



CONSTITUTION
PROTECTION BUREAU
OF THE REPUBLIC
OF LATVIA

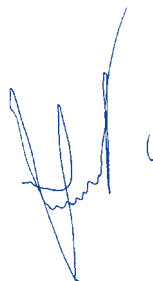
2019
**ANNUAL
REPORT**

FOREWORD

Constitution Protection Bureau (SAB) has had a dynamic year working on the protection of Latvian national security. The international security environment has not improved much in 2019, with new threats emerging, and their range significantly increasing, especially regarding the increasing hybrid threats, including cybersecurity related risks. Threats to Latvia's national security are posed by developments in the international security environment, Russia's military activities near the Latvian border and malicious cyber activities. Certain foreign powers have also tried to use political, humanitarian, informational and economic activities to influence Latvia, our society and values, as well as the Western focus of our foreign policy and stability of the domestic policy.

The activities of SAB in the above context are governed by the National Security Concept for the next four years that was adopted by the Latvian Parliament, Saeima, on 26 September 2019. Based on the National Threats Assessment, the National Security Concept defines the basic principles for prevention of threats to national security, as well as priorities to be considered while developing new policy planning documents, legislation and action plans related to national security. Once the Concept has been approved, specific measures for reduction or elimination of threats to national security are further implemented in the National Security Plan that is binding for all government institutions.

2020 is a particularly significant year, as it marks the 25th anniversary of the Constitution Protection Bureau. Our strategic objectives include maintaining the system for protection of classified information, gathering of intelligence and counter-intelligence information, and representing Latvia's security interests in international organizations and formations. Achieving these objectives is an on-going process. The world is changing, and so are Latvia and the challenges we are facing. Our task is to duly adapt and effectively address the emerging threats to Latvia's growth and security.



Jānis Maizītis

Director SAB

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INTRODUCTION

SAB is one of three Latvian state security agencies. In accordance with the law, SAB performs intelligence and counter-intelligence activities, protects classified information, and supervises its exchange with international organizations. The present Report provides an overview of counter-intelligence, cyber security, intelligence and information security related issues in 2019. SAB offers its analysis and assessment of socio-economic and political processes in Russia, taking into account their impact on Russia's foreign policy and the activities of Russian foreign intelligence and security services.



RUSSIA'S DOMESTIC POLICY

- ▶ **Stability of the domestic policy as regime's main priority: achieved by various means, from restricting freedom of expression to violent oppression and even physical extermination of opponents**
- ▶ **Strengthened influence of law enforcement agencies, especially the Federal Security Service, on political, social and economic processes in Russia**
- ▶ **The main reason of the constitutional amendments is to create the legal conditions for Vladimir Putin to continue to run the country even after the presidency.**
- ▶ **Public dissatisfaction with the president, government and power in general at its highest point in recent years: mostly due to the prolonged socio-economic crisis in Russia**
- ▶ **Russia's macroeconomic situation shows opposite tendencies – a positive fiscal performance next to a stagnating growth and social welfare**
- ▶ **Economic stagnation contributes to a diminishing role of Russia in the global economy**

In 2019, Russia's domestic policy was dominated by the annual regional elections, which led to the so far fiercest confrontation between the regime and the independent opposition. By restricting the competition and massively distorting the election results, even in the face of growing public discontent, the regime secured a victory for the ruling *United Russia*

party. The usual tactics of denying independent opposition candidates a chance to participate in the elections did, however, trigger the most widespread protests in the last seven years, which came as a surprise to the regime. As a response to the ban, the independent opposition was able to consolidate and hold rallies and demonstrations for several weeks during the second half of the summer. The largest of these, on August 10, attracted more than 50,000 participants. Even though the protests were suppressed by widespread and systematic repressions of organizers and participants, the protest vote campaign, initiated by the opposition's leader Alexei Navalny, did lead to the so far lowest percentage of the ruling party representatives in the Moscow Municipality.

In the middle of the year, a widespread resonance was caused by the illegal detention of journalist Ivan Golunov – an event neither unique nor extraordinary in the authoritarian Russia. It was, however, the immediate and consistent efforts of Golunov's colleagues that led to Russian society's and also elite's attention drawn to the injustice of the situation. As the Golunov case was initiated by some relatively high-ranking law enforcement officials instead of Putin himself or any other members of the elite, the regime saw that it would gain more by accepting the request for justice rather than continuing the confrontation. Thus, only five days after its initiation, the fabricated case was terminated, and Golunov was released. The unexpectedly quick acknowledgement of an error was rather atypical for Putin's regime.

In the course of 2019, a number of laws were passed in Russia, continuing the already on-going trend of increasing restrictions for freedom of expression and action. The regime was particularly focused on increasing its ability to control the occurrences on the internet. In March, a law came into force banning online insults against the state and governmental institutions. In November, the so-called Sovereign Internet Law was passed. Together with technological advances, the Law should significantly increase Russia's future ability to control the flow of information on the internet and, if necessary, enable Russia to switch off connections to the worldwide web.

The Regime and its Stability

Putin's regime remains stable and is gaining more power even despite various upheavals in domestic policy. The regime and power in general continue to increase their isolation from society. This leads to a growing need for governing the country by means of force, which, in turn, strengthens the influence of law enforcement agencies, especially the

Federal Security Service, on political, social and economic processes in Russia.

Stability of the domestic policy remains the regime's main priority. To achieve it, the regime is prepared to use every means at its disposal, from restricting the freedom of expression to violent oppression and even physical extermination of opponents. In the current climate of public dissatisfaction with the power, the regime tends to perceive even peaceful protests without any political slogans as threats and potential attempts to change the existing power. With personal gain being one of the primary motives of the regime's elite and officials, Russian politics and public administration as a whole can be characterized by an increase in kleptocracy and nepotism. Corruption has become an integral part of Russia's everyday life and public administration. Unlawful personal gain is both motivating the people to act in regime's interests and enabling the regime to control its elite and officials.

The Golunov case confirmed that the decision-making process in Russia is not absolutely centralized. The size of the country, corruption, prevailing bureaucracy, nepotism and other circumstances prevent an absolute centralization. While Putin has traditionally been more interested in foreign policy issues, leaving internal affairs to other institutions, he does play the role of the final arbiter, making decisions in disputed situations and cases, in which the regime's common interests are at stake, such as the negative public resonance that was caused by the Golunov case.

