



LATVIAN STATE SECURITY SERVICE



ANNUAL
REPORT

2021

ANNUAL REPORT

**ON THE
ACTIVITIES
OF LATVIAN
STATE SECURITY
SERVICE (VDD)**

IN 2021



APRIL 2022

**LATVIAN STATE SECURITY SERVICE.
ANNUAL REPORT FOR 2021**

ISBN 978-9934-8830-8-8

CONTENTS

FOREWORD 4

01 COUNTERINTELLIGENCE 6

- 1.1. Interests of foreign intelligence and security services in Latvia 7
- 1.2. Methods of operation of foreign intelligence and security services. 9
- 1.3. Intelligence activities in cyberspace 10
- 1.4. Informing about intelligence risks 11

02 PROTECTION OF OFFICIAL SECRETS. 12

- 2.1. Vetting of applicants for security clearances 13
- 2.2. Reasons for barring access to official secrets 14

03 PROTECTION OF THE CONSTITUTIONAL ORDER 16

- 3.1. Russian non-military influence activities against Latvia 17
- 3.2. Security of municipal elections 21
- 3.3. Increasing polarisation in society. 22
- 3.4. Extremism and radicalism 22

04 INFORMATION SPACE SECURITY 24

- 4.1. Russia's information influence measures 25
 - Infographic: Exploitation of migrant flows organised by Belarus for propaganda ... 30
- 4.2. China's information influence measures 32
- 4.3. Spreading of disinformation and conspiracy theories 32

05 ECONOMIC SECURITY 34

- 5.1. Financial security 35
- 5.2. Transit 37
- 5.3. Energy security 37
- 5.4. Vetting investors 38
- 5.5. Vetting of Belarusian citizens 39

06 COUNTERTERRORISM 40

- 6.1. Terrorism threat situation in Europe 41
- 6.2. Terrorism threat trends in Latvia 42
- 6.3. Radicalisation prevention measures 42
- 6.4. Preventive measures 43
- 6.5. Increasing security for objects at risk of terrorism 44
- 6.6. Improvement of response measures and counterterrorism exercise 44
- 6.7. Monitoring of entry by foreigners 45
- 6.8. Processing of airline passenger data 47

07 PRE-TRIAL INVESTIGATION 48

08 DIGNITARY PROTECTION 52

FOREWORD

With Russia's unprecedented aggression against Ukraine, Europe has suffered its biggest shock to date in the 21st century. Although the security guarantees for our country remain unchanged and Latvia can still rely on the advantages of being a member of the North Atlantic Treaty Organisation (NATO), Russia's actions have undermined international peace, blatantly ignoring the right of self-determination of another independent state. These changes affect not only interstate relationships – they are felt by everyone in society in their daily routines in the face of risks to personal security.

The West, including Latvia, began to face an increase in hybrid activities implemented by Russia at the end of last year. These included both an increase in the threat posed by the intelligence and security services and other measures of non-military influence, preparing public opinion favorable to Russia's imperial ambitions. At the end of 2021, Russia began concentrating military forces on the border with Ukraine. Vladimir Putin gave ultimatums and raised absurd theories about a supposed Ukrainian offensive against Russia, reminding the Western world that Russia does not want to be its ally. Despite the public exposure of the plans, Russia did not back down from its violent intentions.

With the criminal invasion of Ukraine by the Russian armed forces on the morning of February 24, Russia's machinery of non-military influence was triggered on an unprecedented scale. Its aim is to create a completely different, incomprehensible and unacceptable reality for the civilised part of the world. In this vision of the Kremlin world, it is allegedly saving Ukraine from "Nazis" imagined by the Putin regime, as well as fending off "special operations" by the West to seize Russia's "assets" by imposing various sanctions. However, it makes no mention of Ukrainian cities destroyed by the Russian army, or thousands of civilians killed and tortured in Ukraine. It does not tell the story of the millions of refugees desperately fleeing the bearers of the "Russian world."

Given that Russia has proven itself to be a brutal, cruel, barbaric and lying country, there is no doubt that we will also face Russia's efforts in the near future to intimidate the Western world, including Latvia, and to undermine the existing international security system.

In response to the atrocities committed by the Russian armed forces in Ukraine, including torturing and killing civilians as well as destroying Ukrainian cities, in March this year Latvian State Security Service (VDD) initiated

criminal proceedings for war crimes and crimes against peace and humanity committed by the Russian armed forces. VDD has been involved with international partners in gathering testimony and evidence to contribute to the investigation of these crimes at the International Criminal Court in The Hague. There is no statute of limitations for the crimes committed every day in Ukraine by the Russian armed forces. Glorifying and justifying these crimes will not be tolerated in our country.

At this difficult time, in order to raise public awareness of events that have affected our national security, VDD has prepared its annual report for 2021. The report provides an assessment by the Service on the developments of the past year in the security of Latvia, as well as presents data illustrating the direction of VDD activities, insofar as this is allowed by reasonable secrecy considerations.

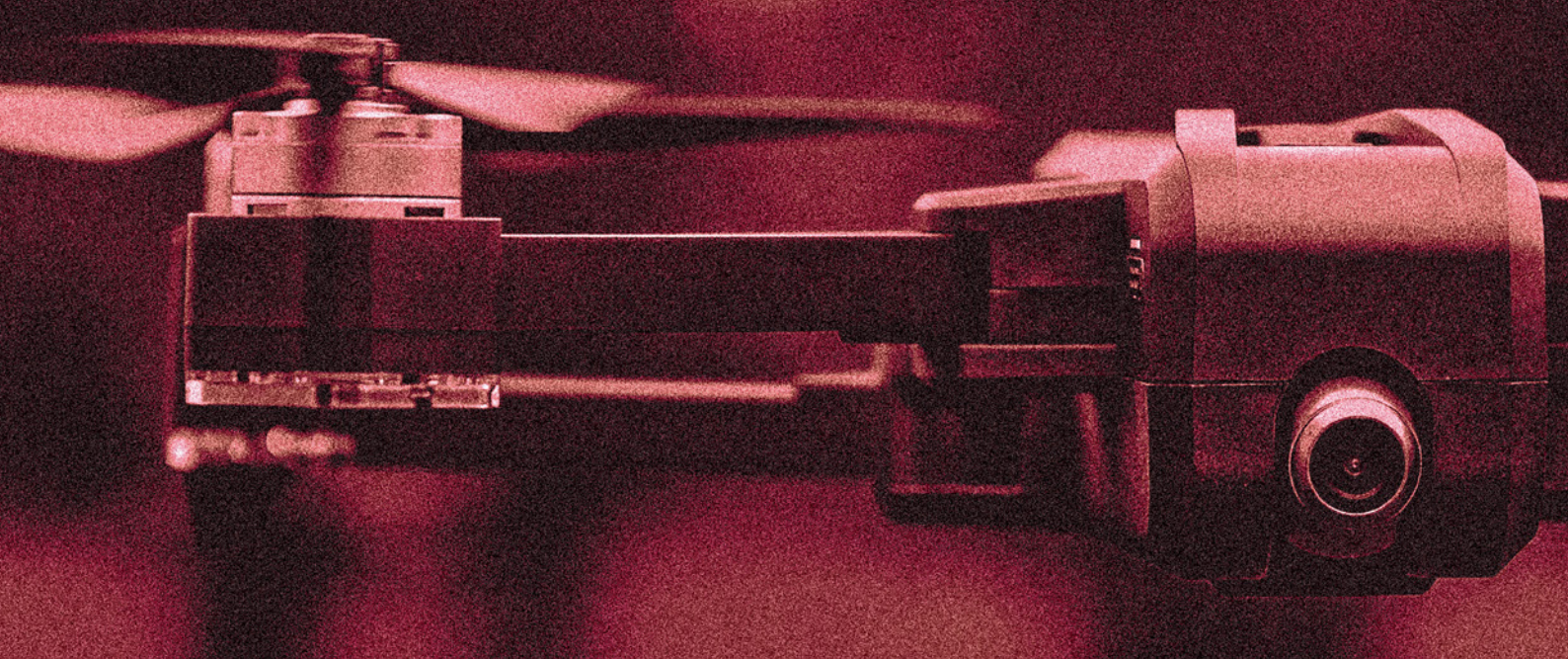
Looking back at 2021, it appears similar to 2020. In 2019, the SARS-CoV-2 virus (hereinafter – COVID-19) caused a pandemic. Although COVID-19 is not a direct threat to national security, it has continued to have a significant impact on both the world economy and the daily lives of citizens, reinforcing other hazards. As concluded by other Western intelligence services, the COVID-19 virus has led to a change in public habits and has facilitated

polarisation. Our society, unable to agree on a uniform approach to overcome the pandemic, faced a wave of division.

Last year, Belarus was added to the usual range of threats to Latvia. Faced with sanctions imposed on the country by the European Union (EU) and NATO member states in connection with the significant violations of human rights in Belarus, its illegitimate leader Alexander Lukashenko deployed a hybrid attack against Poland, Lithuania and Latvia. In an effort to bring about the lifting of sanctions, the Belarusian regime organised the flow of illegal border crossers from countries at risk of illegal migration via Belarus to the EU's external border. As a result of this action, A. Lukashenko earned new sanctions, effectively cutting off opportunities for economic cooperation with the West.

However, Russia continued to pose the greatest threat to Latvia's security last year. Its extensive intelligence activities and influence measures were diverse and intense. In the current difficult circumstances, it is more important than ever that every resident of Latvia understands the impact of threats posed by Russia and Belarus on the security of our country. VDD would like to thank everyone who has so far provided support to our work.

Sincerely
Normunds Mežviets,
 Director General of Latvian State Security Service



01

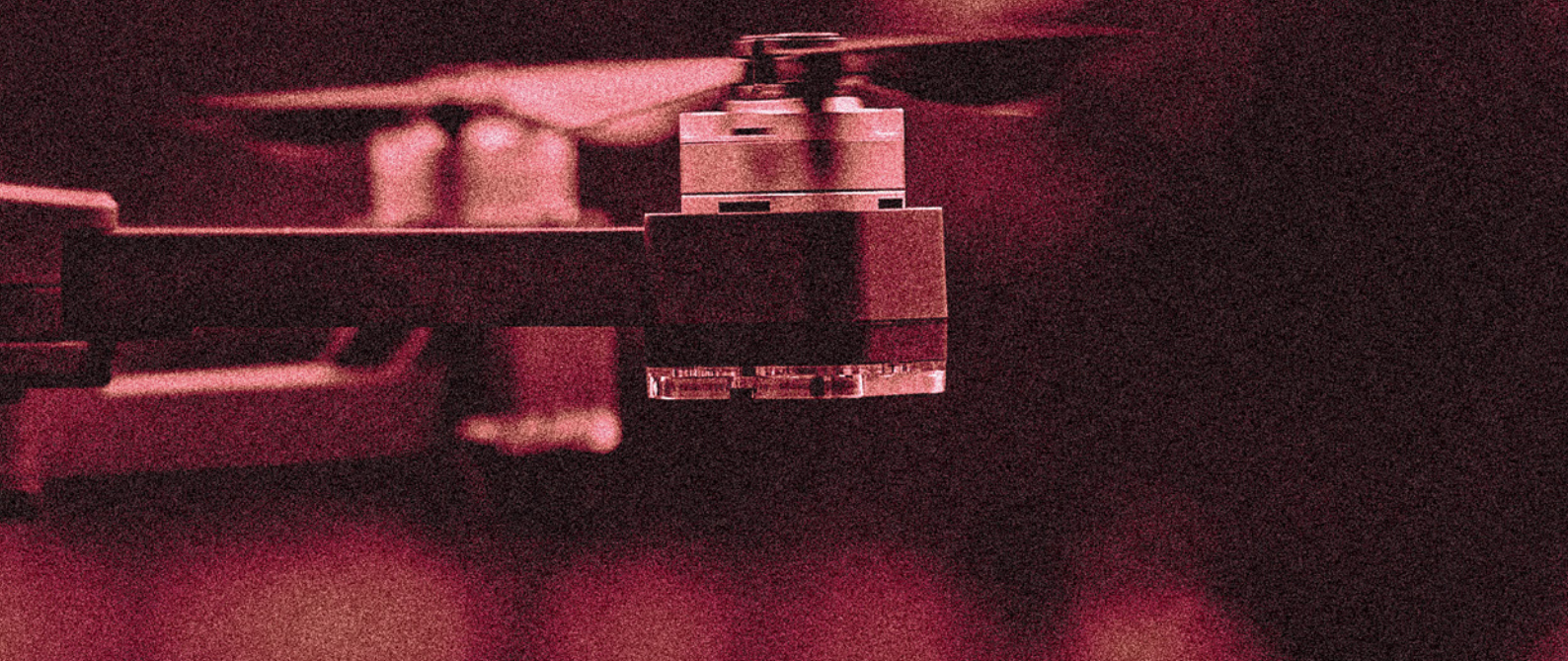
COUNTERINTELLIGENCE

Last year, VDD continued its intensive work in the field of counterintelligence, implementing systematic measures against the activities of the intelligence and security services of hostile countries and for the timely identification and prevention of other activities against Latvia. The Service worked closely with the other two Latvian intelligence and security services – Defense Intelligence and Security Service (MIDD) and Constitution Protection Bureau (SAB), as well as foreign partner services.

One of the priorities of VDD in the field of counterintelligence was to identify persons who transmit or could transmit non-disclosable or other relevant information to foreign intelligence and security services, and to prevent further opportunities for these persons to harm the security of Latvia. Last year, the Service initiated criminal proceedings against several such persons for acting for the benefit of foreign intelligence and security services. VDD also continued to research and monitor the activities of other persons suspected of cooperating with foreign intelligence and security services, which allowed the Service to continue to monitor the interests and methods of action of the intelligence and security services of hostile countries and to take appropriate counterintelligence measures.

Due to the tense security situation at Latvia's border with Belarus caused by the flow of border crossers organised by the Belarusian regime, VDD implemented additional counterintelligence measures in the past year. Within its competence, the Service investigated border offenders and took measures to identify and mitigate intelligence risks.

Despite the tense situation in the border area between Latvia and Belarus, last year the activities of the Russian intelligence and security services remained the primary threat to Latvia's national security. The Kremlin's aggressive foreign policy and efforts to increase its influence in the region, including concentrating its military at the Ukrainian border at the end of 2021 and threatening to launch a new war in Europe, would not be feasible without accurate intelligence. In connection with these events last year, there was increased interest by Russian intelligence and security services in Latvia as a member of NATO and the EU and our country's role in these



international organisations. It should also be noted that last year, those persons detained and charged by VDD for possibly cooperating with foreign intelligence services, were in fact working for Russia's intelligence and security services.

Last year, the activities of China's intelligence and security services came to the attention of VDD, mainly related to sectors and enterprises important for the Latvian economy. At the same time, the level of activities by China's intelligence and security services recorded by VDD in relation to the Latvian state last year was lower than in previous years, which is largely explained by the COVID-19 pandemic restrictions on public life and travel.

1.1.

INTERESTS OF FOREIGN INTELLIGENCE AND SECURITY SERVICES IN LATVIA

The main goal of the intelligence and security services of countries hostile to Latvia remained unchanged last year – to obtain information that would allow the governments of these countries to make informed policies towards our country. Whereas in peacetime the acquisition of strategically important information about Latvia by hostile countries may allow them to negatively affect the internal security and foreign policy interests of Latvia, in case of war such information can give the hostile country an advantage by making attack plans against Latvia and our allies.

Criminal investigations by VDD clearly show that the intelligence and security services of hostile countries not only seek to obtain information containing official secrets, but also other information about Latvia and its allies that they can potentially exploit. The intelligence and security services of hostile countries tried to obtain

ISSUES OF INTEREST TO THE INTELLIGENCE AND SECURITY SERVICES OF HOSTILE COUNTRIES

- NATO *Enhanced Forward Presence* (EFP) battle group operations in the territory of Latvia and the infrastructure used therein;
- the role of our country in NATO and the EU, involvement in the decision-making of these organisations, for example on the application of international sanctions;
- Latvia's foreign and security policy;
- internal policies and the socio-economic situation, including the potential for destabilisation of society;
- personnel of Latvia's intelligence and security services, material and technical resources and capacity;
- the situation in law enforcement institutions (in particular systemic deficiencies and vulnerabilities in their work and the security situation at Latvia's external border), officers of law enforcement institutions, including compromising information;
- public administration institutions, in particular the effectiveness of the policies put in place, budgets, participation in international cooperation formats;
- strategically important sectors (such as transit, energy) and the possibility to build and strengthen the influence of state hostile to Latvia;
- critical infrastructure objects to be destroyed or captured in the event of war;
- the operational situation in regions where, in the event of a military conflict, commando groups or foreign special operations forces would operate.

information intended for official use only by state and local government institutions, trade secrets of the private sector and various sensitive information. In addition to information available to a limited range of persons, foreign intelligence and security services also intensively collected and analysed publicly available information useful to them in forming an overall picture of the situation.

Also last year, the intelligence and security services of hostile countries tried to obtain intelligence on sectors where VDD provides counterintelligence regime. They showed interest in information of a

compromising nature, which could be used to involve the inhabitants of Latvia in secret cooperation or to expand propaganda campaigns.

Unlike other countries unfriendly to Latvia, Russia also has military ambitions in the region. Therefore, the Main Directorate of the General Staff of the Armed Forces of the Russian Federation (GRU) was particularly active against Latvia. It was interested not only in Latvia's defence capabilities, but also in critical infrastructure objects, energy and transit infrastructure, as well as the situation on the external border of the country.

VDD AND MIDD UNCOVER CASES OF SPYING ON LATVIA'S DEFENCE CAPABILITIES



Illustrative image, VDD

Last year, VDD in close cooperation with MIDD, initiated three unrelated criminal proceedings on suspicion of long-term cooperation by Latvian nationals with the Russian GRU.

Two criminal proceedings were initiated on the basis of information suggesting the possible committing of crime stipulated in Section 85 Paragraph 1 of Criminal Law – espionage. During VDD investigation, it was established that the persons met with representatives of the Russian GRU on the territory of Russia and passed non-disclosable information about Latvia's defence sector. One of the persons was detained by VDD in September of last year and the other was detained in October, preventing their continued involvement in anti-state activities.

On 30 December 2021, VDD referred the materials of one criminal investigation to the Prosecutor's Office for the prosecution of the suspect. The information obtained in the course of VDD investigation shows that the person obtained, compiled, analyzed and passed on information to the Russian military intelligence service (from contacts established through his profession) regarding:

- combat capabilities, procedures, plans and training of the National Armed Forces,
- procurements of the defense system,
- NATO Enhanced Forward Presence (eFP) in the territory of Latvia.

