafter – the Law), passenger data processing is essential for the prevention and uncovering of terrorism-related and other serious crimes as well as threats to national security.

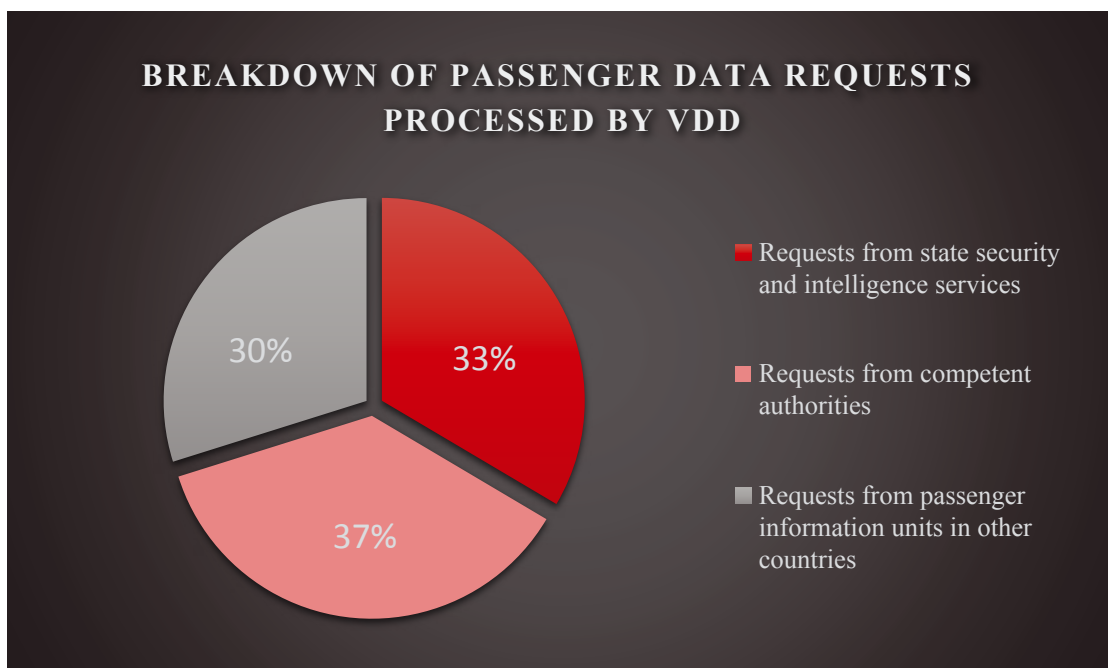
Based on Directive (EU) 2016/681 of the European Parliament and of the Council, amendments were made to legislation to allow VDD to automatically include data on internal European flights in the Register. To date, only data from external EU flights has been automatically added to the Register.

Most EU member states gather data on internal EU flights, with the aim of providing information to competent authorities on persons involved in organised crime, serious crimes and terrorist activities, their travel routes and possible locations both within and outside the EU.

To facilitate the receiving of data on internal EU flights, work continued on increasing the Register's capacity and improving the mechanisms for processing passenger data. Cooperation was begun with several new airlines and collaboration continued with existing airlines in order to begin receiving data on internal EU flights and improve the quality of EU external flight data. In order to increase understanding of procedures for requesting passenger data and using data from the Register, VDD continued holding briefings for officials from competent authorities.

Last year, VDD began processing requests for passenger data, processing a total of 191 requests. Firstly, the Service makes initial checks on whether the data exists (107), issuing and analysis of historical data (50) and placement of the list

in the system (34). Since the development of the Register is continuing, it is anticipated that in future the number of requests will increase.





KRIMINĀLLIETA

Nr.

Photo: VDD

6. PRE-TRIAL INVESTIGATION

VDD is the only one out of three Latvian intelligence and security services with investigative rights. VDD is assigned a narrow, specific competence covering crimes against national security, mainly those listed under Chapter IX of the Criminal Law (crimes against humanity and peace, war crimes and genocide), Chapter IX¹ (crimes related to terrorism) and Chapter X (crimes against the State). VDD only investigates other crimes in cases which involve national security interests, or if a crime has been committed within a state intelligence and security service or when its investigation has been assigned by the Prosecutor General.