Russia is governed by a political system, in which the elite is given discretion as long as the vital interests of the regime are not affected. The closer the relationship with Putin, the more is allowed.

At the same time, no one can be sure of their safety and status. In January 2019, as a result of a battle between various elite groups, Rauf Arashukov, a Senator of the Upper House of the Parliament, and his father Raul, a top-ranking *Gazprom* official, were jailed alongside the aforementioned Ivan Golunov. In February, Michael Calvey, one of the rare foreign investors in Russia, was arrested, most likely on the initiative of people closely affiliated to Putin. March came with another arrest. This time it was Mikhail Abyzov, an ex-minister whose business activities harmed the interests of other influential elite actors.

The Putin-led Security Council remains the most important centre for decision-making and regime policy coordination, making its permanent

members Nikolai Patrushev, Aleksandr Bortnikov, Sergei Shoigu, Sergei Ivanov and Anton Vaino regime's most influential officials. Whereas the Presidential Administration is the main body of state administration whose leading officials Sergei Kiriyenko, Alexei Gromov, Yuri Ushakov and Dmitry Peskov implement and coordinate the regime's policies. Other individuals and groups closely affiliated to Putin (e.g. Sergei Chemezov, Igor Sechin, Arkady and Boris Rotenberg, and Yury and Mikhail Kovalchuk) continue to influence the decision-making process. None of the influential figures in Putin's regime lost their position in 2019.

Along with proposing constitutional changes, the regime began open preparations for a change of power in early 2020. In addition, within a short period of time, the president replaced the head of government, several members of the government and the Attorney General. The replacement of influential officials is likely to continue. Neither constitutional amendments nor other changes will fundamentally change the existing regime in Russia. Their sole purpose is to create the legal conditions for Putin to continue to run the country even after the presidency. The success of the regime in the coming years will be to ensure the success of the power party in the 2021 parliamentary elections and a successful presidential rotation.

Society

Public dissatisfaction with the president, government and power in general has reached the highest point in recent years. The dissatisfaction was mostly caused by the prolonged socio-economic crisis in Russia. According to official data, the decline in real income finally stopped only towards the end of 2019.

The general dissatisfaction caused a rapid increase in protests – nearly 2000 different types of protests took place in Russia over the last year, about 25 % more than the year before. Most of the protests were related to socio-economic and environmental problems.

The increasing dissatisfaction together with widespread election related protests in July and August did not, however, encourage Russian people to express their political stance. The turnout at the regional elections was just as low as in the years before. Most of the Russian population is still politically apathetic and reject the idea that they could have a real influence over the political process. The regime generally favours this situation, as it does not regard the population as a political

subject. Since there is, however, at least a formal requirement for public acceptance to legitimize the regime's politics, the election process in Russia is starting to resemble a rather dull play without much intrigue and a pretty certain outcome.

The human rights situation in Russia continued to deteriorate in 2019. The legislation passed in 2019 has introduced even stricter limitations for freedom of expression, particularly towards Putin and other high-ranking regime officials. In the first six months since the introduction of the legislation, 45 administrative cases for insulting the power had been initiated, 78% of which for insulting Putin himself. Several human rights organizations have been closed because of government pressure, despite even conservative estimates suggesting that there are about 300 political prisoners in Russia. The Golunov case highlighted the repressive nature of Russia's law enforcement system - less than a percent of all the criminal cases lead to an acquittal of the accused.

In 2019, there have been several cases, in which the politically active part of Russian population was able to consolidate and achieve the reversal or softening of some of the regime's decisions, like with the lifting of Golunov's unlawful arrest, cancellation of the new Russian Orthodox Church project in the down-town of Yekaterinburg or achieving a more lenient punishments for several of the Moscow protesters. These should, however, be regarded as exceptions rather than a new trend. Decisions in such cases are primarily depending on the influence of the involved parties and the potential risks to the regime.

Because of the adverse socio-economic conditions and the growing desire for change in at least some parts of the society, the regime will need to step up its efforts to ensure that domestic policies coincide with its best interests. It can be assumed that in some cases the regime will be acting more cautious to avoid open confrontation with the public on some of the more sensitive issues. Russia's domestic policy will continue to entail increasing attempts by the regime to control public processes and developments on the internet. Restrictions on citizens' actions and expression will increase.

Economy

Russia's macroeconomic situation shows two opposite tendencies - a positive fiscal performance next to a stagnating growth and social welfare. Like in the year before, Russia has concluded 2019 with a significant budget surplus, which resulted in the government's financial reserves more than doubling. At the same time, it was only towards

the end of 2019 that the decline in real income of the population, which lasted for more than five years, stopped. According to the official Russian statistics, last year Russia's economy grew by 1.3 %, mainly due to the fact that, despite its ambitious economic development goals, the regime has continued to prioritise its own security and stability instead of economic development.

Over the recent years, the regime has used conservative fiscal and monetary policy to significantly strengthen the external resilience of Russia's economy. Both the government's and Russia's total currency reserves have returned to the pre-2009 levels. Russia's external debt has declined by about 10% over the last four years, allowing it to be fully covered by the accumulated currency reserves. Continuing the policy launched in previous years, the Central Bank of Russia has successfully curbed the inflation below 4% in 2019, and the government created a budget that would remain balanced even in a case where the price for oil would drop to 41.6 dollars per barrel (in 2019, it was an average of 57 dollars per barrel). Last year the budget revenue was also boosted by a two percentage point increase for the value-added tax, which slightly reduced Russia's dependence on oil and gas price volatility. Russia's success in promoting the economic stability was appreciated by foreign experts - in August the international rating agency *Fitch Ratings* upgraded Russia's credit rating from BBB- to BBB.

The positive fiscal situation did not, however, contribute to the development of national economy or growth of the public welfare. Development has been held back by persistent internal factors: Russia's economy is not competitive and remains mainly oriented towards export of raw materials, especially energy and metals, the state exerts a hyperbolized role and influence on the economy, Russia is highly corrupt, legislature and judiciary are not functioning properly, small and medium businesses are poorly developed, there is very low capitalization of science and education. External factors have also remained the same - deliberate confrontation with the Western powers and subsequent sanctions have isolated Russia's economy and reduced its competitiveness.