Second criminal proceedings were also initiated by VDD on suspicion of extensive espionage in the interests of Russian military intelligence. The findings of VDD investigation show that the person, on behalf of the Russian intelligence service, has been gathering intelligence for a long time about:

- the arrival and deployment of NATO forces in the Baltic States,
- airports used for military logistics,
- development of Latvia's defence capabilities and the science sector,
- current internal political processes.

VDD reiterates that no person shall be considered guilty until his or her guilt has been established in accordance with the procedures laid down by law.

The third criminal proceedings were initiated on the basis of Section 81¹ of the Criminal Law – provision of assistance to a foreign state in an action directed against the Republic of Latvia. The person, on behalf of a representative of the Russian GRU, had set up and maintained special dead-end boxes for the exchange of information. Evidence obtained in the course of VDD investigation shows that these actions were carried out in order to help the Russian intelligence service to take action against the national security of Latvia. The person has been found guilty of committing a criminal offence and was subject to a public prosecutor's penal order at the end of the year.

As in previous years, in 2021 the Russian intelligence and security services, monitoring the latest developments in our country, encountered events and issues that have the potential for propaganda. For several years now, one of the priorities of Russian propaganda has been promoting the “correct” interpretation of historical events in line with the interests of the Kremlin. It should be noted that the head of the Russian Foreign Intelligence Service (SVR) is also the chairman of the association “Russian Historical Society”, confirming the relationship between “research” about neighboring countries and the intelligence and security services.

Given the tensions between Russia and NATO due to the warfare in Ukraine, it is expected that in 2022, intelligence activities of Russian intelligence and security services may also increase against Latvia. Russian intelligence and security services will be interested in the response of both Latvia and its Western partners to Russia’s increased military aggression in Ukraine (position on sanctions imposed on Russia, military capacity building in NATO’s external border area, the long-term strategy of the West to limit the Kremlin’s foreign policy ambitions and unity in its implementation, support provided to Ukraine) and operational plans in case the situation escalates to a wider military conflict.

Since Belarus’s 2020 presidential elections and the protests that followed, the Belarusian intelligence and security services have been the backbone of authoritarian leader A. Lukashenko’s regime. Therefore, their activities are primarily aimed at monitoring Belarusian opposition movements abroad. The intelligence and security services of Belarus also expressed interest in the attitude of the Belarusian community of Latvia towards political and social processes in Belarus, as well as citizens of Belarus who have moved to Latvia fleeing repression.

According to the information available to VDD, the Belarusian security structures also played a role in the events when groups of border crossers reached the EU external border with Belarus last year. Last year, the Service observed officers of various Belarusian security structures and special operations forces on the Belarusian side of the border, who were assisting in “pushing” third-country nationals towards the Latvian border, as well as studying operational conditions and Latvia’s response capabilities.

In 2021, VDD observed a decrease in the level of activities of Chinese intelligence and security services towards our country, largely due to restrictions on travel and public life to reduce the spread of COVID-19. According to VDD, China’s interest in Latvia will increase again in the foreseeable future, especially if differences between the West and the People’s Republic of China deepen on important issues.

1.2.

METHODS OF OPERATION OF FOREIGN INTELLIGENCE AND SECURITY SERVICES

Last year, recruitment cases and attempts to recruit Latvian nationals which have come to the attention of VDD confirmed that foreign intelligence and security services primarily recruit Latvian residents in the territory of their country. The most convenient targets for recruitment are persons who have reasonable grounds for regularly travelling to the country for commercial business or private matters.

Invariably, foreign intelligence and security services consider officials of state and local government institutions who have access to classified information to be potentially the most valuable sources of information. They are also happy to choose representatives of strategically important sectors or companies as recruitment targets, especially if they have cooperation partners or relatives in the particular country.

Threats, blackmail and other methods of influence are often used to involve Latvian nationals in “cooperation”, which is especially effective in cases where breaking a person’s ties with a foreign country would be financially or emotionally painful. At the same time, cases have come to the attention of the Service when persons agree to cooperate on the basis of personal motives (for example, for adventure or disloyal attitude towards Latvia).

Analysis of the information at the disposal of VDD shows that the COVID-19 pandemic and the travel restrictions introduced to overcome it posed challenges for foreign intelligence and security services in the past year in the face of the need to communicate remotely with their sources in other countries. Remote communication was most often used in situations where it is necessary to obtain an opinion on what is happening in the target countries, statistical data, restricted access documents or other topical information, the transfer of which cannot await conditions favourable to travel.

It should be noted that Russian intelligence and security services have been caught in a wide range of activities in recent years, from a series of exposed Russian spies in NATO countries to assassinations and coup attempts. Western countries have most often responded to such incidents by expelling Russian intelligence officers working under the cover of diplomats. In view of these circumstances, Russian intelligence and security services are increasingly focusing on recruiting foreigners on the territory of their country,

using various unconventional covers, for example, impersonating business representatives, journalists, scientists, university academics, and members of historical and military memorial foundations. They are also developing their technical intelligence capabilities, including in the cyber environment.

VDD recommends that Latvian residents be vigilant when coming into contact with hostile foreign state and local government institutions, state enterprises and higher education institutions, research institutes and the high-tech sector. It is common for countries hostile to Latvia – especially Russia and Belarus – to use so-called “assigned officers” or intelligence and security services’ officers who operate under the cover of said institutions.

China’s intelligence and security services usually openly offer cooperation to foreigners when they visit East Asia. Although Latvia is not currently a priority of the China’s intelligence services, the people of Latvia should take into account that the intelligence officers of this country will not hesitate to use favourable conditions for the formation of operational positions in Latvia. In an effort to achieve increasing dominance in global markets and improve its image, China has been investing heavily in the development of innovative products in recent years.

Therefore, in the interests of the China’s intelligence and security services, also in 2021 there were science projects of NATO countries, including Latvia, with high innovation potential.

1.3.

INTELLIGENCE ACTIVITIES IN CYBERSPACE

Adapting to the restrictions on public life and travel related to the COVID-19 pandemic, the intelligence and security services of hostile countries continued to develop their cyber intelligence capabilities last year. There was still a trend in Latvian society of insufficient responsibility toward security of information and communication technologies through careless implementation of expert-recommended security measures that help prevent unauthorised access to private or work-related information. At the same time, VDD noted greater interest by state and local government institutions in ensuring compliance of various information and communication technologies with security requirements, including by consulting with VDD. Last year, upon request of state and local government institutions, the Service prepared

CRIMINAL PROCEEDINGS AGAINST A MEMBER OF THE SAEIMA FOR ESPIONAGE



Picture: Screenshot from the TV3 programme “Nothing Personal.”

On 9 June 2021, VDD initiated criminal proceedings pursuant to Section 85 of the Criminal Law, under the characteristics of the criminal offence of espionage. In the course of procedural actions, the Service detained several persons, one of whom was member of the Saeima Jānis Ādamsons.

According to VDD, J. Ādamsons has cooperated with the Russian Federal Security Service (FSB), to which he has passed on non-disclosable and other information, the analysis of which has allowed Russia not only to understand Latvia’s internal political processes and

cooperation with strategic partners, but also to gather material for potential propaganda campaigns and to ascertain persons it could potentially recruit.

The information obtained in the course of VDD investigation shows that J. Ādamsons passed information to the foreign intelligence and security service on:

- military and defence issues;
- Latvia’s intelligence and security services;
- the work of the Saeima and its committees;
- the work of the Baltic Assembly;
- law enforcement institutions;
- the political process.

One Russian citizen has also been charged in the criminal case, while a separate criminal proceedings have been launched against two other persons, in which the investigation is ongoing.

VDD reiterates that no person shall be considered guilty until his or her guilt has been established in accordance with the procedures laid down by law.

65 opinions (in 2020 – 54) on the compliance of devices and software with security requirements.¹

Also last year, hacking groups and individual hackers supported by foreign intelligence and security services hostile to Latvia continued to conduct cyber intelligence activities in Latvian cyberspace, using vulnerabilities of information and communication technologies and the lax attitude of users towards cyber hygiene.

In 2021, a number of new trends in cybersecurity emerged. For example, so-called supply chain attacks, which provide an opportunity to simultaneously compromise a large number of potential victims by compromising one of the information technology solutions (supply chain stages) used by the potential victims on a daily basis, such as management or accounting tools. VDD predicts that this trend will not diminish in the near future and that both cybercriminals and cyber actors controlled by foreign intelligence and security services will continue to carry out targeted attacks in supply chain stages. Consequently, state institutions and large companies that use various IT solutions on a daily basis should pay additional attention to the security of these solutions, the reliability of developers and the protection of their data in the event of potential compromising.

According to an analysis of the information available to VDD, the greatest damage to the global economy in the area of cybersecurity last year was caused by attacks using crypto ransomware, the main purpose of which is to gain quick profit. Although such attacks are not under the direct competence of VDD, it should be noted that recently attackers have also used the so-called hack and leak method, not only by encrypting the victim's data, but also by retrieving it from infected systems and publishing it in case of non-payment of ransom. A large number of cyber actors using ransomware are from countries hostile to Latvia, such as Russia. It cannot be ruled out that the activities of these cybercriminals are covered up by the Russian intelligence and security services in order to obtain intelligence in this way.

Most cyberattacks succeed because users neglect the security of their information. In order to protect yourself from cyberattacks, it is important to regularly update systems and applications used, choose secure passwords and not open suspicious email attachments or links. As regards good cybersecurity practice, VDD invites citizens to regularly follow the recommendations

of the Latvian Information Technology Security Incident Response Institution (CERT.lv).

VDD also reminds that any personal information may prove useful to foreign intelligence and security services that are hostile to Latvia. This includes information that does not initially appear relevant or is published on social networking platforms. This information can be used by foreign intelligence and security services to profile the population in order to conduct new intelligence activities or information operations against them in the future, or to force them to engage in secret "cooperation."

1.4.

INFORMING ABOUT INTELLIGENCE RISKS

In order to raise the awareness of both state and local government institutions and private sector personnel about intelligence activities conducted by the intelligence and security services of countries hostile to Latvia and the risks related thereto, VDD continued holding briefings last year. However, the COVID-19 pandemic and the need to reduce the incidence of the disease significantly limited the possibilities for large-scale on-site briefings and the number of participants.

Taking into account the difficult epidemiological situation in the country, last year VDD focused on providing individual consultations to both officials of state and local government institutions and representatives of the private sector. Consultations were mainly provided to persons who regularly visit Russia, other Commonwealth of Independent States (CIS) countries or China for work or for private reasons, i.e., countries whose intelligence and security services are interested in recruiting Latvian nationals for information or other types of "cooperation" in their interests. VDD consultations were provided both at the request of interested parties and on its own initiative if the Service has reason to believe that the person is exposed to increased intelligence risks. VDD provided individual consultations to several dozens of persons last year.

! ASK FOR HELP

In case you suspect you may have been in contact with a representative of a foreign intelligence and security service, **we urge you to inform VDD** by calling the 24-hour hotline **67208964**, emailing **info@vdd.gov.lv** or making an appointment to visit the Service's HQ at K. Barona iela 99A, Riga. VDD guarantees the confidentiality of information it receives and its source.

¹ VDD assessed their compliance with 28 July 2015 Cabinet of Ministers Regulation No. 442 "Procedures for ensuring conformity of information and communication technology systems with the minimal security requirements", as well as the information technology security recommendations jointly developed by the Latvia's intelligence and security services.



02

PROTECTION OF OFFICIAL SECRETS

Several persons detained by VDD last year for possible espionage are yet another sign of the importance of measures for the protection of official secrets. In 2021, VDD, in cooperation with SAB and MIDD, continued to implement a set of measures aimed at minimising the risks of unlawful disclosure or leaking of protected information.

As in previous years, VDD continued vetting of persons who applied for a security clearance for access to official secrets (hereinafter – security clearance), assessing their reliability and ability to protect non-disclosable information. The Service also periodically reassessed persons to whom security clearances have already been issued. In total, last year the Service assessed the compliance of more than 2000 persons who work with classified information, denying several persons access to official secrets.

In addition to the vetting of persons, VDD continued to monitor state and local government institutions under its supervision to ensure the conformity of their premises and the implementation of security requirements. In total, VDD carried out 17 such inspections last year, providing recommendations to the institutions for the improvement of security measures.

VDD also continued to carry out inspections of merchants applying for industrial security certificate. Last year, VDD assessed the suitability of 18 companies for the fulfilment of public contracts related to information containing official secrets. After evaluation of merchants, VDD, in accordance with the procedures laid down in the law On Official Secrets, sent the information collected and its assessment to SAB for a decision. In ten cases, during inspections by VDD, the Service gained confidence in the readiness and ability of the company to ensure the protection of information containing official secrets. In five cases, VDD identified risks and recommended refusing the issuance of an industrial security certificate. In three cases, merchants withdrew their applications for industrial security certificates.



2.1.

VETTING OF APPLICANTS FOR SECURITY CLEARANCES

To prevent information recognised as an official secret from falling into the possession of persons disloyal to the state and against the interests of our country, a security clearance shall be issued to persons only after a comprehensive and in-depth examinations, during which their reliability and ability to protect official secrets are assessed. Only persons who need to become acquainted with or work with an official secret for the performance of official (service) duties or specific tasks may apply for a security clearance. Even when a person has received a security clearance, he or she does not gain automatic access to all official secrets, but only to information that is necessary for the performance of their direct work duties.

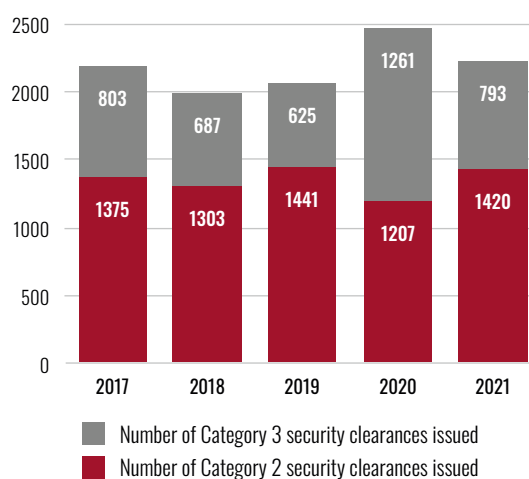
Last year, VDD continued to carry out both first-time vetting of persons before starting work with information containing official secrets, as well as repeated assessment of the reliability of officials to decide on the extension of the term of validity of the security clearance, the scope of activity of the person changed or information on risk factors in information security came to the attention of the Service. In cases when facts were discovered during the examination which caused reasonable doubts about the reliability and ability of the person to protect official secrets, the Service denied access to official secrets.

To comprehensively verify the compliance of a person with the receipt of a security clearance, VDD collects and analyses a wide amount of information related to the previous activities and range of contacts of the person to be vetted. Considering the amount of information to be assessed, the statutory time limit for the performance of the inspection is three months, which may, if necessary,

be extended to six months. In some cases, the reason for a prolonged examination is risk factors identified by the Service which require an in-depth analysis. In some cases, however, the extension of the probationary period is not related to the emergence of doubts about the reliability of the person, but to other objective circumstances, mainly – a large amount of information or difficulty to access it, for example, if the person has lived outside Latvia for a long time and the Service must obtain information about the person abroad. The possibility to extend the term of vetting of a person was used by VDD in **182** cases last year.

In 2021, VDD issued a total of **2213** security clearances, of which **1420** were category 2 security clearances (up to the classification level SECRET), and **793** were category 3 security clearances (up to the classification level CONFIDENTIAL). VDD also carried out an vetting of **56** persons who applied for a Category 1 security clearance (up to the classification level TOP SECRET) by sending inspection materials to the SAB for a decision.

Dynamics of security clearances issued, and vettings carried out by VDD



When VDD takes a decision to grant a security clearance, the assessment of the reliability of the person does not end altogether. It is a continuous process, with the Service obtaining information on suspicious and risk-related activities of the holders of security clearance or other circumstances that may indicate a possible security risk for the information to be protected. Last year, VDD identified verifiable information on 18 security clearance holders that testifies to potential risks, which led to the launch of an emergency inspection. The most common reasons for initiating such an examination, as in other years, were:

- regular trips to Russia, CIS countries, China
- violations of the requirements for the protection of information containing an official secret
- suspicion of abuse of official position
- use of accessible restricted databases for private purposes
- maintaining contact with suspicious persons
- suspicious financial transactions
- derogatory information about the person

2.2.

REASONS FOR BARRING ACCESS TO OFFICIAL SECRETS

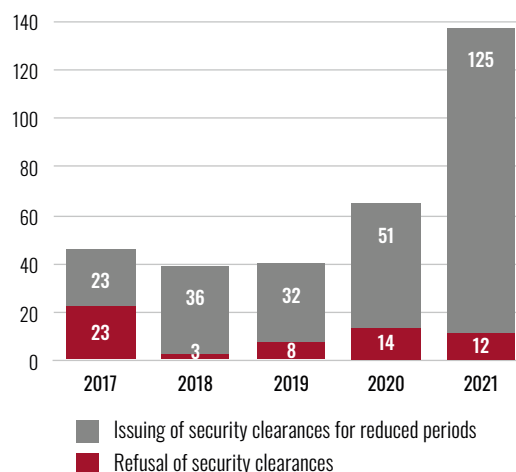
As in previous years, when assessing the ability of persons for work with official secrets, the Service obtained information about the person, which indicated increased risks for the security of classified information and became the basis for refusing to issue a security clearance or cancelling a security clearance already granted.

Last year, VDD took the decision to deny a person access to official secrets in **12** cases. In three of these cases, previously issued security clearances were revoked. The reasons for VDD's decision to deny access to official secrets were as follows:

- In ten cases, facts were established regarding a person in the course of the vetting, which give grounds to doubt his or her reliability and ability to protect official secrets (the Law "On Official Secret", Section 9 Paragraph 3 Article 6). Of these, in seven cases the person was refused the issuance of a security clearance, while in three cases an already issued clearance was cancelled.
- In one case, the person was not issued with a security clearance because they had previously been convicted of an intentional criminal offence (the Law "On Official Secret", Section 9 Paragraph 3 Article 3b).

- In one case, the reason for refusal was mental and behavioural disorders detected in the person, which gives grounds to doubt his or her ability to comply with the conditions for the protection of official secrets (the Law "On Official Secret" Section 9 Paragraph 3 Article 7).

Dynamics of refusal of security clearances and issuance to a shortened time period



In **125** cases, the security clearance was issued for a shortened term, most often for two or three years instead of the maximum five years. Such a decision was taken by VDD in cases where during the vetting some violations or deficiencies were detected in the person's biography, which are risk factors, but in accordance with the Law "On Official Secret" does not provide sufficient grounds to deny a person access to official secrets.

In addition, last year VDD again carried out preliminary examinations of candidates for at the request of state and local government authorities, providing an opinion on whether a person should be granted a security clearance. As a result of these inspections, VDD issued **five** negative opinions on the person's suitability to work with information containing official secrets.

