



FICIL

FICIL Position Paper No. 5

Foreign Investors' Council in Latvia on the Improvement of Combating Organised Crime

10 September 2020

Executive Summary



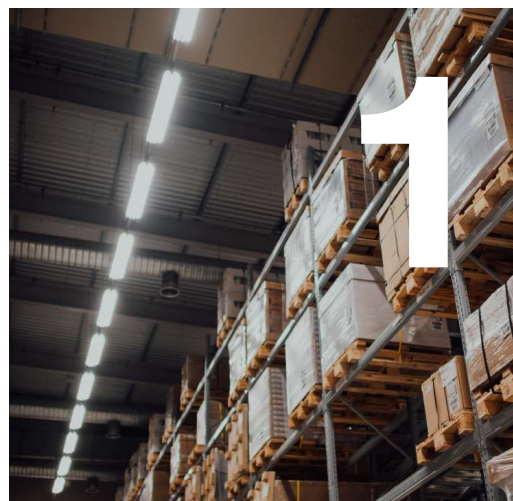
In the course of the last two years, there have been at least 10 organised property crime cases where IT goods were stolen from warehouses of trade and manufacturing companies in Latvia.¹ The thefts have resulted in total losses of ~ €41,000,000². Currently, these cases are being investigated, but the repetitive nature, pattern and professional manner in which these thefts have been carried out has affected investors' trust and willingness to invest and develop various investment projects in Latvia. Besides the distortion of the IT market and deterrence of potential investors, such a situation also prompts the criticism of police priorities and makes investors question the competence and capacity of the police force in Latvia. Europol has stated that organised property crime is on the rise in the European Union. Different security measures have made it more difficult to rob cash-intensive businesses, thus commercial premises with less sophisticated security measures in place are increasingly the target of robberies by mobile organised crime groups. This means Latvia needs to quickly adapt in order to be able to effectively combat these crimes, meaning it is necessary to prevent such events from happening, and prosecuting the responsible parties to minimise the feeling of impunity.

After bringing together representatives of various companies and field experts, FICIL has identified several issues and proposes recommendations in the following fields:

1. Centralisation of the police work
2. Education, technical expertise and motivation of all personnel
3. Equipment and technical capacity
4. Communication and cooperation between the police and businesses

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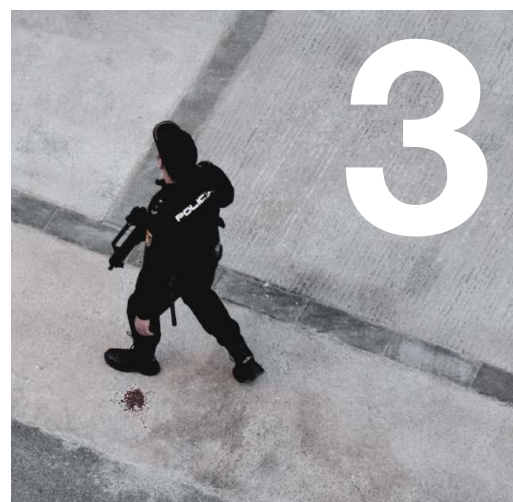
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Recommendations

Centralise the investigation process of large-scale crime

that are potentially interconnected with repetitive patterns.

- Assign cases based on their nature rather than the location to ensure efficient coordination and ability to secure the big crime scenes.

- Segregate the investigation of minor and serious crime by establishing a specialisation of police officers and branches.

Raise the level of expertise of the police personnel

by re-establishing a police-centric higher education institution/ programme.

- Review the previous academic curriculum and include content that would provide sufficient expertise to effectively investigate and prosecute specialised major crimes in a timely fashion (e.g. national security, financial crime, cross-border crime or organised crime) and would allow police personnel to deal with technologically advanced law violations

Strengthen the material and technical capacity of the police force

by improving the equipment necessary, including the execution of a joint video surveillance system initiated by the Ministry of Interior.

- Adapt technology to ensure an effective data exchange between the police branches. Share resources among different police branches based on necessity.