Russian officials are generally able to identify problems and formulate necessary reforms. But these reforms are not implemented. During the last 15 years, there have been almost no reforms in Russia that would address the fundamental problems of the economy. On the contrary, due to the regime's self-defence policy and the elite's pursuit of personal interests, the situation is only getting worse. A rare positive example can be seen in the major clean-up of the smaller banks of various elite groups

conducted by the Central Bank of Russia over the recent years. Yet in most cases, the implementation of various economic initiatives has been rather formal and declarative.

Economic stagnation has contributed to the diminishing role of Russia in the global economy. Last year, Russia's role in the global economy (purchasing power parity) was 3.07%, which is the same as at the time when Putin first came to power in 1998. The rapid increase of oil price in the early 2000s led to Russia's role rising to 3.93%. However, since the global economic crisis and sharp drop in oil prices in 2009, Russia's role has been gradually declining and will continue to do so over the coming years.

In 2019, most of the public administration has been involved in fulfilment of the 12 national projects designed to promote the development of economic and social well-being as promised by Putin - by 2024, Russia should, among other things, become one of the world's top five economies, achieve an above-average GDP growth and annual investment growth by 6%, and halve poverty. More than 25 trillion roubles are expected to be dedicated to financing of these projects by 2024, 70% of which will come out of the state budget. The results of the first year raise some doubts about the effectiveness of the projects and the regime's ability to achieve growth through the cash injection alone, without any actual reforms. According to various surveys, not only Russian entrepreneurs but also Russian and foreign experts don't believe in these projects. Public investment in a deeply corrupt country is ineffective and resembles the hopeless state of Soviet economy of the 1970s and 1980s. In 2019, the amount of foreign investment in Russia's economy has decreased, while the outflow of foreign capital continued to grow.

Overall, the regime has been able to ensure the resilience of Russia's economy and prevent a recession. Yet its primary interests being related to its own security and stability has prevented any radical changes in Russia's stagnant economy in 2019 and will continue to do so in the future. Under the current circumstances, improvements in economic performance would mostly be possible due to external factors, such as rising of energy prices or lifting of sanctions.

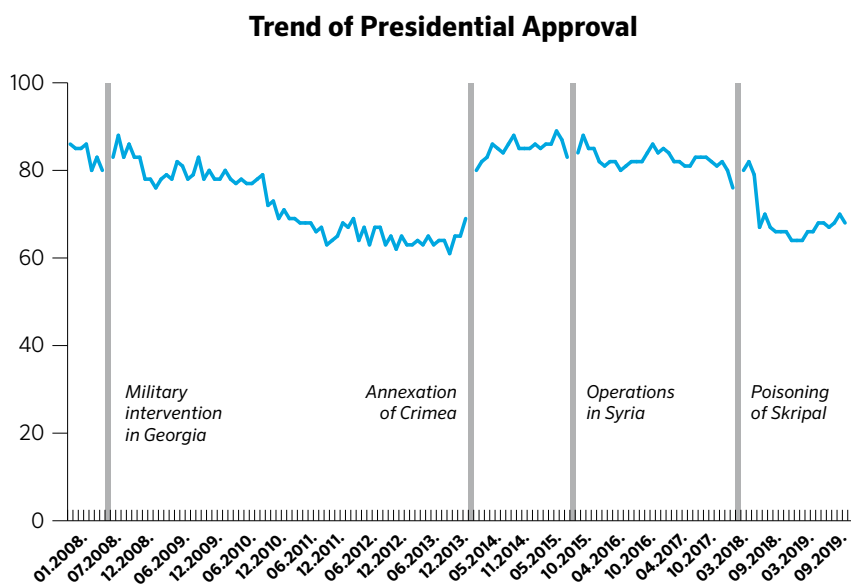


RUSSIA'S FOREIGN POLICY

- ▶ **Russia is the main threat to Latvia's security; Russia's aggressive foreign policy is caused by its ambition for global power, revanchism, sense of vulnerability and security policy that is based at the expense of sovereignty of other countries**
- ▶ **Russia's decisions on military actions are primarily made as a response to external events and perceived threats: the fall of Putin's rating or the rise of public dissatisfaction has no direct impact on Russia's decisions to engage in hostilities abroad**
- ▶ **Current decision-making and a strong power vertical allows Russia to be very flexible and responsive to global challenges in order to achieve its goals**
- ▶ **Russia continuously tries to create divisions among the West, aiming to marginalize countries that are more critical towards Russia and consolidate its influence in the West and globally; this is illustrated by the fact that Parliamentary Assembly of the Council of Europe renewed Russia's mandate in 2019**
- ▶ **Russia pursues a non-compromise approach to strengthen influence in its exclusive sphere of interests – near abroad countries; Russia generates long-term instability in near abroad by creating frozen conflicts – unlike the West, Russia is ready to use military force in the near abroad**
- ▶ **In 2019 Russia actively tried to consolidate its influence in Belarus, which was prevented by Lukashenko's hard stance against Belarusian-Russian integration**

There is a popular notion that the most crucial decisions of Russia's foreign policy, such as launching the military operations in Georgia or Ukraine, have been related to Russia's domestic situation and the fall of Putin's rating. While it cannot be denied that maintaining the regime is one of the central vectors of the political process, decisions on military actions are primarily made as a response to external events and perceived threats. These can be events that directly threaten Russia's strategic interests – like the excessive and irreversible rapprochement of countries within the Russian sphere of interest to Western countries,

as was the case with Georgia and Ukraine; or events that allow Russia to claim or clearly demonstrate its decisive role and active presence on the international political scene, as in Syria. While the fall in Putin’s ratings or the rise of public dissatisfaction has no direct impact on Russia’s decisions to engage in hostilities abroad, it cannot be denied that these decisions do influence the political sentiment inside Russia.