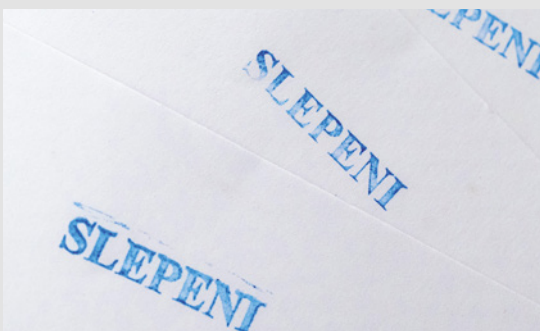
The case analysis carried out by VDD shows that the intelligence and security services of hostile countries deliberately obtain compromising information on officials of state and local government institutions, for example, their weaknesses, and use this information to secure the official's 'cooperation' and to obtain non-disclosable information. In this context, information on potential addiction problems, bad habits and other personal traits, which may facilitate the disclosure of information containing official secrets is also carefully assessed by VDD during the vetting of persons. In 2021,

the following criteria served as a basis for refusing or withdrawing a security clearance:

- excessive gambling;
- debts that are difficult to settle;
- excessive consumption of alcohol.
- serious or repeated administrative offences, such as drunk driving.
- disclosure of internal information to third parties.
- contacts with organised crime representatives.
- use of work databases for private purposes.
- mental health or behavioural disorders.
- undeclared transactions.
- suspected involvement in corruption.
- reputational risks.

VDD reiterates that persons who have been granted a security clearance are obliged to report in writing to the security unit of their workplace or to the competent Latvian intelligence and security service within one month regarding any significant changes in the data indicated in the questionnaire, such as change of surname, citizenship or place of residence, administrative penalties imposed, charges brought, blackmail, threats or other hazards.² Failure to provide information on changes may also serve as a basis for withdrawing the security clearance.

WHEN THE REFUSAL OF SECURITY CLEARANCE IS CHALLENGED



Illustrative image, VDD

Last year, three persons who were refused clearances for working with official secrets exercised the right to appeal the decision of VDD as laid down in the law On Official Secrets.

In one case, VDD had refused to issue a security clearance because the person had made unauthorised disclosure of internal information to a third party, as well as indicating false and incomplete information in the submitted questionnaire about himself or herself in a deliberate attempt to mislead the competent intelligence and security service.

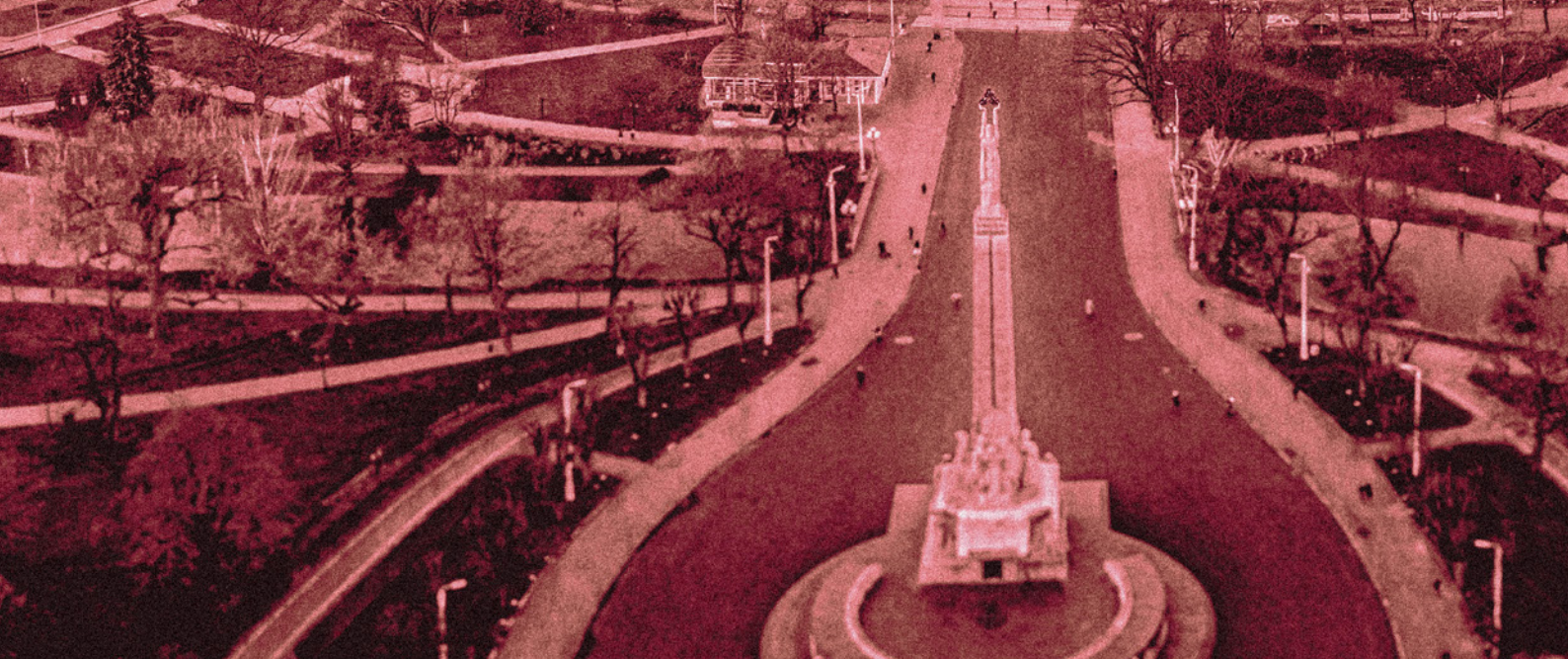
Also in the second case, the person made unauthorized disclosure of internal information to a third party, as well as indicating false and incomplete information in

the questionnaire. In addition, this person had used information available in national databases for private purposes, and VDD established that the person had contacts with crime figures.

In the third case, as in the above cases, the unfavourable decision was based on a number of risk factors identified by the service. VDD had established that the person had contacts with crime figures, as well as several behaviours that raised doubts about the ability of the person to comply with the conditions for the protection of official secrets. In addition, the party had not provided any information on changes to the data provided in the questionnaire. The person was unable to explain their amount of savings or their origin, as well as knowingly provided false information about the funds at their disposal. The person also refused to provide answers to the Service's questions.

These persons challenged the decision of VDD by addressing the Prosecutor General. The Prosecutor General, having assessed the grounds for refusal, concluded in all cases that the decision of VDD was justified. One of the persons also decided to appeal against the decision of the Prosecutor General, applying to the Administrative Regional Court, but the court also upheld the original decision.

² The changes in the questionnaire which the person is obliged to report are set out in Article 21.6 of January 2004 Cabinet of Ministers Regulation No 21 "Regulations Regarding the Protection of Official Secrets and the Classified Information of the North Atlantic Treaty Organisation, European Union and Foreign Authorities."



03

PROTECTION OF THE CONSTITUTIONAL ORDER

As in previous years, the greatest threat to Latvia's constitutional order last year was caused by the various manifestations of Russia's non-military influence. However, at the beginning of this year, the international community discovered once again that the Kremlin does not shy away from using military force to spread its worldview either. Russia's war against Ukraine confirms that, due to imaginary threats and absurd reasons, the Kremlin is prepared to brutally kill the civilian population of another country and destroy cities, carrying out war crimes and crimes against peace and humanity.

The threat posed by Russia to Latvia's constitutional order last year stemmed from the fact that there is no place in the Kremlin's worldview for such values as independence and sovereignty of states, peaceful and respectful coexistence and respect for international law and obligations. The Kremlin's worldview is based on lies, disinformation and imagined Western threats. It is based on spreading tensions, raising fear, threats, belittling other countries and their history, and mocking other views. This Kremlin's worldview is disseminated in Latvia through a wide range of political, diplomatic, humanitarian, informative and legal instruments of influence.

The vulnerability of the Latvian public to Russian influence measures was exacerbated by the rapidly increasing polarisation of Latvian society in the past year, which in turn was stimulated by the efforts of several individuals with statesmen ambitions to gain visibility before the 2022 Saeima elections. Above all, these efforts took the form of inciting the public to defy the country's restrictions to reduce the spread of COVID-19, thus increasing legal nihilism and a sense of impunity in certain groups of society. Such trends had a high potential to threaten public order and safety, as well as the health of individuals.

To address the threat posed by extremism, VDD continued to obtain information on right- and left-wing extremist organisations, as well as on individuals prone to violence radicalisation. As in previous years, in the past year the threat to national security posed by radicals and extremists was generally considered to be low.



3.1.

RUSSIAN NON-MILITARY INFLUENCE ACTIVITIES AGAINST LATVIA

At the beginning of last year, the plan developed by the Government Commission for Work with Compatriots Abroad for the period from 2021 to 2023 was approved in Russia. The plan lists several events (seminars, conferences, discussions) that the Russian state authorities intended to implement during this period. Russian Foreign Minister Sergei Lavrov is at the helm of this commission.

According to this plan, the Russian Government Commission for Work with Compatriots Abroad that is the main body tasked with managing the implementation of the plan and monitoring state bodies, the diplomatic corps, and the Russian federal agency “Rossotrudnichestvo”³ in the performance of the tasks assigned to them. The main directions of Russia’s “compatriot” policy were consolidation of the Russian diaspora abroad, protection of the rights of “compatriots”, support for “compatriot” youth organisations, as well as the protection of the Russian language and “ethnocultural identity.”

VDD considers that the directions of the Russian Government Commission for Work with Compatriots Abroad corresponded to both the measures implemented by Russia-based institutions and the Russian “compatriot” activities in Latvia. Russia-based institutions continued to spread lies at international level about the Latvian government’s policies, which are allegedly aimed at restricting Russian-speakers’ rights, as well “destruction” of Russian culture and language.

Platforms of various international organisations, such as the United Nations, were used to spread disinformation created by Russia’s officials about Latvia’s supposedly undemocratic regime. Meanwhile, “Rossotrudnichestvo” was active in recruiting new leaders amongst potential “compatriots”, as it positioned itself as the hub for attracting young people to study in Russian higher education institutions.

Last year, the measures implemented to achieve historical policy objectives both in Russia and in Latvia played an increasing role in the range of Russian non-military influence measures. Interpretations of the events of the Second World War in line with the Kremlin’s worldview was strengthened not only by pseudo-historians close to the Kremlin, but also in legal initiatives. Last year, the Russian Embassy in Latvia organized various, sometimes pompous events to glorify the Soviet army.

Protecting the rights of Russian “compatriots” in the interests of the Kremlin

Last year, Russian state institutions and officials targeted Latvian institutions in their public communication, systematically discrediting their decisions and activities and constructing a version about the supposed Russophobic policies of Latvian officials. For example, at the end of last year, the Moscow Human Rights Bureau issued a report titled “Violations of the rights of citizens and compatriots of the Russian Federation in 2021.” At an event presenting the report organised online by Russia’s international information agency Rossiya Segodnya, Alexander Brod, director of Moscow’s Human Rights Bureau, spoke of growing “trends” to target

³ “Rossotrudnichestvo” (in Russian “Россотрудничество”). The Russian federal agency was founded in 2008, and it is tasked with organising, financing, and monitoring the activities of Russian “compatriots” abroad.

Russian journalists and human rights activists in the Baltic States. The report cited as one example the pro-Kremlin activist Alexander Gaponenko, who is allegedly being prosecuted for “anti-fascist statements.”

Adapting to the official position of the Russian institutions, the Russian Embassy in Latvia also tried in its public communications to construct a version of the “discriminatory and Russophobia-based” policy of the Latvian authorities. This was implemented, for example, in the Facebook account of the Russian Embassy, used to distribute propaganda materials justifying Russia’s aggressive foreign policy against Latvia on the grounds of politicized repression against Latvian journalists writing in Russian language.

As in previous years, the most active role in the defence of the rights of “compatriots” in Latvia was taken by the political party “Latvian Russian Union” (hereinafter – LKS), which positioned itself as the sole political force defending the rights of these persons in Latvia and actively cooperated with Russian officials. In its public statements, LKS sought to highlight alleged

violations of rights taking place in Latvia, as well as to discredit decisions made by Latvian state institutions and government.

Search for young Russian “compatriots”

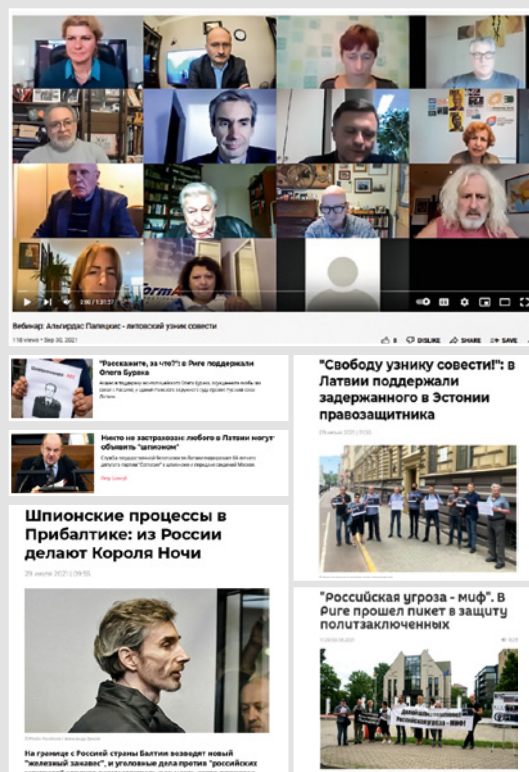
Last year, Russian institutions and officials responsible for the “compatriot” policy made a desperate effort to find new leaders to its tasks. According to information available to VDD, representatives of the Russian Ministry of Foreign Affairs expressed dissatisfaction with the fact that “compatriot” gatherings in Russia were attended by older generation activists from Latvia, who see opportunities to obtain financial resources in this cooperation, but whose impact on public and political processes in Latvia has always been insignificant.

In these circumstances, the Russian federal agencies “Rossotrudnichestvo” and “Rosmolodozh”⁴ rolled out a series of measures to attract new leaders for the “compatriot” policy. Last summer, “Rosmolodozh”

CONSTRUCTING “SPY MANIA”

Last year, most of the public activities of the LKS were dedicated to artificially maintaining claims about the alleged “spy mania” in Latvia, as well as in Lithuania and Estonia. To carry out these efforts, LKS organized several public campaigns in support of Latvian citizen Oleg Burak who is convicted of spying for Russia, Lithuanian activist Algirdas Paleckis, as well as against Sergei Seredenko, a pro-Kremlin activist accused of actions against Estonia. These campaigns were primarily intended for the Russian propaganda campaign, as they were publicised on Russian television channels and websites, including those maintained by Rossiya Segodnya’s information resources “Sputnik” and “Baltnews”.

LKS leader Tatyana Zdanoka continued to use her positions in the European Parliament to raise the message of “spy mania” in the Baltic States in support of Russian foreign policy in the international environment. For example, on 30 September 2021, an online conference titled “Algirdas Paleckis – Lithuanian prisoner of conscience” was held. The event was attended by T. Zdanoka’s allies from the EP, as well as pro-Kremlin activists from other countries.



⁴ “Rosmolodozh” (in Russian “Росмолодежь”) is a Russian federal agency founded in 1999. It is tasked with implementing and overseeing activities in political and public life with a view to “nurturing” young people loyal to the Kremlin’s domestic and foreign policy.

organised a forum for young Russian “compatriots” abroad called “20.20.” At this event, Pavel Abramov, deputy head of “Rosmolodozh,” stressed that working with “compatriots” is “one of the key directions” of Russian youth policy and “Rosmolodozh” will continue to support initiatives of Russian youth living abroad.

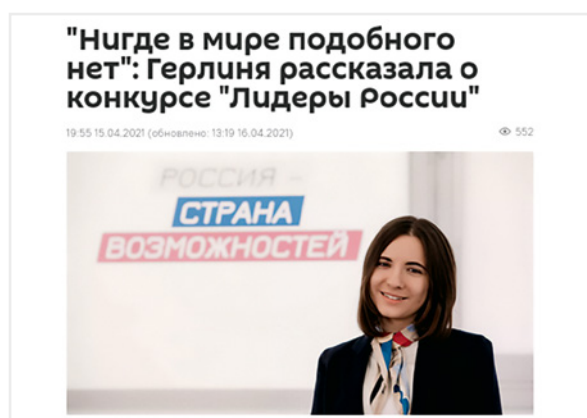
Evgeny Primakov, head of “Rossotrudnichestvo,” also purposefully developed the direction of activity of this agency, which is aimed at consolidating and attracting young people living abroad to the Kremlin’s worldview, for example by creating various alternative online educational formats.

Russia’s efforts to consolidate young people living abroad are also evidenced by the youth competition “Russian Leaders” organized by the Russian-based NGO “Russia – Land of Opportunity”.⁵ Since last year, young people living abroad can also participate in it. The winners of the competition receive funding for studies in one of the higher education institutions of Russia. Last year, the editor-in-chief of Baltnews, Alīna Gerliņa, a Latvian citizen living in Russia, also took part in this competition.

Within the attempts to attract young activists in attaining the “compatriot” policy goals in Latvia, at the beginning of 2021, the unregistered organization “Youth Council of Russian Compatriots in Latvia” (hereinafter – CTLJP) was established. As in previous searches for new “compatriot” leaders in Latvia, the establishment of the CTLJP and its further activities was supported by

the Russian diplomatic corps, which has for a long time been looking for young people as potential preachers of the Kremlin’s worldview in Latvia and torchbearers of “compatriot” policy ideas. Due to the epidemiological situation, the activities of the CTLJP were conducted on the internet, where the CTLJP diligently disseminated information on educational activities of young people in Russia, as well as participated in various online conferences with “compatriots” from other countries. According to the CTLJP’s priority work directions, part of the resources were allocated to participation in the memorial days of historical events that are important for Russian foreign policy, thus allegedly fighting against the Western “falsification of history”.⁶

In the second half of last year, LKS activist and St. Petersburg State University student Tatiana Andriječa was appointed head of the CTLJP. In her role as leader of this body, in October 2021, she attended the 7th World Congress of Russian Compatriots in Moscow. T. Andriječa has regularly participated in public events organized by LKS and “compatriot” activists, the primary goal of which was to ensure that the Kremlin’s aggressive foreign policy propaganda presented a picture of the alleged oppression of Russian people in Latvia and the prevailing “spy mania”. It should be noted that last year the LKS also expanded its efforts to consolidate young people who could potentially become the next promoters of the Kremlin’s worldview in Latvia. At the party congress a new organization “LKS Centrs” was founded on T. Zdanoka’s initiative. Dmitry Shandibin, a long-term LCS activist and advisor to T. Andriječa, was appointed its head.



Screenshot of a publication posted on the website “lv.sputniknews.ru” about A. Gerlina’s participation in the competition “Russian Leaders,” organized by the Russian NGO “Russia – Land of Opportunity”.