Investigation is not a typical function for an intelligence and security service, as its core function is to foresee and prevent threats. The severity and nature of crimes aimed against national security interests require that the threat must be diminished before real harm is done.

Last year, the Service initiated 22 criminal proceedings, with a further four received from other investigative bodies in accordance with jurisdiction. Similarly as previously, the main basis for initiating criminal proceedings was information obtained by VDD and submissions by natural and legal persons. In 32 cases, VDD decided not to initiate criminal proceedings because the grounds for initiating criminal proceedings stipulated in the Criminal Procedure Law were not present in the respective cases.

In terms of the plan to achieve greater specialisation pursued over the last few years, it has been achieved, as around 70 percent of criminal proceedings initiated in the last year were for crimes committed directly in the sphere of national security, while in the other cases national security was affected.

It should be noted that in cases where VDD finds that a crime might have been committed, the information is sent according to the jurisdiction to the competent law enforcement institution. For example, in recent years VDD has developed a close cooperation with the Corruption Prevention and Combatting Bureau, by providing the bureau with information about possible cases of corruption.

Specialising on crimes committed in the sphere of national security is a precondition for their timely discovery and effective investigation. In terms of investigative volume, last year the most resource-consuming cases were criminal cases for espionage, providing assistance to a foreign state in activities aimed against the Republic of Latvia, illegal participation in an armed conflict in a foreign country and for breaches of sanctions.

Last year, VDD forwarded 15 criminal cases to the Prosecution Office for criminal prosecution and for the determination of compulsory measures of a medical nature, recommending that criminal charges be brought or compulsory measures of a medical nature be determined to 20 persons, of whom six were state officials at the time of committing the crime.

DYNAMICS OF CRIMINAL CASES HANDLED BY VDD



Of the criminal cases forwarded for criminal prosecution, three were initiated in 2019, five in 2018, four in 2017, one in 2016 and two in 2014. Two of them were for illegal participation in the armed conflict in eastern Ukraine, one for espionage, one for breaching sanctions imposed by international organisations, one for planning of terrorism, one for vote buying during the 2017 municipal elections, one for disclosing official secrets and one for public glorification,

denial, acquittal and gross trivialisation of Soviet war crimes against the Republic of Latvia and its inhabitants.

Last year, VDD also received four requests for legal assistance from foreign law enforcement bodies.

At the beginning of 2020, VDD had 69 criminal cases in its records, including seventeen criminal cases initiated by or transferred from other investigative bodies in 2019, six criminal cases initiated in 2018, six in 2017, five in 2016, and six in 2015. The other criminal cases were initiated in earlier years.

BREAKDOWN OF VDD CRIMINAL CASES BY INTERESTS THREATENED

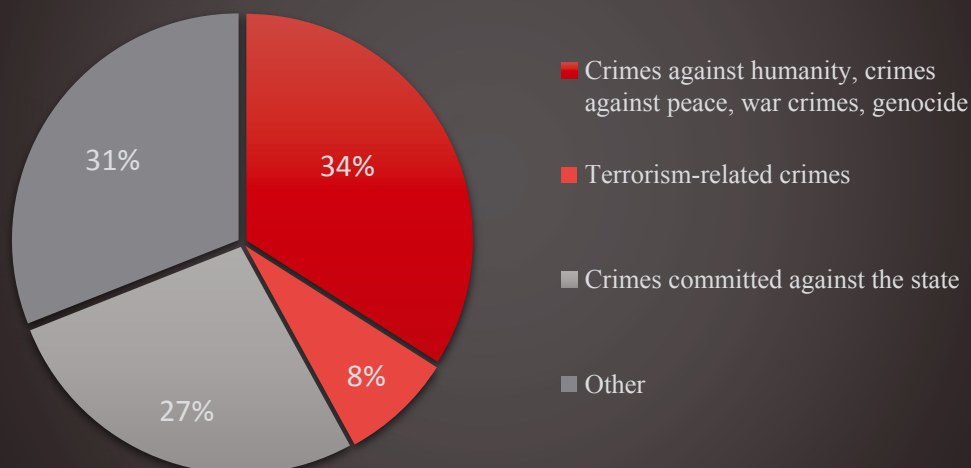




Photo: VDD

7. DIGNITARY PROTECTION

VDD is also responsible for providing security for Latvian and foreign dignitaries⁶. To protect these officials from various undesirable incidents, as in previous years, also in 2019 VDD paid great attention to foreseeing and preventing possible risks.