Source: Levada-Center data

Russia’s Relations with the West

In 2019, Russia’s relations with the West showed continued efforts to lift sanctions and reduce international isolation. Russia was seeking to soften the Western sanctions without any real concessions on its part – no steps were made towards resolution of the Ukrainian conflict.

In 2019, European Union (EU) did not lift the sanctions against Russia, and neither EU nor NATO changed their general position towards Russia. At the same time, despite the absence of any change in Russia’s foreign policy goals, several Western European countries have been talking about reviewing relations with Russia and the need for a constructive dialogue. After lengthy discussions, Russia’s mandate at the Parliamentary Assembly of the Council of Europe was renewed in the summer of 2019. This creates an opportunity for Russia to emphasize its role in Europe, bypassing the fact that it is Russia’s aggressive behaviour that has undermined Europe’s sense of security and confidence in Russia.

In its relations with EU Member States, Russia continued the previous foreign policy, seeking to achieve a shift in major EU Members' position towards it. Russia attempted to create a division by focusing on countries that have been historically Russia-friendly or are currently interested in closer economic contacts with Russia. The issue of a third-party intervention was a major concern for Member States during the 2019 European Parliament election. Experience of Russian interference during the US Presidential election and French Presidential election in 2016 led to an increased monitoring of Russian activities during the European Parliament election. No large-scale campaigns organized by Russia were identified during the election. The lack of large-scale campaigns together with the conduct of smaller activities shows Russia's interest in using democratic processes to pursue its interests, while also recognizing that the West is paying particular attention to its actions.

Relations with the United States remain a challenge for Russia's foreign policy makers. Meetings and telephone conversations between senior officials from both countries show that political dialogue is maintained, but the difference in statements made after the discussions suggest that the relationship is not improving. Russia and the United States continue to disagree over various issues, including arms control, situation in Ukraine, Syria, and Venezuela, as well as Russia's interference in the US election. In the spring of 2019, the Special Prosecutor Robert Mueller concluded his investigation into Russia's interference in the 2016 US Presidential election and released the final report of the investigation; another two-part report on the topic was issued by the United States Senate Select Committee on Intelligence. These investigations and the public events surrounding them contributed to a negative image of Russia in US society.

In 2019, there was also a gradual decline in military confidence between Russia and the United States, particularly with regards to both countries' nuclear weapons. As Russia continued to develop new missiles, both countries ceased to participate in the Intermediate-Range Nuclear Forces Treaty. There is also no agreement on the future of the New START Treaty signed in 2010, the existing Treaty expiring in 2021. Termination of treaties and uncertainty about other nuclear-restrictive treaties allow Russia to demonstrate the potential of its nuclear state. Nuclear weapons are particularly highlighted in Russia's foreign policy and military rhetoric, ensuring a seeming equality with Western countries.

It is essential for Russia to develop the narrative of being a reliable negotiator, an attractive alternative for the West and a helpful source for resolution of conflicts. Russia has been capitalising on the consequences

of Western actions or the power vacuum caused by internal events in various regions, positioning itself as a source of support (e.g. during the events in Syria in 2019). Such an opportunistic approach indicates Russia's limited ability to pursue its interests unilaterally, at the same time showing that the regime can make quick decisions by channelling the necessary resources to fulfil them. The actions in Syria also illustrate Russia's 'modern approach' – demonstration of strength by using mercenaries affiliated to Russian special services to defend Russia's national interests.

At the same time, Russia continues to face the challenges of its negative image in Western countries. The World Anti-Doping Agency's has adopted a decision to prevent Russian athletes from representing their country in a number of major sporting events, including the Olympics and the FIFA World Cup, for the next four years. Russian aggressive foreign policy and its influence operations are also challenged by international media, academic institutions and think tanks.

Relations with the near abroad countries

Russia continued to closely observe the internal dynamics and foreign policy of the near abroad countries, perceiving the region as an area of interest. Russia's policy is aimed at ensuring a long-term influence on these countries.

Russia's relations with Belarus, its closest strategic partner, were rather tense in 2019. Inability to reach an agreement and tensions will continue in 2020. Russia used economic and political instruments to put pressure on Belarus, in order to obtain President Alexander Lukashenko's consent for a deeper integration of the two countries. No agreement was reached by the end of the year. The integration of both countries is foreseen in the Treaty on the Creation of a Union State signed in 1999. Lukashenko, for his part, has been demanding favourable gas and oil supply conditions for Belarus that are crucial for the Belarusian economy. The prolonged tension is sending negative signals to other Russian allies and countries dependent on Russia.

In 2019, the change of Ukraine's political leadership allowed resuming the Russia-Ukraine talks, but overall, Ukraine continues to distance itself from Russia's area of influence. The election of President Volodymyr Zelensky and his party *Servant of the People* gaining a majority in parliament allowed the Ukrainian leadership to take a number of constructive steps. Hostage exchanges have taken place, Ukraine has recovered ships captured in the Kerch Strait, the so-called Steinmeier

Formula for the resolution of the Donbass conflict is being discussed again, and, after several years of interruption, there have been new meetings of the Normandy Format. At the end of 2019, an agreement was also reached for the gas transit through Ukraine for the next five years. Although the interests of both countries are still opposing and have not changed, the events of 2019 show that both sides are able to see a mutual benefit in order to agree on something if need be.

From Russia's perspective, 2019 was a relatively successful year for Moldova. After months of talks between the winning parties, Russia and the EU succeeded in establishing a coalition government, formed by the pro-Western *ACUM* alliance and the *Party of Socialists of the Republic of Moldova (PSRM)*. The newly formed government did not, however, pass the vote of confidence in November, and a new government was formed by the previous government's allies, the Socialists and the Democrats. The pro-Russian *PSRM*, represented by Moldovan President Igor Dodon, has much more influence in the government. The previous government succeeded in taking some anti-corruption measures and reform steps, but during this time Dodon also strengthened his influence over the security and intelligence community in Moldova.

One of the main challenges of Russia's foreign policy remains its distrust towards anyone, including seemingly close partners like Belarus or Armenia.