Screenshot from Facebook Photo posted by T. Andriječa as she talked to “RT” editor-in-chief Margarita Simonyan in Moscow during the 7th World Congress of Russian Compatriots.

⁵ In Russian “Россия – страна возможностей”.

⁶ At the commemoration of the liberation of the Buchenwald concentration camp at the Salaspils Memorial, as well as memorial cleaning and flower laying ceremonies dedicated to celebrating the so-called “victory day”.

The threat posed by Russia's historical policy

In 2021, Russia continued to aggressively implement measures to achieve historical policy goals. It invariably sought to legitimize its international status through the “historical achievements” of the Soviet regime. The main aim of this policy was to highlight the crimes against humanity committed by Nazi Germany, while trying not only to conceal, but also to justify the repression and the murder of civilians by the Soviet regime.

To achieve the goals of history policy, pseudo-historians close to the Kremlin organized various studies on events of the first half of the 20th century. Although the work of these ‘researchers’ was described in the public domain as the product of individuals independent of public bodies, in most cases the information obtained by VDD shows the contrary. Alexander Dyukov, the head of the Foundation “Historical Memory”, is the most active contributor in this direction of activity. Following an established tradition, a study on Latvian legionnaires was presented in March by Dyukov’s foundation, with the aim of portraying them as accomplices to crimes committed by Nazi Germany. Last year, a “Historical Memory” report titled “Executioners in Retirement. Nazi criminals from Latvia in the CIA’s service” was released. Its aim was to discredit the history and officials of Latvia, as well as to accuse Latvia of rehabilitating crimes committed by the Nazis and glorifying Nazi criminals. On 26 October 2021, under the leadership of Dyukov, the exhibition “30 Years of Independence of the Baltic States. Political prisoners. Censorship. Neo-Nazism” was opened in the Public Chamber of Russia. In addition to the classic messages created by A. Dyukov about Latvian “collaborators”



Screenshot from a Facebook page created by the Consulate General of Russia in Daugavpils, which contrary to diplomatic practice publishes criticism of Latvian historian K. Strods' study.

and “the revival of fascism” in Latvia, this exhibition integrated information on the alleged repression of Russian-speaking activists by the governments of the Baltic States.

It should be noted that at the beginning of June last year, a law was adopted by the Russian State Duma prohibiting the public conflation of the Soviet Union with the regime of Nazi Germany and thus to emphasize its crimes against humanity. Thus, Russia has in fact denied in its legal acts the crimes committed by the Soviet Union, which caused suffering to millions of people, including in Russia itself. The Russian side also tried to achieve the objectives of its historical policy through inherently absurd legal initiatives. Last year, Russia focussed increased attention on the fact that on 23 February 2021, a Soviet army cannon was removed without permission from a Soviet memorial in Jēkabpils.⁷

The Russian diplomatic corps was also actively involved in furthering the Kremlin’s historical policy objectives in Latvia. Last year, it concluded cooperation agreements with Daugavpils and Rēzekne municipalities on the renovation of the Soviet army memorial in Dubrovīn Park and a memorial to the POW camp “Stalag-347” in the territory of Rēzekne’s Northern District Park. The close involvement of the Russian diplomatic corps in the implementation of historical policy objectives is also evidenced in the public statements of the Russian Consul General in Daugavpils, Evgeny Kolesnikov, who publicly target a Latvian historian in connection with the study “We are all prisoners”, who is dedicated to the POW camp “Stalag-347”.

Likewise, both the Russian Embassy in Riga and the Consulates General in Daugavpils and Liepāja systematically focused on the creation and renewal of the memorial network in the territory of Latvia, as well as the creation and publication of various propaganda materials in line with the Kremlin’s interests. With the support of the Russian Embassy, a monument to Soviet army soldiers was unveiled in Kapsēde, while in Madona the remains of Soviet Major General Nikolai Yakunin were reburied (not without misunderstandings and disagreements between various parties in Russia). Instead of N. Yakunin’s remains being returned to his family in Russia, they were deliberately buried in Latvia to serve the goals of Russian history policy.

⁷ In connection with that event, the State Police, within the scope of its competence, initiated criminal proceedings, which in January of this year were transferred to the East Kurzeme Prosecutor’s Office for the initiation of criminal prosecution for a criminal offence pursuant to Section 228 Paragraph 3 of the Criminal Law on desecration of a grave and Section 109 Paragraph 2 on deliberate damage to trees. In connection with this event, representatives of the Main Investigation Branch of the Russian Investigative Committee also announced the initiation of a criminal case. As in Latvia, criminal proceedings were initiated in Russia in accordance with Section 243.4, “a”, “b” of Russian penal Code for damage to the graves of soldiers, as well as monuments to the memory of those who have fallen in defence of the Fatherland and its interests in the Great Patriotic War.

MANIPULATION OF A MEMORIAL PLAQUE

Last year, Russia attempted to spin the removal of a memorial plaque on the shore of Lake Ķīšezers in Riga in accordance with its historical policy interpretation. Due to gradual deterioration of its fastenings and weather conditions, the plaque, which was affixed to a stone, had fallen off and broken into several pieces. Therefore, the Riga Monuments Agency had taken it away for restoration work. However, pro-Kremlin activists, headed by the LKS, announced that the plaque had been stolen, without attempting to

ascertain the real facts. The Russian Embassy handed the Latvian Ministry of Foreign Affairs an official note, calling for Latvian state institutions to “take action” to find the guilty parties and restore the monument site. In reality, the party at fault were the glorifiers of the Soviet army, who were negligent in maintaining the plaque. This event reaffirms that Russian propaganda exploits memorials for its own ends while caring little about actual commemoration.

Russia also used certain Latvian military archaeology organizations and related activists to further its historical policy goals, the public manifestations of which were regularly used by the Kremlin for propaganda purposes. For example, several Russian media and information resources reported on the unearthing by the association “Search Organization “Patriots”” of a PE-2 bomber shot down during World War II in Nica Municipality. In general, the story was adapted to the usual messages about the “grandeur” of the Soviet army and the “invaluable contribution” of the USSR in the fight against fascism.

It should be noted that in the elections VDD repeatedly identified shortcomings in the regulatory framework for pre-election campaigning. While it is currently stipulated that paid political advertising is not allowed on election day, this does not apply to the prior-voting period. Consequently, political parties actively used paid advertising on the prior-voting days of 21 May and 3 June. Campaigning paid for in the assessment of VDD should be prohibited on all previous days of voting.

In general, according to VDD, the local elections were conducted peacefully. There were no systematic problems and the irregularities found in the electoral process were not malicious. No foreign interference or major attempts to covertly influence the mood of the population, cause division, instability or tension in society were detected on the prior-voting days or 5 June or 11 September 2021.

3.2.

SECURITY OF MUNICIPAL ELECTIONS

Within the scope of its competence, VDD ensured the free, fair, and democratic conduct of local elections held on 5 June 2021, as well as the 11 September 2021 elections for the Varakļāni Municipal Council and Rēzekne Municipal Council. VDD also performed identical tasks during the prior-voting periods of these elections.

VDD carried out preventive work by inspecting polling stations and monitoring the information space, as well as obtaining information and responding to signals about possible influencing of voters, distortion of the results and other potential irregularities. While diverse signals were obtained about violations of the order for conducting the elections, they were few. In two cases, under the jurisdiction for the performance of investigative activities, VDD took over criminal proceedings from the State Police, which were initiated to clarify the circumstances regarding the possible buying of votes. However, these criminal proceedings were concluded without charges.



Illustrative photo, VDD.

3.3.

INCREASING POLARISATION IN SOCIETY

Last year, as the COVID-19 pandemic and the associated restrictions on public life continued, VDD identified several signs of ever-deepening polarisation of society. In these circumstances, the problem of division of the population was further accentuated, and expressions of aggression and a mood of protest grew. New societal divisions reflected the attitude of the population towards vaccination, the health crisis caused by the COVID-19 pandemic and its economic management, as well as the decisions of politicians.

In the above circumstances, VDD continued to monitor processes in society, assessing their impact on the protection of the constitutional order of Latvia and national security. Last year, part of the public loudly and aggressively expressed dissatisfaction with the restrictions imposed to reduce the spread of COVID-19 and the need to vaccinate against COVID-19. Overall, this demonstrated a high level of activity and the ability to self-organize through social networking sites and direct communication platforms. When the urgency for COVID-19 restrictions and vaccination was decreasing in society, such persons used situations such as awkward statements by officials or the need to take unpopular decisions to increase their individual recognition. Several of them are running in the 2022 Saeima elections.

An analysis of information conducted by VDD does not provide convincing evidence that support for aggressive actions, including riots, has increased in society generally or within dissatisfied groups. However, some negative trends were observed. Several protest events held last year were attended by provocative individuals who were ready for physical aggression against policemen and visitors to the events, as well as demonstrating their willingness to break into the buildings of state institutions. For the prevention of such threats, VDD cooperated with the State Police, providing information on the identified risks.

The growing mood of dissatisfaction and protest in Latvian society against the restrictions imposed to overcome the COVID-19 pandemic were deliberately exploited by information resources used for Russian propaganda purposes. These resources exploited so-called opinion leaders and commentators in Latvia who are involved in various protests against COVID-19 restrictions. Thus, the public activities of these persons contributed to Russian information influence aimed at

dividing Latvian society, increasing distrust of Latvia's statehood and state officials, as well as undermining the sense of belonging to Latvia of the population.



A screenshot of a publication about Latvian "covid-dissidents" has been posted on the website "lv.sputniknews.ru".

3.4.

EXTREMISM AND RADICALISM

Right- and left-wing extremist organisations and individuals continued to have limited resources and organisational capacity in the past year to attract new members and organise activities that give them greater visibility.

Right-wing extremists continued to operate alone or in small groups of like-minded people. At the same time, VDD became aware of an increasing number of young people who are sympathetic to the ideology of right-wing extremism and who are influenced by the extreme right-wing environment, including that in Russia. These individuals were mostly radicalized on the internet. The online environment, rather than face-to-face activities, served as the main platform for right-wing extremists and the dissemination of radical material that contributed to the further radicalisation of this environment. Right-wing extremists used social networking sites such as Facebook and VKontakte to communicate with each other on the internet, as well as direct communication tools such as Telegram and "Discord". On the Internet, right-wing extremists spread critical messages about public administration,

government-imposed measures to limit the spread of COVID-19, immigrants, people of other races and sexual minorities. The observations of VDD show that the efforts of Latvian right-wing extremists to establish contacts with extremists from other countries to exchange opinions and information are gradually increasing.

On the other hand, in the past year, left-leaning extremist organisations and activists did not pose a significant threat to national security. The left-wing extremist environment was insignificant and isolated, and efforts to attract and expand the circle of supporters did not produce the desired result. Like the right, left-wing extremists used the internet for their activities and the spread of ideas. The leftist extremist environment continued to be influenced by the propaganda spread by Russia and expressed support for its foreign policy. The information obtained last year confirmed VDD's observation from previous years that efforts to spread the ideology of socialism and communism and other ideas of the left reach only a few individuals, and are

not able to capture a wider audience, considering the historical experience of Latvia and negative attitudes towards communist propaganda. At the same time, VDD observes that communist ideology has gained popularity with certain youths, who because of the propaganda spread by Russia, acquire a false impression of atrocities committed in the name of communism.

According to VDD, increasing challenges and security risks can potentially be posed by individuals who encounter extremist and violent materials on the internet on a daily basis. Such materials can inspire them and lead to gradual radicalisation, as well as encourage the use of violence against dissenters. The process of radicalisation of such individuals is usually difficult to detect, as they predominantly act alone or in small, closed groups. These circumstances make it more difficult to identify such persons, to assess the hazards they pose, and to monitor their activities. Therefore, the timely reaction of fellow citizens, noticing the potential radicalization of a person, is crucial.

CRIMINAL PROCEEDINGS FOR PLANS TO CARRY OUT A TERRORIST ATTACK

Last year, under the auspices of criminal proceedings initiated by VDD, investigations were conducted against a person whose activities revealed indications of criminal activity under Section 79⁴ Paragraph 1 of the Criminal Law⁸ and Section 79⁶ Paragraph 1 of the Criminal Law⁹. VDD has referred this criminal proceedings to the prosecutor's office of the Riga Court District for prosecution.

During its investigations, VDD established that the person had shown long-term and active interest in far right-wing extremism and terrorism, including gathering and storing materials and instructions which describe in detail how to make improvised weapons and explosives and carry out attacks,

including acts of terrorism. During the investigation, it was established that the person had been influenced by a group supporting Russian neo-Nazi ideas, whose members have carried out xenophobically motivated attacks against immigrants and homeless people.

For communication with other persons, the application "Telegram" was used, wherein the person also obtained materials about terrorism and instructions for carrying out terrorist attacks, as well as demonstrating sympathy for Nazi Germany. Examination of the materials obtained during the criminal proceedings indicate that the person had been planning to carry out a terrorist act – shooting at a synagogue.

⁸ On acquisition or receipt of instructions, knowledge, or practical skills for the purpose of implementing or promoting terrorism (training for terrorism).

⁹ For a person who commits public glorification or justification of terrorism, or regarding a public invitation to terrorism, or for the dissemination of material of content glorifying, justifying or inviting terrorism.



04

INFORMATION SPACE SECURITY

In VDD's assessment, the year as a whole vividly confirmed that every participant in Latvia's information space, including the mass media, active social networkers and users of video-sharing platforms, has a serious responsibility for the content and messages they distribute, as well as for the impact of the information provided on public opinion, perceptions, opinions and values.

Last year, various information resources continued to serve as one of the main means of Russian influence against Western countries, including Latvia. Belarus joined Russia's usual activities, demonstrating its readiness to act aggressively, to blatantly manipulate public opinion, as well as to shape perceptions of reality about world events and distribute this for consumption in the information space. Last year, Latvia, Lithuania and Poland faced an unprecedented hybrid attack from the territory of Belarus. Several thousand third-country nationals (predominantly Iraqi citizens who did not face a threat to life in their home country but who wanted to enter Europe in search of a better life) tried to cross the EU's external border illegally with the support of the Belarusian authorities. In the context of the unprecedented information aggressiveness of Russia and Belarus, the most active participants in Latvia's information space were not always able to respond appropriately to the changes caused by the growing tensions in the region. This also had a negative impact on Latvia's national security.

China continued to expand its activities in Latvia's information space, aimed at spreading a world vision corresponding to its foreign policy objectives, including discrediting NATO and the EU. On several issues, China's interests overlapped with those of Russia, so the most convenient vehicles for the implementation of China's goals were the traditional information resources used for Russian propaganda purposes in Latvia. Targeted grooming of potential opinion leaders to ensure the systematic circulation of information favourable to China in various formats, was also an essential part of China's activities.



At the same time, in addition to the threat posed by propaganda of foreign countries unfriendly to Latvia, last year the security of Latvia's information space was negatively affected by various conspiracy theories and fake news, as well as comments on social networking platforms and internet comments sections of news sites, inviting aggression and violence. In the long term, such trends can pose threats to public order and security, including by promoting the radicalisation of individuals.

4.1.

RUSSIA'S INFORMATION INFLUENCE MEASURES

Last year, Russia supplemented its National Security Strategy¹⁰ by identifying information security as one of the basic elements of national interests. It stresses, among other things, the need to protect Russia's information space by developing "means of information confrontation." Thus, by highlighting the threat of informative influence from "foreign countries" in its National Security Strategy, Russia is seeking to bolster its own arsenal of information influence measures, which has long been directed against Latvia's national security.

Despite these ambitions, analysis of the information at the disposal of VDD does not indicate any significant changes in Russia's targets of information influence or its methods of operation. In 2021, Russian information influence measures were also consistently characterized by pronounced centralization. Here, the Russian Presidential Administration played a leading role, by precisely setting the agenda and the messages to be disseminated to the "media" under the control

of Russian state institutions or businessmen loyal to the Kremlin. Their primary task was to conduct the public relations of the Russian state, i.e., to promote interpretations of developments in Latvia and elsewhere in the world that corresponded to the Kremlin's worldview. The Kremlin's propaganda messages were disseminated to different audiences using the widest possible range of information channels.

Russia's information influence activities were also supported in the past year both in an open and hidden way by Russian mainstream media, television channels and radio stations which were freely available also in Latvia, as well as other information resources related to Russia, i.e., "news" websites, blogs maintained by persons loyal to the Kremlin, so-called "opinion leaders" and "experts" etc. On the other hand, social networking and direct communication platforms primarily served to propagate "news" and messages.

The Kremlin's range of propaganda resources

Invariably, within the Kremlin's aggressive foreign policy, the most significant propaganda role is given to television channels belonging to the Russian state institutions and persons loyal to the Kremlin. During the reporting period, these included the television channels "Rossiya RTR", "NTV", "REN TV", "Pyatij kanal", "Zvezda" and others. Although their retransmission in Latvia has been suspended, their availability was facilitated by "illegal" cable service providers.

According to VDD, audio-visual content, especially presented in television format, has the highest potential to influence public opinion and the views of individuals on processes and events. For this reason, for several years, Russia has used the resources made

¹⁰ In Russian "Стратегия национальной безопасности".

available to it by audio-visual creators to spread the Kremlin's preferred interpretation of history and current events through news, informational programmes and entertainment. Unfortunately, analysis of the information at the disposal of the Service confirms that these Russian messages have an audience in Latvia within certain groups of society which indiscriminately consume Kremlin propaganda, thus receiving a distorted picture of what is happening around them.

Last year, when implementing measures for the protection of the information space, VDD continued to investigate possible cases of violation of EU sanctions in Latvia, when Russian media magnates - subject to sanctions - were provided with resources. At the end of the year, the Service referred criminal proceedings against 14 persons to the Prosecutor's Office for the initiation of criminal prosecution for cooperating with information resources "Sputnik" and "Baltnews", which are financed by the Russian information agency "Rossiya Segodnya", under the supervision of Dmitry Kiselyov¹¹, who is subject to EU sanctions. According to VDD, these specific information resources are an important tool used by the Kremlin against Latvia, and last year their creators deliberately tried to gain positions in the Latvian media environment.

Some other local pro-Kremlin activists who provided correspondent services to television channels used for Russian propaganda purposes also came to the attention of the Service. In the context of the COVID-19 pandemic, their support to the Kremlin was important mainly due to the travel restrictions imposed. These persons provided support in creating stories about events in Latvia, which were later presented both as news broadcasts, and used in wider Kremlin propaganda campaigns, denigrating and discrediting the Latvian state.

In 2021, the TV channels controlled by the illegitimate leader of Belarus and other information resources close to the Belarusian regime also became an important resource for Kremlin propaganda purposes. The artificial migration flow coordinated by the Belarusian authorities also served as a convenient tool for achieving Russia's goals, discrediting Latvia, Poland and Lithuania for their efforts to protect their national security interests. As the EU strengthens sanctions against Belarus, including A. Lukashenko, "media" companies controlled by A. Lukashenko are considered to be sanctioned, therefore it is unacceptable to transfer financial or other material resources to them.