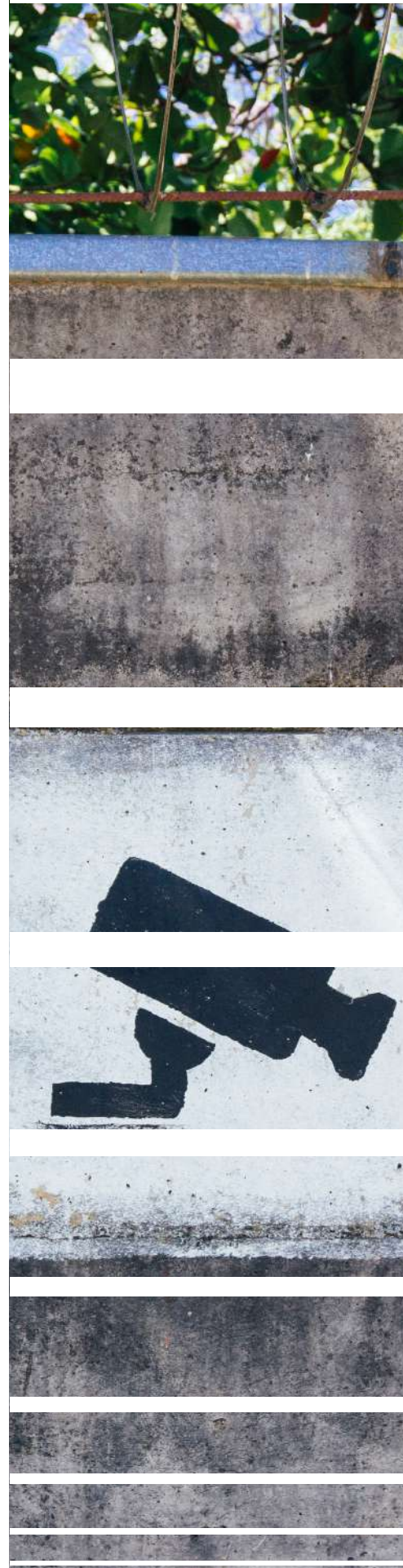
Strengthen the private-public partnership

by including proactive communication and cooperation with businesses, social partners and municipalities in the agenda of the police personnel.

- Inform relevant businesses and social partners about ongoing repetitive crimes and potential security loopholes.

- Develop a regulatory framework for information and expertise sharing between the private sector, regulators, and law enforcement authorities.

- Develop a regulatory framework for security systems in Latvia based on what type of technology can be deemed safe and secure. Security system legislation, covering the type of sensors that can be installed in various buildings, is not currently regulated.



Rationale for Recommendations



Centralisation of the police work

The 10 above-mentioned interconnected organised crime cases were allocated on a geographic basis and were investigated by each police branch independently. In addition, it was observed that officers are investigating a given organised crime case and a superabundant number of other different types of crimes simultaneously. The given conditions do not let police fully utilise their knowledge capacity and divides their attention, hindering police officers from efficiently solving serious systematic crimes. FICIL believes that centralising such cases and assigning these based on specialisations can help accelerate the investigation and achieve the most productive use of police personnel time and knowledge. Currently, it is unclear how the cases are assigned and what the criteria are for investigators switching cases from one to another, removing the consistency and contact person for individuals or institutions that have become victims of various crimes. Understandably, investigative personnel have an overload of cases and, therefore, a re-examination of police funding is needed to determine if the best possible result can be achieved with the allocated funds to law enforcement agencies.

As the Organisation for Security and Co-operation in Europe has stated,³ new trends in police specialisation and education depend on the social environment and challenges that particular states are facing at any particular period of time. Specialisation of police personnel begins during training, with specialised theoretical knowledge as well as specialised practical skills that are integrated in flexible, universal police operation training.

Rationale for Recommendations

Education, technical expertise and motivation of the personnel

Organised criminal groups have a sophisticated structure and means of communication, and the level of difficulty the crimes are being executed at advances regularly, but the number of educational opportunities for the police personnel has gone the opposite direction. In the European Commission study on organised crime,⁴ national experts have raised concerns about the lack of professionally trained specialists in Latvia. The representatives of the victimised companies also admitted that the State Police does not have the necessary resources and investigators with sufficient expertise to effectively deal with specialised major investigations of organised crime in a timely manner.