FOREIGN INTELLIGENCE AND SECURITY SERVICES

- ▶ **Activities of Russian special services are intense and aggressive, echoing Russia's confrontational foreign policy, seeking to strengthen its geopolitical influence and weaken the West**
- ▶ **Russia's elite ready to pursue their interests with extreme means unacceptable to the West**
- ▶ **Diplomat working at the Embassy in Riga recruited by Russian intelligence service to increase the chance of receiving information from a wider network of assets**
- ▶ **Current Military Attaché at the Russian Embassy in Latvia attending security and foreign policy events more often than his predecessor, establishing initial contacts with experts in the fields**

The activities of non-NATO and non-EU intelligence and security services (hereinafter – foreign special services) pose a significant threat to national security, and are directed against the interests of Latvia, its allies and the collective security. SAB is conducting counter-intelligence activities to identify, control and restrict the activities of the special services that are directed against Latvia.

In 2019, SAB carried out counter-intelligence activities against special services of several countries that conduct activities against Latvia. The main threat to Latvian national security was posed by Russian special services, while the activities conducted by the special services of other countries can be assessed as moderate and have not posed a substantial threat to Latvian national security over the past year.

The threat posed by foreign special services is directly related to the foreign and security policy objectives of the country represented by the service in regards to Latvia, the Baltics and the West in general. Tasks of special services range from intelligence gathering to influence measures targeted towards decision-makers or public in general.

Activities of Russian special services are intense and aggressive, echoing Russia's confrontational foreign policy, seeking to strengthen its geopolitical influence and weaken the West. Russia's elite is ready to pursue their interests with extreme means that are unacceptable to the

West, such as the attempted coup in Montenegro (2016) or the poisoning of former intelligence officer Sergei Skripal in Britain (2018). Some older operations of the General Staff of the Russian Armed Forces (commonly referred to as the GRU) in Moldova and Bulgaria have also come to public attention in 2019, exposing the responsible GRU unit and officers. The fact that a number of details about the particular area of their activities have been made public may lead to GRU reconsidering its tactics for planning and organizing operations, but will not, in general, diminish its aggressive activities against the West. Even though the Russian special services have not carried out any extremely aggressive operations in Latvia, their activities against Latvia are in line with their general policy towards the Western countries.



Ruslan Ushakov, Russia's Military Attaché in Latvia

Source: www.flickr.com

Traditionally, the intelligence activities of the GRU in foreign countries are carried out under the cover of Russian Embassies and the Military Attaché Offices (usually an integrated part of the Embassy). The official functions of the Military Attaché's Office include dealing with issues of military-diplomatic cross-border cooperation. In reality, these positions often include GRU officers whose primary task is to collect intelligence information. Since 2019 the head of Military Attaché's Office at the Russian

Embassy in Latvia is Colonel Ruslan Ushakov. More than his predecessor, Ushakov is regularly attending security and foreign policy events, during which he establishes initial contacts with experts of these fields.

Foreign special services conduct their activities against Latvia not only by deploying intelligence officers under the cover of diplomatic missions, but also by carrying out activities from the territory of their country. These can include activities on the state border, temporary intelligence officers' visits to Latvia, and activities against Latvian nationals, who are visiting the country represented by the service. Active measures are mostly carried out on the internet – in online media and social networks, where it is difficult to identify the involvement of special services. Despite technical capabilities, including cyber intelligence activities and signals intelligence, playing a major role in acquisition of intelligence information,

the work with information sources and contact persons has not lost its importance.

It is also common for Russian special services to use the cover of other institutions and organizations, usually occupying positions related to international cooperation. Employees of other institutions, such as diplomats assigned to work abroad, may also be involved in clandestine cooperation. SAB has encountered this practice in Latvia. To increase the chance of receiving information from a wider network of assets, a Russian intelligence service has recruited a diplomat working at the Embassy in Riga. While performing his official duties, the diplomat also carries out intelligence tasks, e.g. by asking questions prepared by the intelligence service when meeting with Latvian representatives.

Foreign special services' intelligence activities in Latvia are aimed at acquiring detailed information on a possibly wide range of issues: domestic and foreign policy, economy, energy and security policy, including activities and goals within EU, NATO and other international organizations. Information on social processes, public sentiment and reaction to current political and economic events is also gathered and analysed. Observations suggest that in 2019 Russia's intelligence priorities included NATO's policies and activities in the Baltics, as well as Latvia's defence capabilities and measures to strengthen all forms of security. Security policy of the Baltic States is also a major focus for other special services working in Latvia.

In order to mitigate the threat of foreign special services, SAB implements both counter-intelligence, as well as preventive and educational measures. Our service regularly conducts briefings and provides advice and consultations for government officials at institutions, which, according to legislation, are supervised by SAB regarding protection of classified information. In 2019, SAB has developed a set of concise guidelines *Cyber activities of intelligence services. Recommendations for reducing security risks*. The guidelines are available on the website of SAB.



RUSSIA'S INFLUENCE MEASURES AND PROPAGANDA

- ▶ In 2019, the goal of Russia's disinformation and propaganda activities in the West has remained in line with its strategic foreign policy objective: to increase Russia's international influence by reducing the influence of other centres of power in areas of interest to Russia
- ▶ Undermining the reputation of NATO: a major focus of Russia's campaigns
- ▶ Messages on Baltic States spread by Russian propaganda media in 2019 did not show much change from the years before: there were accusations of Russophobia, revival of Nazism and militarization.
- ▶ Experience of other countries shows that any changes to World War II monuments lead to an aggressive backlash from Russia (diplomatic and political protests, information operations, cyber-attacks, and provocations by Russian special services)

In 2019, the goal of Russia's disinformation and propaganda activities in the West has remained in line with its strategic foreign policy objective: to increase international influence by reducing the influence of other centres of power in areas of interest to Russia. This is achieved by creating a division on various levels. Firstly, by weakening the transatlantic link; secondly, by undermining the unity of European countries; and, thirdly, by dividing societies within particular countries.

In 2019, we have experienced a continuation of recent trends for Russia's influence measures abroad, but some new initiatives have also been launched. In 2019, the intensity of disinformation activities in traditional media and social platforms remained high. The advancement of technology contributes to development of methods for dissemination of propaganda.