Direct and indirect support for Russia's information influence efforts last year was also provided by

a number of Russian language media and other information resources working in Latvia, which included in their content messages about developments in Latvia that corresponded to the Kremlin's interests elsewhere in the world, as well as provided support for the public activities of the Russian diplomatic representation. According to VDD, Latvia's Russian-language internet news sites such as "bb.lv" and "press.lv" regularly used Russian resources as sources of information, indiscriminately republishing Kremlin propaganda and promoting information created for Russian domestic political purposes for consumption by the audience of these resources in Latvia. In addition, such publications were also deliberately and systematically distributed on social networking platforms to increase reach among the population of Latvia. Blatant cases of disinformation were also identified in Russian-language newspapers published in Latvia. A clear example was the Russian newspaper "Express Gazeta", whose content included messages about Russophobia and ethnic discrimination allegedly prevailing in Latvia.

The analysis of VDD also shows that the Russian diplomatic corps in Latvia continued to contribute to the Kremlin's propaganda activities, especially by creating a vision of history that is in line with Russia's interests. For example, Russian diplomats in Latvia used information influence tools to distribute versions of events about World War II that correspond to Russia's interests. Facebook was regularly used for this purpose. Local creators of content for Russian language information resources were invited to "report" on various events important to Russian history policy, such as the so-called "forcing" of Kīšezers, the restoration of various Soviet monuments and the work of military archaeology activists, in line with the objectives of Russian history policy and propaganda.

Social networking and video-sharing platforms, as well as direct communication applications, are increasingly important in Russia's information influence efforts. During the reporting period, the role of the Telegram application in the spread of Russian disinformation increased. VDD identified several cases where Russian propaganda messages and blatant disinformation were deliberately and systematically disseminated in groups using this application.

A special place in the Russian propaganda machine was held by various little-known websites. In 2021, these resources were useful for spreading targeted disinformation and lies about Latvian state institutions or Latvian officials whose decisions and policies were not in line with the Kremlin's worldview. This purpose,

¹¹ D. Kiselyov was added to the EU sanctions list on 21 March 2014. Council Implementing Regulation (EU) 2022/336 describes D. Kiselyov as one of the central figures in the Russian government's propaganda supporting the deployment of Russian forces in Ukraine.

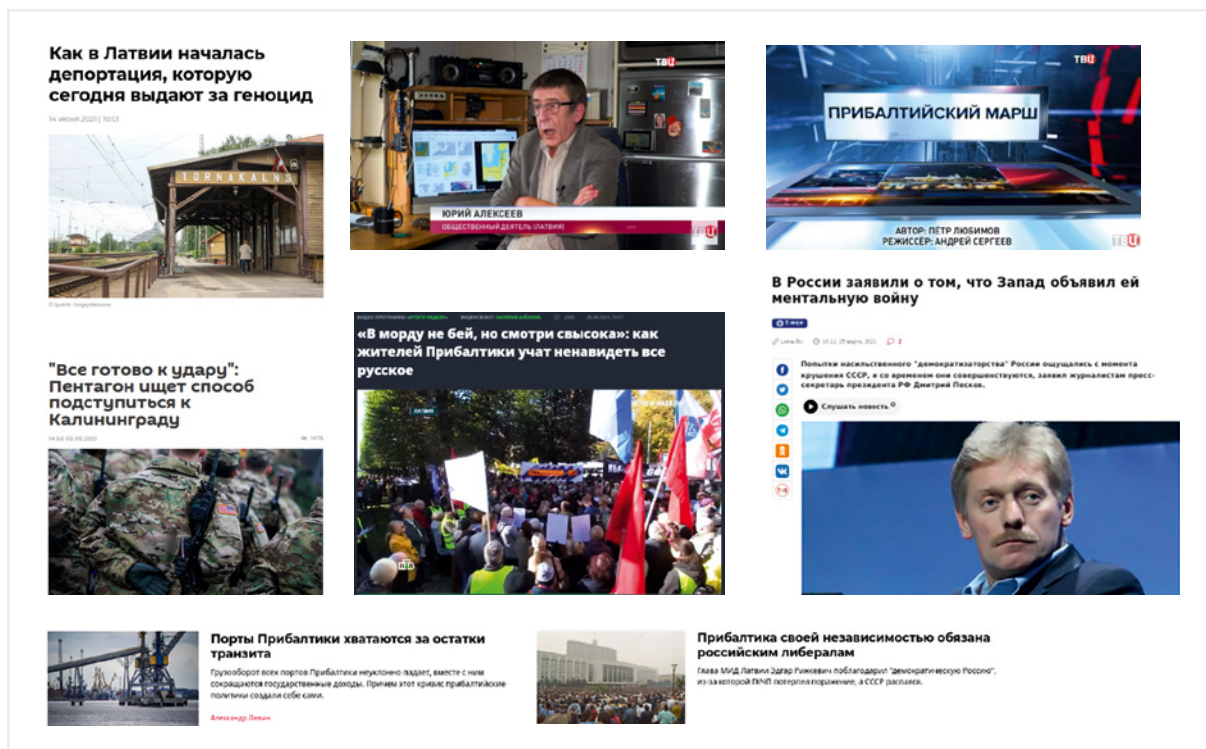
for example, has been served by the English-language website “balticword.com”, whose creators hide behind pseudonyms such as “Vairis Godmanis” and “Viktors Domburs”, and which systematically disseminates discrediting information about Latvia and NATO-allied countries.

According to analysis carried out by VDD, last year information operations played a special role in the architecture of Russia’s information influence efforts, alongside the massive propaganda activities against the Latvian population. Persons associated with the Russian intelligence and security services were responsible for the organisation and implementation of information operations. In contrast to the Kremlin’s propaganda activities, the primary aim of which was to maintain a constant and massive presence of messages corresponding to Russia’s geopolitical interests in Latvia’s information space, Russian information operations mainly targeted specific individuals or organisations whose activities were not in line with the Kremlin’s worldview. Russia’s information operations were tasked with discrediting the target, which was expanded through disinformation, lies and conspiracy theories. Specific websites or social networking platforms were used to carry out information operations. They “planted” disinformation, and this content was further disseminated by the information resources traditionally used in the Kremlin’s information influence efforts.

The planners and implementers of Russian information operations eagerly exploit social networking platforms to disseminate information, which allows them to release blatant disinformation and lies for public consumption. In 2021, VDD identified a case where Dmitry Yermolayev, a Russian “diplomat” expelled from Latvia, published disinformation on Facebook that was later “reproduced” by Russian information influence resources (see the infographic ‘Russian Information operation Defamation of the National Guard’ p. 28). Likewise, Russian information operations also made use of the Russian compatriot activists’ site “imhoclub.lv”. For example, in May 2021, the site spread disinformation intended to discredit Latvia in connection with the removal of the Belarussian flag during the World Hockey Championships in Riga.

Constructing the Kremlin’s worldview

In 2021, Russian information influence measures included activities that were directly directed against the Latvian society, mainly targeting consumers of Russian language media, as well as activities that were primarily aimed at audiences in Russia, but as a result of which the messages distributed also ended up in Latvia’s information space. VDD analysis reveals several thematic blocks essential for the Kremlin last year, for the description and distribution of which all information resources available to Russia were used.



Screenshots from the websites “lv.sputniknews.ru”, “bb.lv”, “ntv.ru”, “tvc.ru” and “lv.baltnews.com”.

RUSSIAN INFORMATION OPERATION TO DEFAME THE NATIONAL GUARD

STAGE 1



Dmitry Yermolaev

10 September at 23:47 · 🌐

Свастика на знаменах латвийского Земессардзе (это своеобразное официальное ополчение при армии)

Это студенческий батальон Земессардзе

Фотошка отсюда:

<https://www.facebook.com/.../pcb.../1713373522193592>

Publication of disinformation

On 10 September 2021, Dmitry Yermolaev published a post on Facebook claiming that the symbolism of the Latvian National Guard student battalion depicted a swastika.

STAGE 3

«Ежедневная газета»

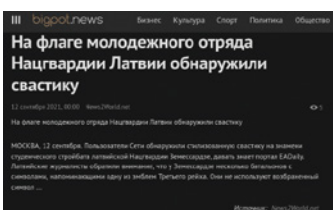
На флаге молодежного отряда Нацгвардии Латвии обнаружили свастику



12 сентября 2021

МОСКВА, 12 сентября. Пользователи Сети обнаружили стилизованную свастику на знамени студенческого отряда латвийской нацгвардии Земессардзе, пишет портал EADaily.

Латвийские журналисты обратили внимание, что у Земессардзе несколько батальонов с символами, напоминающими одну из эмблем Третьего рейха. Они не используют избранный символ нацистов — черную свастику в белом круге на белом фоне —, а видоизменяют его, рисуют ее изобразив в золотом цвете на синем фоне.



Multiplication and further manipulation of disinformation

D. Yermolaev's fabricated story about the swastika in the symbolism of the National Guard student battalion was used in the content of various fake news websites written in Russian, for example, "bigpot.news" and "news2world.net". These materials explain that "Latvian journalists" have also paid attention to the fact that "the symbolism of several National Guard battalions resembles one of the emblems of the Third Reich".

D. Yermolaev's post is deleted, its function – to initiate disinformation – has been realized.

STAGE 2

На знамени студенческого отряда латвийского ополчения «Земессардзе» нашли свастику

12 сентября 2021

12:17



Иллюстрация: EADaily

Пользователи соцсетей «обнаружили», что знамя студенческого батальона латвийского государственного ополчения «Земессардзе» украшено свастикой.

РАДИО SPUTNIK

В мире

18/09/2021 12:00:2021 (обновлено 18/09/2021 12:00:2021) © 2021

На флаге молодежного отряда Нацгвардии Латвии обнаружили свастику

В Латвии на флаге молодежного военизированного батальона заметили свастику.

Spreading disinformation

On 12 September 2021, the Russian websites "easily.com" and radio "Sputnik" (funded by "Rossiya Segodnya") published D. Yermolaev's posts with disinformation about the symbolism of the Latvian National Guard.

There is no reference in the disinformation material to D. Yermolaev, instead citing "social media users". Vladimir Linderman and Vladimir Dorofeyev, pro-Kremlin activists and content creators for the Latvian version of Sputnik, commented on the disinformation.

V. Lindermans commented that the swastika in the symbolism of the Latvian National Guard battalion was chosen deliberately, because "almost half of Viktors Arājs' team was made up of students".

Firstly, according to the Kremlin's worldview, the current international system is unjust and illegitimate, as it embodies an order imposed by the West. Public statements by Russian state institutions and officials were designed to shape the image of Russia as a world power with the right to make territorial claims against its neighbours and to absorb them into its own zone of influence or buffer zones under the control of the Kremlin.

Second, in the Kremlin's worldview, Russia is under threat. Under the leadership of the US and NATO, Russia has been besieged by hostile countries, which have forced Russia to respond to the growing military threat, NATO's "encroachment" on its borders and Western efforts to plunge Russia into a military conflict. Thus, in Russian propaganda campaigns and information operations, a version was constructed that Russia is constantly threatened by an "external enemy," i.e., an aggressive NATO. The primary purpose of this is to consolidate Russian society, build loyalty to the Kremlin and justify Russian military campaigns in other countries, including Ukraine.

Third, interpretations of the unification of "Russian lands" and the highlighting of violations of Russian rights in other countries form an essential component of the Kremlin's worldview. In support of this interpretation, the information resources used to support Russia's aggressive foreign policy spread messages about the alleged suppression of Russian

rights in the Baltic States, as well as attacks on the Russian language, culture and traditions. These fake messages, in turn, were used as "evidence" for the Kremlin to justify interfering in the internal affairs of countries it sees as its own zone of influence.

Fourth, in strengthening the Kremlin's worldview, an increasingly important place is given to messages and interpretations that contribute to the realization of the policy goals of Russian history. The analysis of VDD shows that last year, messages were spread with increasing intensity aimed at creating a version of Latvia as a country where fascism is supposedly reborn, Nazi criminals are celebrated and targeted measures are taking place to rewrite history and denigrate the "achievements" of the USSR.

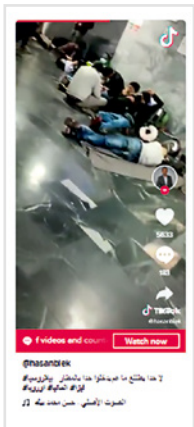
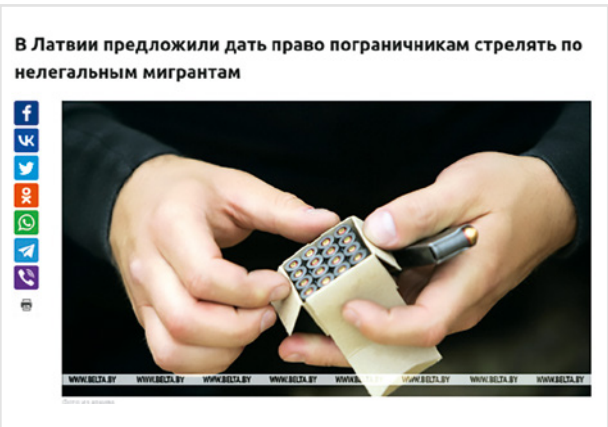
Fifthly, there are messages aimed at constructing a version of the "good Russia", which seeks to guarantee peace, stability and security, with which other countries can experience rapid economic growth and which has historically made an invaluable contribution to the world's economic, scientific and academic life. Last year, such messages were deliberately aligned with content aimed at strengthening interpretations in Latvia's information space that, after the collapse of the USSR, Latvia has experienced a decline in prosperity, that accession to the EU and NATO has not ensured the expected growth to the population and, in the end, Latvia has become a failed and unhappy country.

EXPLOITATION OF MIGRANT FLOWS ORGANISED BY BELARUS FOR PROPAGANDA



On 23 May 2021, while the Ryanair plane was in Belarusian airspace, the regime authorities forced it to land at Minsk National Airport, where the Belarusian authorities arrested two passengers on the flight: opposition activist and journalist Roman Protasevich and his girlfriend Sophie Sapeg.

Following the landing of the Ryanair plane by the Belarusian regime, the Council of the EU announced further sanctions against members and supporters of the Belarusian government, as well as on Belarusian state-owned enterprises.



Following A. Lukashenko's threat to flood the EU with smugglers, drugs and migrants, the Belarusian authorities and regime propaganda channels spread the news about Belarus as a gateway to Europe. Belarus facilitated the procedure for obtaining a visa for citizens of countries in the Middle East, Asia and Africa, advertised trips to Belarus. At the same time, propaganda from the Belarusian regime spread versions that Poland and the Baltic States treat refugees "inhumanely" and do not comply with international obligations to receive asylum seekers. Distorted information about Latvian border guards was circulated, claiming that they could be given the power to shoot at migrants.



In response to the news of a new package of EU sanctions, A. Lukashenko's regime unleashed its propaganda machinery. He repeatedly made public threats that he would flood the EU with drugs and migrants. Lukashenko's propaganda claimed that Belarus had been 'protecting' the EU from migrants for years and now the 'ungrateful' and 'unfriendly' West would pay the price for their treatment of A. Lukashenko.



In the second half of last year, Belarusian services regularly transported and directed migrants to the most vulnerable sections of the border with Poland, Lithuania and Latvia, and issued tools to damage the border infrastructure. Despite repeated unsuccessful border crossing attempts, the migrants were prevented from going back to Minsk and leaving for their home countries. The foreigners themselves were also ready to stay in the border area for a long time, waiting for a more favourable moment to cross. In order to achieve sustained activity by border crossers and condemnation by human rights organisations of Latvia, Belarusian propaganda and disinformation campaigns constructed a version of A. Lukashenko as a "caring" leader concerned about "people in distress". Russian television channels and websites were also involved in disinformation campaigns, as were pro-Kremlin activists who spread relevant messages on online platforms.

Screenshots from a post by Franak Vyachork, an adviser to Svjatlana Cihanovska, on Twitter, an article published on The Financial Times website ft.com, on the websites vesti.ru, ria.ru and mk.ru material, video material published on the BBC's bbc.com website, video footage published on the video-sharing platform TikTok, published on the video-sharing platform YouTube by the BBC news material about what is happening on the Border between Poland and Belarus and articles posted on the website "belta.by".

4.2.

CHINA'S INFORMATION INFLUENCE MEASURES

In 2021, along with the massive propaganda of Russia's aggressive foreign policy and information operations against Latvia and its allies, the information influence of China was also identifiable in Latvia's information space.

Similarly, to 2020, in 2021 China's information influence efforts involved the systematic dissemination of messages corresponding to its foreign policy objectives and the development of purposeful cooperation with representatives of Latvian media and academia with the aim of using them as a Chinese political, economic and scientific impact-enhancing "opinion leaders". China's diplomatic corps in Latvia played an important role in these influence efforts.

Experience in other countries has shown that China also uses various non-governmental organisations to enhance its influence. In the international media environment, China's interests are actively represented by the All-China Journalists' Association, which tries to build relations with associations representing the interests of journalists from other countries. One of the objectives of such cooperation may also be to provide regular information and data to the All-China Journalists' Association on the media environment of the respective country and its most active participants, as well as other issues that may be important for the implementation of China's foreign policy goals, including strengthening of China's positive image in other countries.



Screenshots from articles published on the websites "lv.sputniknews.ru" and "lv.baltnews.com".

China's influence efforts are also characterized by aggressive targeting of the spread of information inconsistent with its foreign and geopolitics objectives. China and its affiliates directly seek to influence

the content distributed and request removal of information that they do not like from the relevant media. According to VDD, such efforts have a negative impact on the media environment as one of the cornerstones of democracy, and they are contrary to the interests of the information space and national security of Latvia.

Analysis carried out by VDD shows that messages corresponding to China's foreign policy objectives were used in several Russian-funded and pro-Kremlin information resources. This is explained by the fact that in both Moscow and Beijing's worldview, the West and Latvia as part of it are an "adversary", whose positions need to be weakened by influence instruments. Chinese influence activities in Latvia increasingly presented China as a "stabiliser" of the region and the international political system, as well as an important political and economic player. As in 2020, China's influence activities were largely subordinated to the country's efforts to build a positive image of itself, which suffered due to the spread of the COVID-19 pandemic.