Latvia is one of the very few countries in the OSCE region that has only one institution (State Police College) that provides all of the available police education programmes.⁵ Furthermore, it is based on providing vocational and college level training. The Police Academy in Latvia was closed in 2010 due to a lack of resources. However, over the last decade, it has become evident that Latvia lacks the educational resources for police and prosecution personnel training. This is another area where public-private partnerships can be utilised, as businesses are willing to share their experiences and expertise in the form of training sessions and knowledge exchange.



Rationale for Recommendations

Equipment and technical capacity

The fact that technology is a key component in the majority of criminal activities now, it demands not only academic but also technological advancements executed by the State Police. The currently available technology prolongs the investigation process and reduces the likelihood of finding and penalising the criminals.

In the particular case, it took 3 weeks and a sufficient amount of resources for investigators to obtain video surveillance materials. Such delay at the crucial moments of the investigative process could make it impossible to apprehend and prove the defendants' guilt. FICIL sees the Joint surveillance system proposed by the Minister of Interior as a way to accelerate the processes within the State Police.

It is also noteworthy that the State Police have acquired various high-tech tools, but now the issue is the lack of proper use of them. As the State Audit Office of the Republic of Latvia has stated during their revision of Ministry of Interior Overview of 2019, the police have in their arsenal an unmanned aircraft (*dji mavic 2 enterprise drone*) that was purchased to be used during road transport control. This particular equipment was not used further during 2019 after the test regime was carried out. The State Audit Office explained that "The State Police did not develop an internal regulatory framework on how, during what circumstances and for what purpose the unmanned aerial vehicles should be used, and what functions these should carry out".⁶ This begs the questions, could this equipment be used by the criminal police in assisting the investigative process during the crucial early hours of the process after high profile robberies happen? How is the use of resources and equipment planned?



Rationale for Recommendations

Communication and cooperation between the police and businesses

As security is a serious aspect to consider when making investment decisions, the unsafe environment which an organised crime group portrays heavily damages the public image of Latvia in the eyes of investors. Regular communication from the Police bodies carried out with the aim to raise awareness of the currently ongoing crimes would help businesses to technologically adapt and reduce the number robberies, thereby contributing to a safer environment. In one particular case, it was known to the police that the robbers used a common security loophole and disabled the infrared motion sensors. If the public could be properly informed about the first robberies and the way they were carried out, FICIL believes that would give the relevant information businesses need to make decisions and take action in reviewing security systems and adapt if possible.

Currently, Latvia lacks a formal regulatory framework which could foster effective cooperation among the police and the private sector in investigating crimes. This concerns the financial and human resources factor, where businesses want to be involved in the process of more effectively getting to the root of the issue. It is not possible for officials to participate in the investigation process from the view of the investor. As an example, in the US, cooperation between the police and the private sector has been successfully implemented in fighting cybercrime⁷. The partnership has been carried out according to the legal guidelines (Budapest Convention on Cybercrime).

Touching upon the regulatory framework, FICIL would also like to point out the need for more official legislation regarding the security system criteria for a different type of buildings and warehouses based on individual risk.



References

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- 2 from ELKO robbery descriptions
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- 4 https://ec.europa.eu/home-affairs/sites/homeaffairs/files/e-library/docs/20150312_1_amoc_report_020315_0_220_part_2_en.pdf
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- 6 <https://www.lrvk.gov.lv/lv/revizijas/revizijas/noslegtas-revizijas/par-iekšlietu-ministrijas-2019gada-parskata-sagatavosanas-pareizibu>
- 7 <https://www.oecd.org/sti/consumer/42534994.pdf>



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FICIL is a non-governmental organisation that unites 37 largest foreign capital companies from various industries, 10 foreign chambers of commerce in Latvia, French Foreign Trade Advisers and Stockholm School of Economics in Riga. The goal of FICIL is to improve Latvia's business environment and overall competitiveness in attracting foreign investment, using the experience and knowledge of its members to provide recommendations to Government and state institutions.