The *Internet Research Agency*, a company led by Yevgeny Prigozhin, which produces a large number of messages on social platforms, continued to operate in 2019. The dissemination of messages involves activists outside of Russia, making it difficult to determine their connection to Russia. In addition to actual people distributing messages on *Facebook*, *Instagram*, *Twitter*, *Vkontakte*, *Odnoklassniki*, etc., there is

also automated message distribution. The so-called trolls actively spread messages created by Russian propaganda media like *Sputnik* and *RT*.

In 2019, Russian-controlled television channels continued to be popular in countries with a significant Russian-speaking population. Even though the *RT* channel broadcasts in several languages, its actual audience in the West is rather small. The messages of Russian TV channels reach not only the Russian-speaking seniors, who make up for most of their direct audience, but also younger people, who use social media, in which these messages are distributed online.

Last year Russia carried out influence measures against the West not only through social platforms, online and traditional media, but also via public diplomacy and compatriot policy. The implementation of compatriot policy programs has not been very effective over the recent years, but these events (seminars, conferences) can be used to create ‘media events’ widely reported by Russian media. The compatriot policy events are financed by Russian diplomatic missions and various foundations established by Russia.

Propaganda Messages on Selected Topics

Undermining the reputation of NATO is a major focus of Russia’s campaigns. This is especially true for audiences in Central and Eastern European countries, in which we saw Russia spreading similar messages as in the years before. The dissemination of anti-NATO narratives in Russian media in the Baltics and Poland had a rapid upswing, following the decision of the 2016 Warsaw Summit on the deployment of multinational battle groups in Poland and the Baltic States. Since then, Russian campaigns have been spreading the following messages:

“NATO is preparing a military strike against Russia; if there would be a war between NATO and Russia, it would take place on the territory of the Baltic States and destroy these countries;

NATO has a high cost for the Baltic States, and it is covered at the expense of socially vulnerable groups;

NATO soldiers are immoral drunks who create disorder;

the US and NATO are unreliable and will not help the Member States in a conflict with Russia; the actions of NATO, Poland and the Baltic States in increasing their military capabilities will provoke a backlash from Russia and thus lead to an even greater insecurity than before”, etc.

Russian propaganda campaigns use the US as an antagonist to compete with. In 2019, like before, Russian media highlighted the lack of justification for accusations of Donald Trump's cooperation with Russia during the 2016 election. On social networks, Russian trolls spread messages intended to divide the society on topics like race relations, the right to bear arms, and harmfulness of vaccination.

In 2019, in addition to the usual topics, Russian media and trolls on social platforms focused on the European Parliament election in May. One of their main goals was the reduction of voter turnout, which was not achieved.

Russian propaganda messages are gaining popularity among some of EU's populist and radical political parties. Russia cultivates narratives that reinforce the divide – “traditional values of Russia vs. immorality of Europe” – and challenge the legitimacy of European institutions. The same message is recreated for different target countries by looking for specific events and processes that would present the message to the particular audience. The issue of migration has not lost its importance, even though the volume of publications has decreased, if compared to 2015 or 2016.

Some of Russian propaganda messages are primarily targeted towards domestic audience, allowing the Kremlin to reinforce its vision of other countries like Ukraine and the Baltic States. This allows Russia to manipulate issues of the public agenda, distract public attention from other issues and promote public support for its foreign policy.

Events in Ukraine were a priority for Russian media in 2019. The propaganda media spent as much time commenting the events in Ukraine as they would on domestic occurrences. During the Ukrainian Presidential election, Russian media supported Volodymyr Zelensky, Russia's stance towards Zelensky being generally more moderate than the one towards the former President Poroshenko. And yet in the second half of the year, Zelensky was portrayed as a leader who has no control over the country's nationalists, so it is doubtful that he will achieve peace in Donbass. The main keywords of Russia's Ukraine-related campaigns in 2019 were 'banderites', 'fascists', and 'nationalists'.

Russian propaganda messages on Baltic States spread by media in 2019 did not show much change from the years before. There were accusations of Russophobia, revival of Nazism and militarization. Propaganda media suggested that Estonia, Latvia and Lithuania are following Washington's instructions and are therefore aggressive towards Russia. There were notions of Latvia as a failed state that people are

massively exiting, and comparisons to Soviet times, when the Baltic States were supposedly experiencing prosperity. For this purpose, the current economic performance of the Baltic States is compared to the richest Western countries, instead of former USSR republics, which are economically lagging behind Latvia, Lithuania and Estonia. The Baltic States are often criticized and defamed by the online media *RuBaltic*, *Baltnews* (*Baltnews.lv* was suspended in summer 2019) and *Sputnik*.

Over the past year, SAB has seen a number of activities by the Press Service of the Russian Embassy, which did not meet the generally accepted media standards of the Western countries, and can, therefore, be considered as influence measures in Latvia's information domain that involve certain intelligence risks.

The Russian Embassy in Latvia has been commissioning and paying for articles in various Russian-language media in Latvia that are later published without any indications that the content is paid for and prepared in cooperation with the Russian Embassy. Thus the readers are misled by both the Embassy's Press Service and the editorial staff of the media, denying them the opportunity to objectively understand the context of the publication like in the case with propaganda article on five years since Russia's annexation of Crimea published in the *SegoDnja* newspaper on 18 March 2019. The article stated that the 'referendum' on the annexation of Crimea to Russia was democratic, the 'courteous' Russian special forces soldiers were only there to guarantee a safe environment for the realization of the civic will, and the annexation to Russia brought Crimea prosperity in all areas.

СегоДня годовщина ПОНЕДЕЛЬНИК, 18 МАРТА 2019 года • № 53 (5540) 9

Пять лет в истории Крыма



В Крыму 96,77% голосовавших высказались за присоединение к России.

События пятилетней давности сейчас вспоминаются уже как история... Но тогда они держали в напряжении многих, и не только в России и на Украине, но и здесь, в Латвии. Ведь многих и у нас волновала судьба крымчан, которые еще недавно (в рамках одного поколения) были частью единой страны. Да и автор более полувек назад, еще пионером, побывал в «Артек» и, это время запомнилось на всю жизнь...