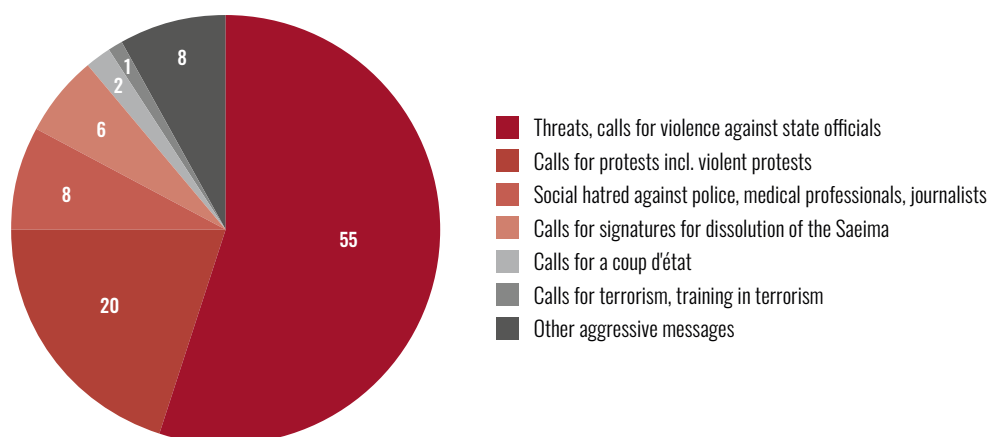
4.3.

SPREADING OF DISINFORMATION AND CONSPIRACY THEORIES

Last year, Latvia's information space was also threatened by the deliberate dissemination and use of disinformation and conspiracy theories to manipulate public opinion. Analysis carried out by VDD shows that the targeted dissemination of disinformation and conspiracy theories was related not only to the information influence activities of countries unfriendly to Latvia, but also to the mercantile and populist efforts of particular local persons to raise their political profile before the 2022 Saeima elections.

The systematic presence of disinformation in Latvia's information space became particularly topical with the onset of the COVID-19 pandemic, which reached its climax in 2021. As a result of the increase in the volume of disinformation, the prevalence of violent and aggressive post and comments on the social networking platform Facebook increased. The findings of VDD show that aggressive posts were widely published on social networking sites, mainly expressing dissatisfaction with the changes and difficulties caused by the COVID-19 pandemic in everyday life. Most of the aggressive messages targeted state institutions and their officials. The comments recorded by VDD contained both verbal rudeness and threats to harm officials and use violence against them.

Narratives of aggressive comments (%)



Likewise, according to data recorded by VDD, the extent of disinformation and conspiracy theories distributed on social networking platforms last year had a negative impact on the public discussions of different population groups on political, social and economic developments that underpin democracy. VDD identified several cases when discussions of members of the public about various topical events, including restrictions on public life imposed in the country to reduce the spread of COVID-19, were systematically filled with aggressive and violent texts aimed at increasing the sentiment of protest and discontent in society. A number of comments called for the participation in or organisation of protests against the COVID-19 restrictions imposed in the country,

including calling for violent protests and riots. Cases were identified when commentators threatened or called for the use of violence against the State Police, medical professionals and journalists.

Upon detecting threats to cause harm made on the internet, including the use of violence, in several cases VDD assessed the situation and took measures to prevent potential threats. At the end of the year, when the number of aggressive comments soared, VDD checked several thousand comments published on various internet platforms, issuing warnings to several hundred people. VDD reiterates that violence and threats to use violence in are subject to criminal liability in Latvia.



05

ECONOMIC SECURITY

In response to Russia's invasion of Ukraine earlier this year, the international community imposed unprecedented financial and economic sanctions on Russia.

A number of international companies ceased their activities in Russia. As a result of the sanctions, Russia has faced international isolation.

The aggressive foreign policy of Russia and Belarus inevitably had a negative impact on Latvia's economic security even before the start of the Ukrainian war.

In these circumstances, VDD paid special attention to processes in the Latvian financial sector, energy and transit sector with the aim of identifying potential threats to these sectors of importance to the Latvian economy in a timely manner. Latvia's economic security was also negatively affected by the COVID-19 pandemic last year.

The biggest challenges in the financial sector were related to strengthening the structural changes already initiated in previous years, as well as reducing the risks arising from malicious attempts by individuals to exploit the Latvian financial sector for their own benefit, including by making financial resources available to persons against whom the EU has imposed financial sanctions. Taking into account the ongoing human rights violations by the A. Lukashenko regime in Belarus, as well as hybrid attacks on the borders of Poland, Lithuania and Latvia, the EU expanded the number of Belarusian persons subject to financial sanctions. Consequently, in accordance with its competence, VDD implemented measures to ensure compliance with the sanctions imposed by the EU.

As before, in 2021, VDD continued vetting foreign investors who, in exchange for investments in the Latvian economy, applied for temporary residence or permanent residence permits, as well as evaluated true beneficiaries of companies and their involvement in transactions affecting national security interests. Despite the fact that the requirements for obtaining a temporary residence permit in exchange for investments (hereinafter – TRP) have become stricter compared to 2020, last year, the number of foreigners who wished to receive a permit to stay in Latvia within the framework of this programme, increased.



5.1.

FINANCIAL SECURITY

According to the analysis by VDD, last year Latvia's financial security was seriously affected both by the previously imposed sanctions against Russian officials and individuals close to state power, as well as by the strengthening of international sanctions against Belarus in relation to the A. Lukashenko regime's human rights violations in Belarus and the hybrid attack on the borders of Poland, Lithuania and Latvia, using foreigners intending to enter the EU illegally.

Changes in the sanctions regime affected sentiment in the financial sector and referred to the dynamics of economic financing. The efforts of entrepreneurs to maintain cooperation with the countries affected by sanctions continued to put a strain on the financial sector, making it difficult for the rest of the economy to access financial services. The subjects of sanctions also tried to circumvent the imposed sanctions by masking financial transactions and true beneficiaries. At the same time, the structural changes in the financial sector targeted in previous years have significantly improved the ability to manage sanctions risks and prevent financial crimes.

Last year, the main challenges for Latvia's financial sector were related to the effective strengthening and observance of the risk management culture after the EU tightened sanctions against Belarus and its officials in 2021. In 2021, sanctions against Belarusian natural and legal persons were reinforced by NATO members the United States, Canada and Britain. These sanctions are binding on participants of the Latvian financial and capital market, as well as being observed in public procurements. Thus, the opportunities for cooperation between companies important for the Belarusian economy and the EU were significantly limited.

International sanctions were imposed on persons close to the Belarusian executive power and companies under their control, which are jointly responsible for human rights violations and are an essential source of revenue for the authoritarian regime of Belarus. The sanctions were directed against the trade and transport of tobacco, oil and chemical products, as well as the export of dual-use goods and equipment, materials and technological means that can be used to retaliate against Belarusians. Restrictions were also imposed against Belarusian air carriers, effectively preventing them from using EU territory and airspace. In a timely manner, the regulatory framework of sanctions included a transitional period, allowing merchants to complete the execution of existing contracts, as well as retaining the possibility to continue the import of goods originating in Belarus. Under the sanctions adopted by the EU, financial institutions were prevented from allowing access to financial and economic resources for certain persons, including the authoritarian leader of Belarus, A Lukashenko, and companies under his direct or indirect control or other legal arrangements.

Last year, banks became more cautious and more often abandoned higher risk customer service, which indicates an improvement in the financial sector risk management culture. The costs of risk management also increased, so banks assessed more carefully whether the number of resources necessary to manage the transaction and the customer's risk was proportionate to the bank's expected profitability, coexisting with the reputational risks. In turn, a relatively indiscriminate approach could be observed in the activities of individual entrepreneurs working in other sectors, continuing cooperation with business partners which could be directly or indirectly related to sanctioned persons. VDD reiterates that the provision of financial or economic resources to persons on the EU sanctions list is a criminal offence.

COOPERATION OF VDD WITH OTHER INSTITUTIONS IN THE FIELD OF INTERNATIONAL SANCTIONS

In the past year, the number of reports received by VDD from banks on possible violations of EU sanctions or attempts to violate sanctions against Belarus increased significantly. Most of the reports were about transactions with companies which sanctions subject A. Lukashenko indirectly controls, or for goods and services that are not subject to the exceptions to the term of entry into force of the contract or certain products specified in the sanction’s framework.

In 2021, VDD received a total of 122 reports (compared to 13 reports in 2020) on possible violations of sanctions imposed by NATO member states, including the US, or of attempts to violate sanctions imposed by NATO member states, including the US.

The number of reports increased significantly in the second half of 2021 (105 reports received) after the EU approved the fourth set of sanctions on 21 and 24 June 2021, adding 78 Belarusian natural persons and eight legal entities to the sanctions list, as well as imposing targeted economic sanctions – trade restrictions on petroleum products, potassium chloride (“potash”) and goods used for the manufacture of tobacco products.

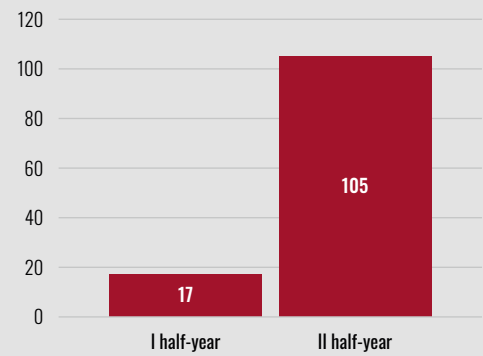
Last year, VDD mainly received reports from credit institutions, as well as from public institutions and representatives of the private sector (companies registered in Latvia). One report on the possible circumvention of international sanctions was received from the Financial Intelligence Unit of Latvia.

Credit institutions mainly reported on indirect attempts to infringe sanctions, namely refusal to process payments or freezing of funds in which the initiator or the recipient is an enterprise which may be under the control of a subject of sanctions. In two cases, reports from credit institutions concerned a direct attempted infringement of sanctions, i.e., the originator or recipient of the payment was a natural person or company on the sanctions list.

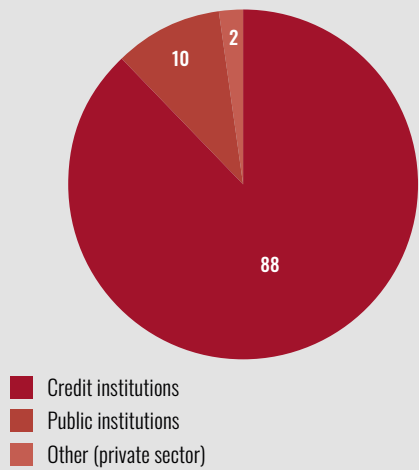
The reports received by VDD from public authorities and the private sector concerned both alleged violations of financial restrictions and violations of restrictions on the movement of goods.

VDD assessed separately each report received on possible violations of international sanctions. In response to the reports received which involved potential risks of violating sanctions, VDD held discussions with individuals, warning them of liability for violating sanctions.

Number of reports received by VDD in 2021



Breakdown of the number of reports received by VDD by rapporteur (%)



5.2.

TRANSIT

The operation of the transit sector continued to be affected by the COVID-19 pandemic in the past year. On the one hand, the sector felt the effects of the pandemic, which took the form of uneven dynamics in the economy, also creating difficulties in the supply chains of goods. Similarly, some transport companies and companies in the transit sector had insufficient vaccination coverage, which temporarily affected the operation of the sector. On the other hand, as a result of the COVID-19 pandemic, rapid development of e-commerce continued in Latvia and elsewhere in the world, which ensured demand for logistics services, aviation cargo and road transport.

Transit sectors, especially the operation of large ports and railways, were also affected by the difficult security situation in the region, which stemmed from Russia's aggressive foreign policy and the hybrid attack by Belarus against neighbouring countries, which led to the strengthening of international sanctions against it. Analysis of the information available to VDD shows that some companies in the transit sector adapted to the uncertain perspective of cooperation with Russia and Belarus, realizing that cargo volumes would be smaller, their structure would fluctuate, and competition would increase. While some entrepreneurs in the transit sector successfully adapted to the circumstances, there were also a few who were ready to engage in high-risk transactions with subjects subject to international sanctions, thus risking violating the Criminal Law, as well as threatening their business and the reputation of the Latvian state.



Screenshot from the visualization of the "Rail Baltica" project with the upcoming design of Riga Central Railway Station, posted on the website "edzl.lv".

Positive trends were observed in the operation of large ports, i.e., ferry traffic cargoes and ro-ro cargo dynamics in the ports of Ventspils and Liepāja. In VDD's assessment, this, as well as the attracting of industrial enterprises to port territories, simultaneously reducing the dependence of ports on transshipment of energy resources and fertilizer cargoes, is one of the most promising spheres for the transport sector.

Last year, work continued on the development of the European standard railway line project "Rail Baltica", which plays an important role not only in the economic growth and safety of Latvia, but also in other countries of the region. In this strategically important project for Latvia, visible progress was made, and construction works were started on several elements of it in Riga. In accordance with its competence, VDD continued to follow the development of the project and the processes related to its safe implementation.

5.3.

ENERGY SECURITY

In 2021, Latvia's energy security was affected by high natural gas and electricity prices on global markets.

High prices of natural gas and electricity led to an increase in both heating tariffs and production costs, as a result of which the prices of goods and services also increased. These factors contributed to the social stratification of society, with a particularly negative impact on the most socially vulnerable sections of society. The analysis of VDD shows that the rise in energy prices also contributed to dissatisfaction and an increase in protest sentiment in a certain part of society. Various protest movements, as well as populist forces, tried to exploit this situation in their own interests, starting the election campaign before 2022 Saeima elections.

Taking into account the current trends in the natural gas market, where in the second half of 2021 there was a record increase in the price of resources, in the assessment of VDD, the production of electricity using alternative forms of energy could help Latvia to address the problem of electricity shortages in the long term. The EU's move towards a significant reduction in greenhouse gas emissions by achieving climate neutrality in Member States by 2050 is of great significance in this context. Increasing the share of renewable energy resources in energy production may reduce Latvia's dependence on energy imports.

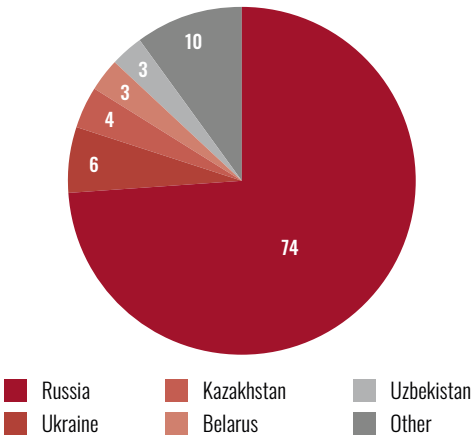
In the assessment of VDD, last year uncertainty remained about the unified approach of the Baltic States in the electricity market with third countries. It is important for the Baltic States to continue to move together towards synchronisation of electricity grids with other Western European countries. Trade in electricity with third countries is strategic national security issue. On this issue, Latvia needs to find a balance between the interests of the country's energy security, preserving the possibility of trading electricity with third countries, and the strategic goal of the Baltic States to achieve separation of their electricity networks from the BRELL¹² energy ring in order to join the Western European electricity network.

5.4.
VETTING INVESTORS

One of VDD's tasks for the protection of Latvia's economic security is to screen foreigners applying for TRP in exchange for investments in Latvia's economy under Section 23 Paragraph 1 Articles 28, 29, 30 and 31 of the Immigration Law. As a result, every year within its competence VDD evaluates the potential risks of such persons and their activities on national security as well as providing opinions to the Office of Citizenship and Migration Affairs (hereinafter – PMLP).

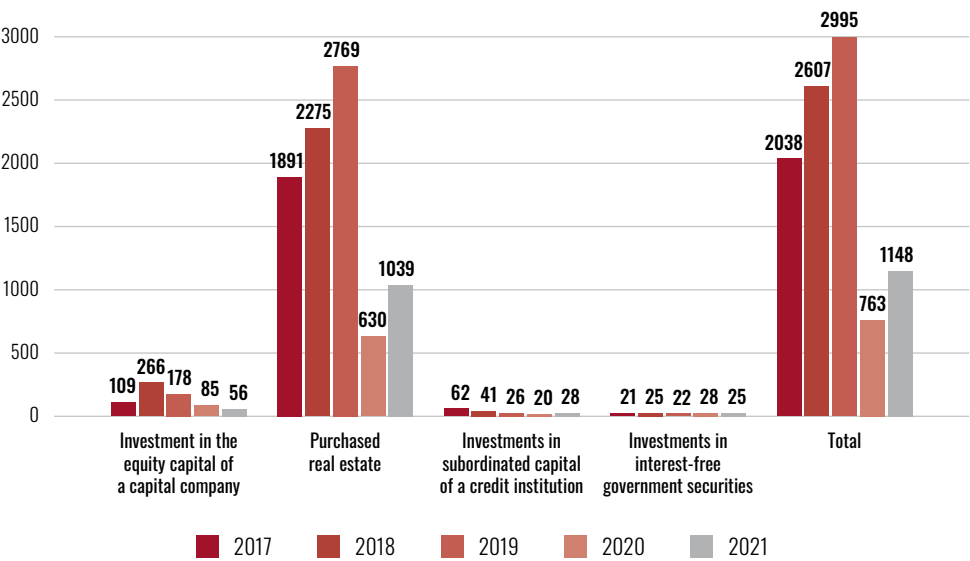
Last year, VDD screened a total of **1148** people who requested TRP in exchange for investment, including their family members, i.e., spouses and minor children. **781** persons repeatedly requested TRP on this basis, while **367** persons applied for TRP in exchange for investments for the first time.

Breakdown of TRP applicants by country (%)



As in previous years, the greatest interest in 2021 was to acquire TRP based on real estate purchased in Latvia. Last year, **1039** persons or 90% of all TRP applicants were in this category. There was significantly less interest from foreign investors who applied for TRP in exchange for

Dynamics and distribution of TRP applicants by type of investment



¹² The BRELL energy ring is based on an agreement signed by Belarus, Russia, Estonia, Latvia and Lithuania on the mutual synchronisation of their electricity grids, and operation in a uniform mode.

investments in share companies (**56** persons), and even less interest from investors who were going to invest in subordinated capital of credit institutions (**28** persons) or state interest-free securities (**25** persons).

The overwhelming majority of all screened TRP applicants – **849** persons – were Russian citizens. There were significantly fewer TRP applicants from citizens of Ukraine (**75**), Kazakhstan (**42**), Uzbekistan (**38**) and Belarus (**34**). It should be noted that **29** persons from countries with an increased presence of terrorist groups or other terrorism-related risks (hereinafter – countries at risk of terrorism) also had an interest in receiving TRP in exchange for investments.

VDD also vetted **342** persons, including their family members, who had previously obtained TRP on an investment basis, but now applied for a permanent residence permit (hereinafter – PRP).

Similarly to previous years, last year VDD worked closely with the PMLP to improve the verification mechanism for TRP applicants. For example, by requiring the submission of additional documents for carrying out an in-depth examination in cases where risk factors have been identified. In several cases, refusal to submit requested documents resulted in the annulment or refusal of TRP. Last year, the PMLP, in consultation with VDD, declined to issue TRP to 24 persons.