As in previous years, last year VDD bodyguards accompanied the Speaker of the Saeima and the Prime Minister⁷ on a daily basis, so they could perform their duties without disturbance.

Along with providing day-to-day security for the Speaker of the Saeima, in 2019 VDD also provided security for the Speaker during nine visits to Latvian regional centres and during ten visits abroad. VDD also provided security for the Prime Minister during 15 national-level visits and 21 visits abroad.

VDD is also responsible for the security of foreign guests, and in this regard 2019 was busier than 2018. Last year VDD provided security for 52 high-ranking foreign officials during their visits to Latvia, including heads of foreign governments and senior representatives of international organisations. In accordance with the prevailing threat level, VDD provided physical security for foreign guests with bodyguards and vehicle escorts, guarded their places of accommodation and took measures to prevent the unauthorized acquisition of information.

The elevated and high terrorism threat levels prevailing in several Western European countries last year influenced the scope of security measures required for officials from countries subject to high risks of terrorism.

⁶ VDD is responsible for providing security for officials of foreign governments and international organisations during their visits to Latvia, including heads of government, foreign ministers, and leaders of international organisations such as the United Nations, the Council of Europe, the European Parliament and the European Commission.

⁷ Security for the State President as well as foreign military leaders and officials from international defence organisations is provided by the National Armed Forces Military Police.

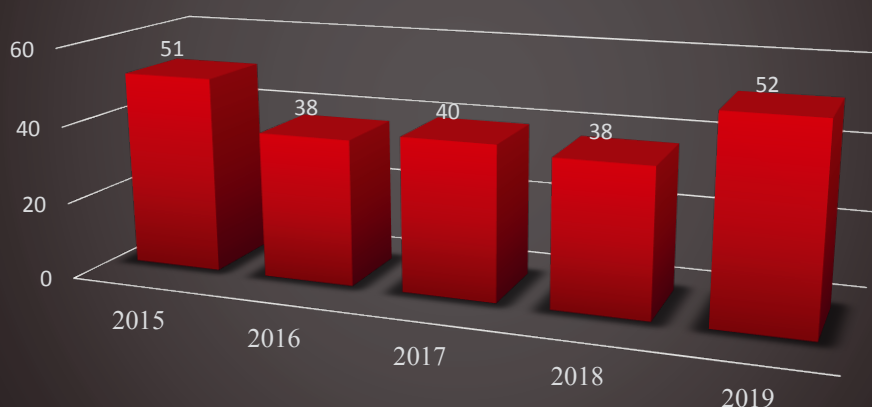
When dignitaries take part in public events, VDD is not only protecting their physical safety and ensuring their unimpeded and safe movement, but is also responsible for coordinating security measures throughout the event. Also in 2019 events were held marking the centenary of the founding of the state of Latvia, which were attended by national and foreign dignitaries. Over the last year VDD was the responsible service for the security at 33 national and international-level events in Latvia, during which the security of the events and the attending officials and their guests was successfully maintained. VDD organised and implemented the required security measures in close cooperation with other state and municipal institutions.

With every year the number of visits by officials from foreign governments and international organisations on a pan-Baltic level increases and providing security for these foreign

guests requires close cooperation with our partner services in Lithuania and Estonia. Therefore, every year a meeting is held between VDD officers responsible for providing security for dignitaries and representatives of our Baltic partner services to discuss issues relating to providing the security of leaders of foreign governments and international organisations in a pan-Baltic context.

Last year, VDD officers responsible for providing security for dignitaries continued testing and improving their professional skills. For example, in 2019 VDD held the “Bearslayer” competition for the eleventh year running. It involved teams from various law enforcement institutions with which VDD cooperates on a daily basis in providing security for dignitaries during national and international-level events. Teams from VDD’s Lithuanian and Estonian partner services also took part.

PROVIDING OF SECURITY DURING VISITS OF REPRESENTATIVES OF FOREIGN COUNTRIES AND INTERNATIONAL ORGANISATIONS TO LATVIA



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