➔ **Валерий ЗАЙЦЕВ**
международный обозреватель газеты «СЕГОДНЯ»
Как всё начиналось...
В феврале 2014 года акция

ранее говорили о непризнании его результатов. Позднее на фоне разрастающегося кризиса на Украине дата голосования была перенесена. 16 марта в Крыму и Севастополе прошел референдум. На него были внесены два вопроса: «Вы за воссоединение Крыма с Россией на правах субъекта Российской Федерации?» и «Вы

строительство новых детских и медицинских учреждений и модернизация курортной отрасли.

Об изоляции нет и речи

Представители как минимум половины стран мира побывали в Крыму после его воссоединения с Россией, и народная дипломатия помогает рассказывать миру о том, что на самом деле происходит в регионе. Об этом сказал глава Республики Крым Сергей Аксенов.

«За пять лет всем аменяемым людям стало очевидно, что попытки изолировать Крым полностью провалились...» За пять лет в российском Крыму побывали представители, по крайней мере, половины стран мира, а если учитывать частные визиты, то, конечно, больше», — сказал Аксенов.

Только за последние два года Совет министров Крыма посетили около 100 официаль-

«Хочу поблагодарить наших иностранных друзей за честную и принципиальную позицию. Они помогают нам донести правду до мировой общественности. В Европе все громче звучат голоса тех, кто выступает за международное признание Крыма неотъемлемой частью России и отмену антироссийских санкций, в том числе на высоком политическом уровне. Успехи российского Крыма — это презентация возможностей Русского мира как интеграционного проекта, лучший ответ нашим врагам», — добавил Аксенов.

Про «вечных людей»

В конце февраля этого года президент России Владимир Путин, поздравляя с профессиональным праздником бойцов Сил специальных операций Вооруженных сил РФ, отметил их роль в воссоединении Крыма с Россией. Силь

The Russian Embassy's press secretary Vadim Ponomarev and his contacts in Latvia are developing cooperation beyond the usual format required for media work. He regularly invites individual contacts to dine in restaurants, presents gifts, and asks for a specific information and opinion on domestic policy, international relations, and social issues. In maintaining such a relationship with the Russian diplomat, V.Ponomarev's contact persons run the risk of being involved in covert or other activities contrary to Latvia's interests.



First from left, Vadim Ponomarev, Press Secretary of the Russian Embassy in Latvia

Source: www.melkon.lv

Strengthening of Historical Memory

History, especially topics related to World War II, has an important role in Russian politics. Stories of battles and victories have a direct impact on Russian national identity. Interpretation of historical events is also an instrument of international relations and propaganda.

Victory in World War II is a key element used by the elite as a political asset to mobilize the society for implementation of Kremlin's interests. It is essential for the Kremlin to keep historical messages on the public agenda. The amount of money devoted to propaganda and promotion of history is constantly growing. Resources are allocated to various governmental, non-governmental and academic organizations. So, for instance, to mark the 75th anniversary of the end of World War II, a television channel called *Pobeda* (Russian for 'victory') was launched in

April 2019. The new channel is showing movies and documentaries on World War II.

The importance of history has a direct impact on Russia's foreign policy behaviour. Russia has an intense reaction to the perception of history in other countries, especially the Baltics, Poland and Ukraine, that includes criticism of Russia's actions. Any attempt to question Russia's official position or highlight any unflattering facts is perceived as turning against Russia.

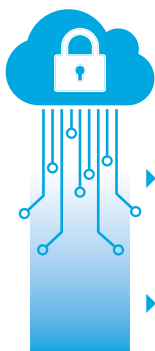
2019 marked 80 years since the conclusion of Molotov-Ribbentrop Pact. During August and September, there was an increase in propaganda events related to the conclusion of the Pact. In 2019 we saw both the European Parliament adopting a resolution condemning the secret Pact between Nazi Germany and Soviet Union, and Russia's rhetoric basically returning to the Soviet position depicting the Molotov-Ribbentrop Pact as a necessary evil to prevent Nazi Germany from attacking the Soviet Union. Not only did Russia release a number of archival documents, including the originals of the Pact and its secret annexes, there were also information activities in the media, including social networks. Propaganda was dominated by messages negatively depicting the Baltic States and Poland and accusations of rewriting the history: the Pact between the USSR and Germany was supposedly inevitable and allowed a delay in the start of the war, thus saving lives; Baltic States and Poland actually benefited from the Pact; Baltic States are obsessed with history and have not achieved their own goals since the collapse of the USSR. Towards the end of 2019, Russia (including Putin himself) was particularly active in campaigning against Poland, claiming that Poland should be blamed for supporting Germany in the late 1930s, which resulted in the outbreak of World War II.

The Kremlin directly and indirectly finances a series of pseudo-academic organizations and studies producing various publications and videos supporting narratives of historical memory favourable to the Kremlin. The Historical Memory Foundation, for instance, specializes in working on the Baltic States. The most prominent figures in the Foundation are Alexander Djukov and Vladimir Simindey, who have been recognized as *persona non grata* in Latvia. In 2019, the Foundation has published several books and publications, and organized various events dedicated to history, e.g. *The Baltic Fracture (1918-1919). August Winnig at the Cradle of Estonian and Latvian Statehood*, a book intending to disprove Estonian and Latvian historical myths, or the memories of Latvian Ambassador Edgars Krieviņš on the situation in Berlin during

the late 1930s. The latter, prepared by Simindey in co-operation with a Member of the Latvian Parliament, Nikolai Kabanov, will be published in the *Journal of Russian and Eastern European History Studies*. These people are also interviewed by Russian propaganda media as supposed experts in Baltic history, enabling them to reach a significant audience.

Over the recent years, Russia has also focused on maintaining and preserving military memorials that are favourable to its particular notion of historical memory. In mid-December 2019, Russian Defence Minister Sergei Shoigu proposed to introduce liability for defamation of Soviet military memorials, including cases that have been conducted abroad. The Minister noted that vandalism is rapidly growing in Ukraine, Germany, Poland, Czech Republic, Hungary, Austria, Estonia, Latvia and other countries.