5.5.

VETTING OF BELARUSIAN CITIZENS

As the Belarusian regime continued to increase the pressure on the country's civil society, which resulted in a significant deterioration of the human rights situation and business environment in Belarus, the

number of citizens of the country who applied for a long-stay visa to enter Latvia under the asylum programme increased.

Within the framework of this programme, Belarusian citizens who faced danger to life or health, who had chosen to leave Belarus for fear of potential persecution or had expressed a desire to move their business from Belarus to Latvia could apply for a visa. In cooperation with the Embassy of Latvia in Belarus and the Investment and Development Agency of Latvia, VDD evaluated applications of Belarusian citizens who had applied for a long-stay visa to enter Latvia within the framework of the abovementioned programme. Last year, VDD received information about 427 persons who wished to receive a long-stay visa to enter Latvia on the basis of the abovementioned considerations. Compared to 2020, the number of such individuals almost tripled.

When assessing such persons, VDD took into account the validity of visa applications, as well as the potential risks that this programme could be misused, including in the interests of foreign intelligence and security services. In most cases, VDD gave a positive answer on eligibility for a visa. At the same time, in several cases, VDD implemented additional measures for vetting of persons, and in one case an opinion of a negative nature was also provided in relation to the dishonest use of the programme and a potential threat to the national security interests of Latvia.

The information received by VDD on visa applications under this programme shows that in the past year representatives of various professions demonstrated interest in moving to Latvia, including persons working in the private sector, entrepreneurs, low-skilled workers, as well as unemployed persons.



06

COUNTERTERRORISM

Last year, terrorists continued to pose a threat to the security of European countries. Although the Islamist terrorist groups Daesh and Al-Qaeda did not have sufficient combat capabilities and resources to plan attacks outside their areas of direct activity, they continued to distribute propaganda material on the internet, mainly social networking websites and direct communication applications to inspire Islamists living in Europe to engage in terrorist activities.

Terrorists mainly used simple methods to carry out terrorist acts, such as knife attacks. The exception was an act of terrorism in Britain that used an improvised explosive device. In addition to the threat posed by Islamist terrorists, Europe faced an increase in the threat posed by far-right extremists last year. The security services in Western European countries last year identified and prevented a number of terrorist attacks planned by representatives of this ideology on ethnic minorities.

In Latvia, the terrorist threat level remains low. VDD continued to obtain information on persons with signs of radicalisation and took measures to prevent such persons from engaging in violent activities.

The Service coordinated the preventive measures taken by the institutions involved in the counterterrorism system, as well as implemented activities to strengthen the response capacities and cooperation of institutions. Work on monitoring and strengthening the security of terrorist risk objects, both critical infrastructure and mass gathering sites, also continued, and the operation of the explosive's precursors contact point was maintained.

Last year, VDD in cooperation with other institutions involved in the counterterrorism system, developed a comprehensive counterterrorism strategy for Latvia for 2021-2026.



6.1.

TERRORISM THREAT SITUATION IN EUROPE

In the past year, Islamist terrorists carried out four terror attacks in Germany, France and Britain, all of which were small-scale attacks. In addition, European authorities managed to prevent 18 planned attacks (11 by Islamists, as well as seven by ideologies justifying violence). Last year, Europe had a significantly lower number of terrorist attacks than in 2020, but the number of attacks prevented remained similar to that in previous years. There was no large-scale terrorist attack in Europe. The decrease in terrorist activity can be partly explained by the restrictions introduced last year to reduce the spread of COVID-19.

Terrorist groups based in armed conflict zones (Syria, Iraq, Afghanistan, Pakistan, Yemen, Egypt, Libya, Algeria, Mali, Nigeria, Somalia, Mozambique and the Philippines) focused on achieving local objectives: gaining control of territory and increasing combat capabilities. Last year, there was no detection of preparation for fighters of foreign-based terrorist groups to be sent to Europe with the aim of carrying out terrorist attacks. In their propaganda materials, terrorist groups in conflict zones called on supporters to carry out attacks on their own initiative. As a result, attacks in Europe were mainly carried out by home-grown terrorists¹³ and immigrants, including asylum seekers. The ideology preached in propaganda material spread by the terrorist groups *Daesh* and *Al-Qaeda* motivates such individuals to plan and commit terrorist acts. These materials were also freely available on the internet last year and supporters of terrorist groups living in Europe continued to spread them via social networking sites and direct communication applications.

Terrorist attacks in Europe

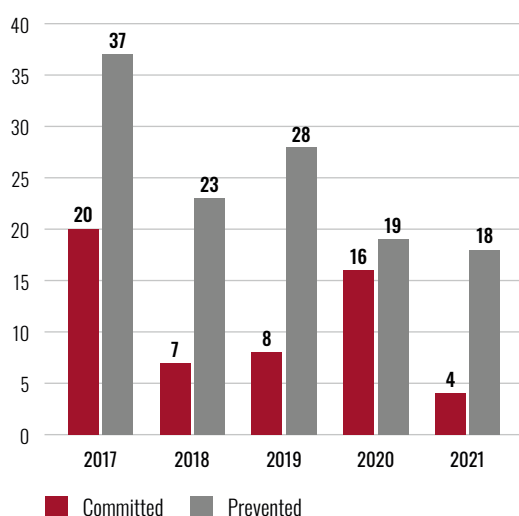


Photo: Freepik.com

¹³ Homegrown terrorists – persons who were born, raised and currently living in Europe.

Last year, right-wing extremists continued to pose a terrorist threat in some countries. The threat posed by this ideological direction is confirmed by four attacks planned by right-wing extremists, which security services of European countries managed to prevent in the preparation stages.

Civilians at mass gathering sites and law enforcement officials were also the two main targets of Islamist terrorist attacks last year. In addition, one attack targeted a member of parliament. Right-wing extremists, on the other hand, continued to plan attacks against members of various ethnic minorities.

Terrorists continued to use simple methods of operation to carry out attacks. In three of the four attacks that took place, various types of sharp objects were used, and in one case an improvised explosive device was used. It should be noted that this was the first case since May 2019 that a bomb was used to carry out a terrorist attack in Europe.

VDD projections show that European countries will continue to host a large number of radically minded persons who are willing to engage in terrorist attacks either on their own initiative or through contacts with terrorist groups. The availability of terrorist propaganda materials on the internet will remain a risk factor, as a result of which supporters of terrorist groups living in Europe may decide to carry out terrorist attacks. No significant change to the terrorism threat level in Europe is expected in 2022.

6.2.

TERRORISM THREAT TRENDS IN LATVIA

In 2021, the terrorism threat level in Latvia remained low. There were no terrorist attacks in Latvia, but one terrorist act was prevented. VDD detained a person who had been collecting materials and instructions on the implementation of various types of terrorist acts for a long time and, according to the information obtained during the investigation by VDD, had been preparing to commit an act of terrorism.¹⁴

Last year, no efforts by foreign terrorists to carry out attacks in the territory of Latvia were detected in Latvia. The main terrorist threat in Latvia continued to be caused by possible radicalisation of individuals and their conversion to violent extremism.

The risks of terrorism were also posed by the consequences of the hybrid war initiated by Belarus. As a result of an artificially created migration flow from the neighbouring country, several hundred third-country nationals, artificially in Middle East countries, came to Latvia.

The information available to VDD does not currently indicate any possible changes in the situation of the terrorist threat level in Latvia, and it can be predicted that the terrorism threat level will remain low in 2022. The main terrorist threat will continue to be posed by various risks of radicalisation and violent extremism. On the other hand, the impact of hybrid warfare by Belarus on the terrorist threat is likely to decrease, unless the migration flow increases significantly.

6.3.

RADICALISATION PREVENTION MEASURES

Last year, VDD continued to obtain information on persons with signs of radicalisation and to take measures to prevent potential involvement of persons who have come to the attention of the Service in violent activities. Since terrorist acts in other countries are carried out precisely as a result of the adoption of an ideology justifying radicalisation or violence, one of the Service's priorities in the field of counterterrorism remained supervision of the activities of identified persons at risk last year with the aim of detecting and preventing possible terrorism at the earliest possible stage.



Photo: Freepik.com

¹⁴ More about the criminal proceedings investigated by VDD can be found in the chapter on the protection of the constitutional order, in the subsection "Extremism and radicalism, paramilitary organisations" – on page 23.

In 2021, VDD-led task force on radicalisation “Prevent”¹⁵ continued its work. It consists of representatives from state and local government institutions, whose officials, when performing their professional daily duties, come into contact with groups of society that are most exposed to the risks of radicalisation.

Last year, four working group meetings were held, during which radicalisation trends in Europe and Latvia were analysed, as well as measures to reduce the risks of radicalisation for potentially vulnerable persons and groups. Particular attention was paid in 2021 to measures to prevent the radicalisation of prisoners and persons released from prison and to encourage cooperation between institutions in this field.

One of the main areas of “Prevent” work last year was the organization of training events and seminars. As part of the cooperation framework set up by “Prevent”, VDD experts provided information on the signs of radicalisation and prevention measures to experts from several public bodies.

6.4.

PREVENTIVE MEASURES

Last year, Latvia’s counterterrorism strategy developed by VDD appraised the situation of terrorist threats in the world, Europe and Latvia, as well as defined the priority directions of action in the field of counter-terrorism for the coming years. The strategy defines seven main directions of activity of the Latvian counterterrorism system: 1) international cooperation, 2) prevention of radicalisation and violent extremism, 3) restriction of the freedom of action of terrorists, 4) improvement of protection of objects of terrorism risk, 5) improvement of laws and regulations and counterterrorism plans, 6) implementation of counterterrorism measures improving the readiness of the institutions involved and (7) promoting public participation. The strategy was developed on the basis of an analysis of current trends in the terrorist threat and the Service’s forecasts on the security situation in Latvia and Europe in the coming years. The development also took into account the principles included in the counterterrorism strategies developed by international organisations (UN, EU etc.), European and other countries.

Last year, VDD continued to coordinate counterterrorism preventive measures at the national level, maintaining regular cooperation with state and local government institutions, as well as other entities. In 2021, VDD organised several meetings of the Expert Advisory Council of the Counterterrorism Centre, the aim of which, as in other years, was to analyse the current trends of the terrorist threat in Europe and Latvia with experts of institutions representing different sectors, to inform about the work done by VDD and planned activities in the field of counterterrorism, as well as to make proposals for the development of the counterterrorism system. The meetings also assessed the impact of the difficult circumstances created by the COVID-19 pandemic on radicalisation trends, as the heightened tensions in certain groups of society over the past year contributed to the spread of extremist views.

Cooperation with the institutions included in the National Counterterrorism Plan also continued, through organising notification checks of institutions in order to ascertain their readiness to implement the measures provided for in the National Counterterrorism Plan in case of an increase in the terrorist threat. In order to raise the understanding of cooperation partners about the field of counterterrorism, VDD last year organized training events for representatives of both state and local government institutions and objects of terrorism risk.

Trends in the terrorist threat in Europe and globally show that explosives and improvised explosive devices are increasingly rarely used in terrorist attacks. This is due to the impact on the EU’s joint fight against terrorism brought about by Regulation (EU) 2019/1148 (20 June 2019¹⁶ on the marketing and use of explosives precursors¹⁷ and the implementation of the activities provided for therein. Under this Regulation, national contact points have been in place in all EU Member States for several years to exchange information with economic operators involved in the circulation of explosives precursors and to ensure coordinated action by authorities in the event of suspicious transactions with explosives precursors. In Latvia, VDD has been designated as the national contact point for reporting suspicious transactions with explosives precursors.

Last year, VDD continued cooperation with merchants involved in the trade of precursors with whom cooperation has been established in previous years, as

¹⁵ The inter-institutional working group “Prevent” was established in 2019 by VDD Counterterrorism Centre’s expert advisory committee, which oversees the group’s work.

¹⁶ Full title: Regulation (EU) 2019/1148 of the European Parliament and of the Council of 20 June 2019 on the marketing and use of explosives precursors, amending Regulation (EC) No 1907/2006 and repeals Regulation (EU) No 98/2013.

¹⁷ Explosives precursors: substances and mixtures of substances that have the potential to be used for the illicit manufacture of explosives, although marketed for entirely different purposes, such as agricultural, construction or pharmaceutical applications.

well as identified new ones that have recently started their activities. VDD disseminated information on the new rules, provided advice on unclear issues, and organised a seminar on improving the security of the circulation of precursors. In addition, considering the changes specified in the Regulation in the field of control of the circulation of explosives precursors, VDD developed amendments to the Cabinet of Ministers regulations governing the procedures for reporting on explosives precursors.¹⁸

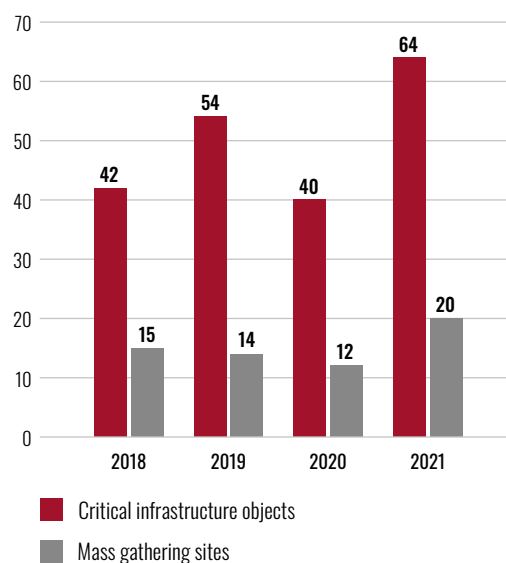
6.5.

INCREASING SECURITY FOR OBJECTS AT RISK OF TERRORISM

Last year, VDD continued implanting measures to increase the security level of terrorism risk objects. Taking into consideration terrorism threat trends in Europe, objects at risk of terrorism are defined as critical infrastructure objects¹⁹ and mass gathering sites. In conjunction with the two other Latvia's intelligence and security services VDD ensures that appropriate security systems and physical security measures are in place at objects at risk of terrorism, as well as provides recommendations for raising the security level at such objects. As in previous years, last year the Service conducted an overall review of critical infrastructure objects, removing some objects from the list and adding new ones to it.

The COVID-19 pandemic and the enactment of the state of emergency did not significantly affect the work of VDD in the field of security of objects at risk of terrorism. Last year, the Service inspected **64** critical infrastructure objects, evaluating the implemented security measures and the effectiveness of their implementation, internal security procedures and plans for emergency response. In **21** cases, VDD made recommendations for the improvement of the physical safety regime. In addition, recommendations for emergency action developed by VDD were distributed at all objects. Last year, the Service also inspected **20** mass gathering sites. In six cases, the Service provided recommendations for improvement of physical safety measures in these objects. VDD's recommendations for emergency response were also distributed to **25** mass gathering sites.

Terrorism risk objects surveyed by VDD



Within the scope of its competence, VDD continued to assess and approve persons responsible for security at terrorism risk objects, as well as examining representatives of merchants who need to enter critical infrastructure for the performance of any work or provision of services in restricted areas. In addition, VDD carried out notification checks at terrorism risk objects to verify their ability to respond in times of crisis.

6.6.

IMPROVEMENT OF RESPONSE MEASURES AND COUNTERTERRORISM EXERCISE

Last year, VDD reviewed several laws and regulations governing the actions of institutions and mutual cooperation in case of a terrorist threat.

The Service reviewed and modified in line with the latest terrorist threat trends the standard response plans "Ship"²⁰, "Aircraft"²¹ and "Object"²², which were approved in September of last year by the Cabinet of Ministers. These plans are necessary to ensure a coherent and effective response by the services

¹⁸ 11 February 2021 Cabinet of Ministers Regulation No. 95 "Procedures for reporting explosives precursors".

¹⁹ Critical infrastructure is objects, systems or parts and services thereof located in the Republic of Latvia which are essential for the implementation of essential public functions, as well as for the protection of human health, safety, ensuring economic or social well-being and the destruction or malfunction of which would have a significant impact on the implementation of the basic functions of the state and society. (Section 22² of the National Security Law)

²⁰ 7 September 2021 Cabinet of Ministers Order No. 641 "Action plan in the event of a threat to ships, ports and port installations (Counterterrorism Plan "Ship")".

²¹ 7 September 2021 Cabinet of Ministers Order No. 640 "Action Plan in Case of Threats to Civil Aviation Aircraft and Objects (Counterterrorism Plan "Aeroplane")".

²² 7 September 2021 Cabinet of Ministers Order No. 638 "Action plan in case of threats to land objects (Counterterrorism plan "Object")".

involved in counter-terrorism activities in the event of hostage capture or seizure of a facility, depending on the location of the events.

The counterterrorism plan “Object” provides for action in cases where the threat is directed against land-based objects; ‘Ship’ defines the response to threats to ships, ports and port facilities; and ‘Aeroplane’ defines the response in the event of threats to aircraft and aviation objects.

In addition, in 2021 VDD developed a new reaction plan “Crowd”²³ in case of an attack of a terrorist nature at a mass gathering site. This plan was also approved by the government in September last year. The Service developed it in response to a terrorist trend of selecting public places where large numbers of potential victims gather as targets for attack. The plan is based on guidelines developed by VDD in 2018 for action by the responsible services in the event of a terrorist attack at a mass gathering site. These guidelines have been repeatedly tested in counterterrorism exercises organised by VDD and have been improved in the light of the conclusions reached.

Last year, VDD also revised the Instructions of the Cabinet of Ministers in cases where terrorism threats or piracy are directed against Latvian ships or nationals²⁴, clarifying both national and international cooperation mechanisms. The government approved the instruction in November last year.

In 2021, the COVID-19 pandemic and the assembly restrictions introduced to reduce morbidity prevented the holding of annual national counterterrorism exercises with full force deployment, but VDD continued to take other measures to increase the response preparedness of the responsible service personnel to various terrorist hazards.

In the autumn of 2021, VDD organized an informative seminar and table top exercise for representatives of operational services of Vidzeme region. During the seminar, representatives of the operational services were provided with information on preventive and response measures, while the training modelled the actions of the services in the event of a terrorist attack in a public place. Information seminars and training for staff of regional structural units of operational services are also planned for 2022.

6.7.

MONITORING OF ENTRY BY FOREIGNERS

Last year, VDD continued to assess visa and residence permit applicants from countries at risk of terrorism in accordance with its competence²⁵, in order to prevent the entry of foreign nationals into Latvia who are related to terrorist groups or radicalised. Last year, in connection with the hybrid attack organized by the Belarusian regime, VDD was intensively involved in vetting third-country nationals crossing the border of Latvia illegally and who applied for asylum in Latvia.

Due to the hybrid attack carried out by Belarus, the number of border offenders from countries at risk of terrorism, mainly Iraq, where several Islamist terrorist groups operate, increased rapidly in Latvia. There was a risk that persons associated with Islamist terrorist groups could try to enter Latvia under the cover of asylum seekers. In order to prevent possible threats to the security of Latvia and the EU, VDD carried out in-depth vetting of persons crossing the border of Latvia illegally to assess the risks posed by them to national security and public safety. In carrying out these inspections, VDD cooperated with other Latvian intelligence and security services and law enforcement institutions, as well as foreign partner services. VDD requested that certain identified persons be detained on suspicion of the terrorist risks they pose.



Foto: Freepik.com

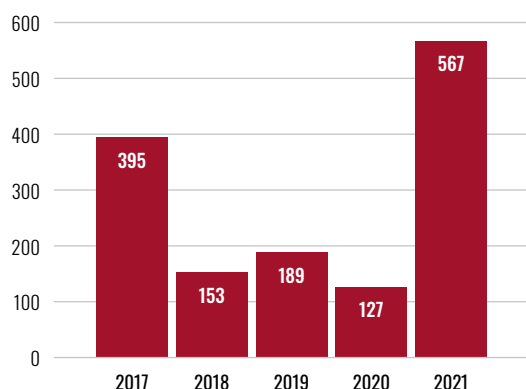
²³ 7 September 2021 Cabinet of Ministers Order No. 639 “Action Plan in the event of terrorist attacks (Counter-Terrorism Plan “Crowd”)”.

²⁴ 16 November 2021 Cabinet of Ministers Instruction No. 11 “Instruction on action in cases when Latvian ships or nationals are subjected to terrorist or piracy hazards in international or other national waters.”

²⁵ The list of countries at risk of terrorism can be found in 21 June 2001 Cabinet of Ministers Regulation No. 554 “Regulations on countries whose nationals are subject to additional checks when issuing a visa or residence permit”.

Last year, due to the illegal border crossings organised by Belarus, the workload of VDD in this area increased significantly. Whereas in 2020 VDD vetted **127** persons applying for asylum in Latvia, in 2021 the number of vettings reached **567**. As a result, VDD recommended the refusal of asylum in **11** cases with significant risk factors.

Dynamics of vetting asylum seekers by VDD



Last year, VDD also evaluated a total of **1259** applications for the approval of invitations and calls of **1504** third-country nationals necessary for foreigners to apply for a visa for entry or a residence permit in the Republic of Latvia. The Service also assessed the visa applications of **599** foreigners and the applications of **703** persons for a residence permit.

As a result of the checks carried out on visa applicants last year, VDD recommended refusal of the issuance of a visa in **93** cases and, in **51** cases, provided specific instructions for the approval of the visa, such as reducing the length of stay and/or the time of entry, to request the submission of additional documents,

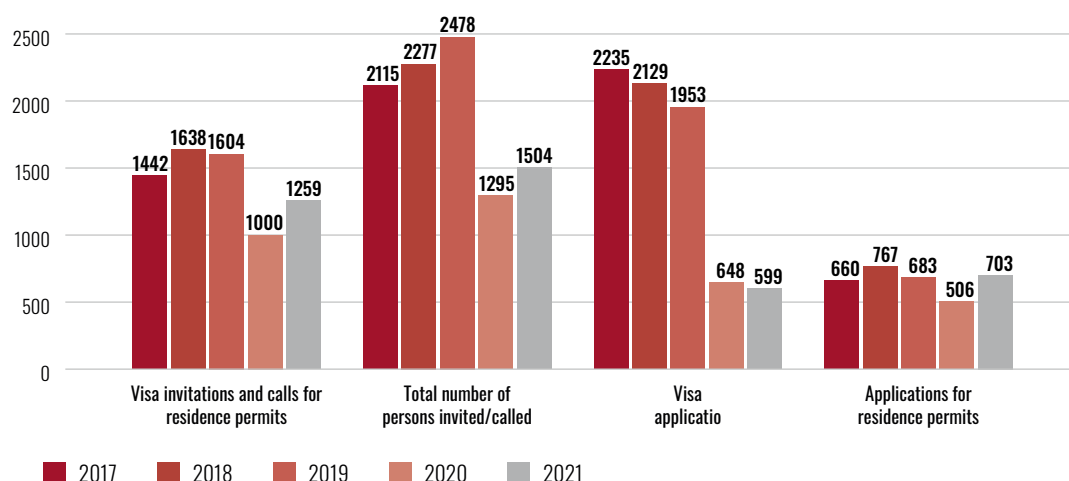
to conduct a repeated interview of an alien in a consular institution, etc. As a result of vetting of applicants for residence permits, VDD recommended in **166** cases to refuse to issue a residence permit, and in **80** cases provided specific instructions for the approval of the permit, mainly on the need to submit additional documents.

Last year, students, workers and family members of EU citizens predominated among the third-country nationals vetted by VDD. Last year, the number of applications of so-called innovators wishing to receive a residence permit in Latvia for a period of up to 3 years by establishing a start-up in Latvia or moving an existing, innovative company's activities in Latvia increased. The most prominent category of workers were applicants for "blue cards", or workers with high qualifications, truck drivers and construction specialists.

For many years, many persons from countries at risk of terrorism have been attracted to Latvia by study opportunities in Latvian educational institutions. In the assessment of VDD, some universities still underestimate the need to critically assess students from third countries. As a result, students are most often refused a residence permit in Latvia.

Despite the drop in the flow of tourists due to the COVID-19 pandemic, in 2021 VDD uncovered several cases where tour operators provide visa invitations to third-country nationals whose actual purpose is not tourism, but rather the possibility to move freely within the Schengen area countries. In this context, the number of tourist visa applications for which another EU Member State is the destination has increased. Increased attention has been paid to prevent cases when radical or extreme persons from third countries enter Latvia posing as tourists.

Dynamics of vettings carried out by VDD



6.8.

**PROCESSING OF AIRLINE
PASSENGER DATA**

Photo: Freepik.com

Last year, VDD continued to improve the Airline Passenger Data Register (hereinafter – the Register) system, in which passenger data received from airlines are accumulated. The Register is an important tool for detecting and preventing serious crime, through which investigative and other authorised authorities can obtain information on the travel habits of suspicious persons, contact persons and other suspects who may be involved in criminal activities.

The Register facilitates continuous comparison of incoming passenger data with the data of persons included in the databases of national and international law enforcement institutions, as well as data of interest to the competent authority. When identifying the possible presence of a person at risk or a wanted person on a flight, VDD officers carry out an information check and, upon confirmation, inform the authority responsible for further action.

During the reporting period, VDD processed the requests of competent authorities and passed on the information accumulated in the Register in cooperation with other state intelligence and security services, the State Police, the State Revenue Service and the State Border Guard.

VDD also worked closely with the Passenger Information Units of other EU Member States in processing requests from their competent authorities.

In view of the increasing number of requests from competent authorities, last year VDD developed amendments to the Aircraft Passenger Data Processing Law in order to ensure more efficient processing of passenger data. The amendments approved by the Saeima on 20 January, which entered into force on 17 February, provide for the possibility to request and receive passenger data from the Register under an accelerated procedure in special cases. The new arrangements significantly facilitate the receipt and use of passenger data in cases where suspects have already been identified and information about these persons needs to be received immediately. The adopted amendments also provide for the right of the Centre for Disease Prevention and Control (SPKC) to request passenger data from the Register without the consent of a judge, if there is a reasonable possibility that a person has become infected with an infectious disease subject to an epidemiological investigation or has been in contact with an infected person.

In continuing the work on improving the Register, the main priority was increasing the capacity to receive data from irregular air carriers. In order to carry out this task, the development of a separate data collection platform was launched, where private, business and other non-scheduled air carriers will be able to submit data on passengers on their flights. The above-mentioned information will be sent to the Register in accordance with the requirements laid down in laws and regulations.

In the field of aircraft passenger data processing, VDD also participated in several international projects last year, participated in seminars and working groups, provided training, as well as provided advisory support to countries whose national passenger data processing systems are in the early stages of creation. In addition, VDD organised and chaired seminars in the Baltic Sea region on the latest developments in passenger data processing, as well as participated in the Countering Terrorist Travel programme organised by the UN Counterterrorism Centre, which strengthens operational cooperation between countries globally.



KRIMINĀL

07

PRE-TRIAL INVESTIGATION

VDD continued its investigation work last year, focusing, according to jurisdiction, on pre-trial investigations of criminal offences related to a potential threat to national security. In a large number of cases, VDD succeeded to gather the necessary body of evidence to refer the criminal case to the Prosecutor's Office for the suspects to be charged.

Last year, VDD initiated a total of 30 criminal proceedings, as well as took over three criminal proceedings initiated by the State Police according to jurisdiction. The Service also continued its investigation into criminal proceedings initiated in previous years.

It should be noted that in 2021 VDD initiated 6 criminal proceedings in relation to suspicions of espionage or other illegal cooperation with foreign intelligence and security services or providing assistance to a foreign state in activities against Latvia. In four of these criminal proceedings, VDD investigation resulted in a sufficient amount of evidence against the suspects, and these criminal proceedings were transferred to the Prosecutor's Office, resulting in five persons being charged.

Criminal proceedings for espionage or other illegal activities in the interests of foreign intelligence and security services are among the most complex and laborious in terms of investigation. Officers of the intelligence and security services of unfriendly countries specifically train the persons recruited in conspiratorial methods, therefore it is not easy to detect and prove illegal cooperation. Similarly, the methods of operation of foreign intelligence and security services are becoming more advanced. Their officers often operate under the cover of other institutions or non-governmental organizations; they claim to be representatives of other professions; they meet with the recipients of information in their own country, not in Latvia; and the transfer of information is made using intermediaries or various technologies.

It should be noted that VDD cooperates closely with MIDD (the Defence Intelligence and Security Service) in detecting espionage cases related to the national defence sector. The two intelligence and security services regularly exchange counterintelligence information.

The amendments made in 2016 to Section 85 of the Criminal Law on the initiative of Latvia's intelligence and security services have contributed to the prosecution of spies. The section on espionage provides for liability also in cases where the transmission of information has taken place through intermediaries, the information has been unlawfully collected and transferred to a foreign state without a specific task, including on the person's own initiative, etc. Also, supplementing the Criminal Law with a new section – on assistance in activities directed against the Republic of Latvia against a foreign state (Section 811) – has since 2016 given VDD the opportunity to take action against persons who perform other types of activities in the interests of a foreign state unfriendly to Latvia, if it is directed against the independence, sovereignty, territorial integrity or national security of the Republic of Latvia.

Last year, VDD initiated criminal proceedings for the first time pursuant to the elements of the criminal offences provided for in Section 79⁴ and Section 79⁶, namely, training in terrorism (obtaining of instructions, knowledge and practical skills for the purpose of carrying out or promoting terrorism), as well as for the dissemination of materials glorifying terrorism. In criminal proceedings, the pre-trial investigation has been successfully concluded, and on 10 September 2021 the criminal proceedings were referred to the prosecutor's office for prosecution.

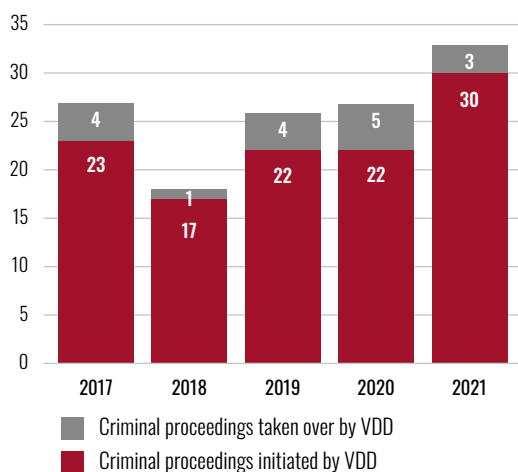
Also in 2021, VDD initiated criminal proceedings for the first time on suspicion of terrorist financing. The criminal proceedings are currently under investigation, therefore VDD has not yet commented further on the circumstances of the incident and the progress of the investigation.

It should be noted that in 2021, in two criminal proceedings investigated by VDD which were initiated in 2019 in connection with suspicions of violation of EU sanctions, VDD imposed additional qualification for criminal offences in accordance with Section 195 Paragraph 3 of the Criminal Law for money laundering on a large scale and took the necessary actions so that the seized financial resources in the amount of almost EUR 4 million would be recognised as criminally acquired property and confiscated for the benefit of the State of Latvia. In both criminal proceedings, transactions of companies registered offshore were investigated, which were carried out in the interests of a person on the EU sanctions list, using accounts in Latvian banks.

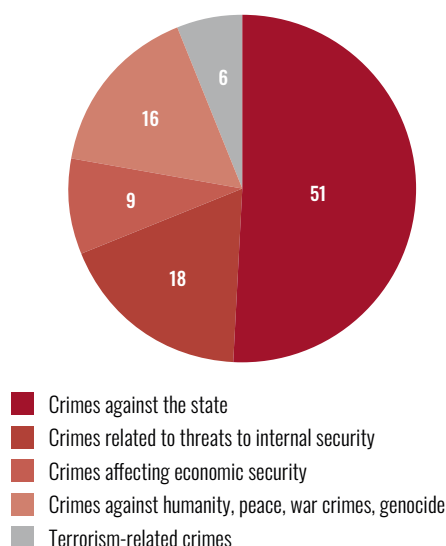
While VDD understands the public interest in the criminal proceedings initiated by the Service, the publication of more information on the criminal offences investigated by the Service – especially in the early stages of the investigation – could significantly harm the investigation and jeopardise the successful progress of the criminal proceedings. In view of the above circumstances, VDD often refrains from providing information on the criminal offences under the Service's attention and the progress of the investigation during the investigation. The Service shall, as far as possible, inform the public of specific criminal proceedings when the necessary body of evidence has been obtained in order to initiate the prosecution of suspects.

In 2021, criminal proceedings were initiated both on the basis of information obtained as a result of the operational activities of the Service and on the basis of the information referred to in the submissions of natural and legal persons. Also last year, VDD did not in all cases obtain confirmation for information received from citizens and legal entities regarding possible criminal offences. In **18** cases, when performing inspections, VDD did not establish the grounds laid down in the Criminal Law for the initiation of criminal proceedings and thus declined to initiate criminal proceedings.

Dynamics of VDD criminal proceedings



Breakdown of criminal proceedings initiated and taken over by VDD by interests at stake (%)



VDD also obtained information on possible illegal actions under the jurisdiction of other law enforcement agencies. In such cases, the information obtained by VDD was forwarded to the competent authority for further evaluation.

Last year, VDD forwarded **17** criminal proceedings to the Prosecutor's Office for the initiation of criminal prosecution, prompting a total of **32** persons to be prosecuted, seven of whom were public officials at the time of committing the offence. In turn, one criminal proceedings were referred to the Prosecutor's Office, requesting that the person receive compulsory medical treatment, which would allow them to receive psychiatric assistance. The above-mentioned criminal proceedings were initiated in relation to activities that were in the assessment of VDD aimed at triggering national hatred or enmity- the person in question had published for a long time calls for violence against the Latvian people on the website "Gorod.lv".

Of the criminal proceedings sent for criminal prosecution, the majority – **15** – were initiated in 2021, two were initiated in 2020 and one in 2012. Criminal proceedings, in which VDD requested that a person receive compulsory medical treatment was initiated in 2021.

Among the criminal proceedings referred for criminal prosecution, the following shall be highlighted:

- four criminal proceedings for espionage;
- criminal proceedings for assistance in activities against the Republic of Latvia;
- criminal proceedings for a public appeal to take action against the state independence, sovereignty and territorial integrity of the Republic of Latvia;
- criminal proceedings for training in terrorism and public glorification of terrorism;
- criminal proceedings for violating EU sanctions;
- two criminal proceedings for disclosure of non-disclosable information.

Last year, VDD terminated **18** criminal proceedings in the records of the Service. Ten of these were terminated due to lack of proof of the criminal offence, and eight due to the expiry of the statute of limitation.

At the beginning of 2022, there were **50** criminal proceedings in VDD's records.



08

DIGNITARY PROTECTION

Despite the challenges posed by the COVID-19 pandemic, on 30 November and 1 December 2021, in compliance with strict epidemiological measures, the meeting of NATO foreign ministers was held in Latvia for the first time.

The event was attended not only by the foreign ministers of NATO member states, but also by the foreign ministers of Ukraine, Georgia, Sweden and Finland, the Secretary General of NATO, as well as other foreign high-ranking officials. In total, VDD, in cooperation with the Military Police of the National Armed Forces and the State Police, provided continuous security for 40 foreign dignitaries during their stay in Latvia. At the same time, about 350 representatives from NATO member states, as well as around 100 media representatives from different countries participated in the event on both days.

Thanks to the successful cooperation with other institutions involved in the organisation of such an ambitious and internationally important event, it was successful and there were no significant security incidents.

In 2021, VDD continued to provide constant security of the Speaker of the Saeima and the Prime Minister, ensuring the safety of these officials both during public events and in their daily routines.

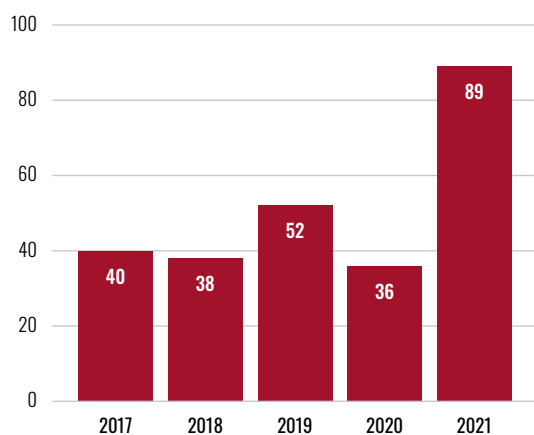
Last year, VDD coordinated security measures at **28** public events in Latvia, where the Service's protected dignitaries participated. VDD's bodyguards also accompanied protected dignitaries on visits abroad. Security for the Speaker of the Saeima was provided by the bodyguards of VDD on six travels abroad, while the security of the Prime Minister was ensured on **11** travels abroad.

Last year, in addition to the NATO Foreign Ministers' Meeting, other visits by foreign dignitaries took place in Latvia, during which VDD was responsible



for the implementation of security measures. In addition to the participants of the NATO foreign ministers' meeting, VDD bodyguards provided security for **representatives of 49** foreign governments and international organisations during their visits to Latvia last year. In total, last year VDD ensured the safety of **89** foreign dignitaries when visiting Latvia.

Ensuring the security of representatives of foreign governments and international organisations during visits to Latvia



NOTES

NOTES

NOTES

LATVIAN STATE SECURITY SERVICE

ADDRESS

K. Barona Street 99A,
Riga, LV-1012

CONTACTS

Phone 67208964
Fax 67273373,
E-mail info@vdd.gov.lv

Website: www.vdd.gov.lv,
Twitter account: [@Valsts_drosiba](https://twitter.com/Valsts_drosiba)



9 789934 883088