The experience of other countries, such as Estonia, Poland, and Czech Republic, shows that any adjustments and / or changes to World War II monuments lead to an aggressive backlash from Russia, including both diplomatic and political protests, as well as active measures conducted by Russian special services: information operations, cyber-attacks, and provocations. The Russian Ministry of Foreign Affairs, for instance, had a strong reaction to the Prague municipality planning to relocate the monument to the USSR Marshal Ivan Konev and replace it with a monument to the soldiers of the Russian Liberation Army.



CYBER THREATS

- ▶ **Russia advancing and using cyber capabilities to achieve political and security goals at both strategic and tactical level**
- ▶ **Main threat to NATO and EU security posed by cyber activities of Russian and Chinese special services**

Cyberspace related threats are ever-present security risks that can affect particular individuals, society and state as a whole. Cyberspace is exploited by variously motivated organizations and individuals, committing e.g. cyber-bullying or fraud, but the highest risks to national security are posed by foreign special services, cyber-units, and government-backed hackers.

Activities of Russian and Chinese special services pose the main cyber threat to Western countries, including the security of NATO and EU. Even though Russia should clearly be regarded as the main threat to Latvia's national security, other countries can also harm Latvia by posing a threat to the collective security or national interests of our allies.

In accordance with strategic policy documents, such as the Russian Military Doctrine and the Information Security Doctrine, Russia is advancing and using its cyber capabilities to achieve political and security goals at both strategic and tactical level. Over the last 4 to 5 years, Russia's ruling regime has been defining Western countries – Members of EU and NATO, especially the US – as its adversaries. This, in turn, means that Russia has developed means to weaken the adversary, which can be applied both during periods of relative peace and escalation of a conflict. As a part of Russia's general policy, activities in cyberspace are often coordinated and used in combination with other tools of influence.

There are several types of cyber threats: espionage, information operations aimed to influence decision-makers and public opinion, as well as destructive actions against information technology (IT) systems or industrial infrastructure.

Russian special services are developing their capabilities in all of these areas. The overwhelming majority of cyber-attacks against Western countries have been related to intelligence gathering.

The cyber-attacks conducted by Russian special services have a wide range of targets based on Russia's foreign policy interests and the tasks of special services. They target government institutions, businesses, academia, non-governmental organizations and media. With regards to NATO and the EU, Russia's cyber capabilities are primarily focused on obtaining intelligence on particular organizations, as well as foreign and security policy and armed forces of the Member States.

Russian cyber-attacks are mostly conducted by entering an information system, performing specific activities, while remaining unnoticed, and securing a long-term retrieval of data from the system: e-mail correspondence of individuals and organizations, processed documents, internal databases, etc. Attacks are typically directed against information systems that are connected to the internet, including various smart devices. Access to the IT system is gained by scanning it for security flaws and using these flaws to deploy specially crafted programs – malware – and gain control over the system.

The so-called phishing method is also widely used by Russian special services. The system is infected, when the targeted individual opens an attachment or an active link to an email, in which the malware is hidden. Fake e-mails are often individually tailored. This means that the targeted individual, organization, or company is previously researched to produce credible content.

In our assessment, Russia's cyber activities against Latvia coincide with the general activities against Western countries in terms of objectives, methods and intensity of attacks. Like in Western countries in general, over the recent years

Russian cyber-attacks in Latvia have mostly been carried out for espionage purposes and directed against government institutions, mainly in the fields of defence, interior and foreign affairs.

The number of cyber-attacks by foreign special services detected in Latvia has not changed significantly over the last 4 to 5 years, reaching a few dozen cases each year.

Western cybersecurity experts are paying close attention not only to Russian, but also Chinese activities. The number of China's cyber operations has been gradually increasing, and it is posing a serious threat to the security and interests of Western countries – a trend that is expected to continue. Over the last five years, China has invested resources to systematize, centralize and improve the cyber activities of

various institutions. Hacking groups controlled by Chinese special services have revised their operating methods and improved technical tools. Chinese cyber operation campaigns are increasingly advanced, technically sophisticated and difficult to detect.

China's massive espionage campaigns have not only threatened security but also harmed economies of the Western countries. China is using cyber-spying on a wide range of targets throughout the world, conducting cyber-operations against public and private companies, academia, government institutions, military and defence sector, and non-governmental organizations, involved in cooperation with China. The obtained information is used to increase China's economic, military and political influence. While increasing the economic competitiveness remains the most common motive for Chinese cyber-spying, in recent years, there has been an increasing number of cyber-spying campaigns against foreign and security policy institutions of various countries. These campaigns are aimed to obtain intelligence on the countries' policies that are perceived by Beijing as strategically important.

Political Response to Cyber Threats

In 2018 and 2019, the West has taken a number of political responses to Russia's aggressive, massive and intense cyber operations, and the work in this direction is still on-going. In February and October 2018, several countries issued statements outlining Russia's responsibility for a number of specific cyber-attacks: Netherlands, for instance, released detailed information, proving GRU's plans to conduct an operation to gain control of the information systems of the Organization for the Prohibition of Chemical Weapons (OPCW) in The Hague and naming the particular officers behind it. One of the aims of these statements was to demonstrate to both Western society and Russia that it is possible to prove the responsibility of a particular actor for actions in cyberspace, and that, contrary to some assumptions, these actions are not anonymous.

In 2019, seven EU Member States, including Latvia, agreed on the need to impose cyber sanctions on individuals and organizations that have carried out cyber-attacks in a Member State. As a result, on 17 May 2019, the European Council introduced a legislation enabling the EU to adopt targeted restrictive measures to prevent and respond to cyber-attacks, posing an external threat to the EU or its Member States. This legislation provides EU an unprecedented ability to impose sanctions on individuals or entities responsible for actual or attempted cyber-attacks, providing financial, technical or material support for such attacks, or

being otherwise involved in them. EU Member States have also agreed to develop a common cyber-diplomacy toolbox that would provide instruments for closer cooperation in cybersecurity and responding to cyber-attacks against the EU and its Member States.

Protection of Latvian IT systems

In order to minimize the security risks posed by cyber-attacks of foreign special services, it is essential to strengthen the protection of IT systems that are of national relevance. Such protection includes both qualified experts and technological solutions. The IT systems of Latvian institutions, which are essential for governmental and public functions, are included in the IT critical infrastructure. These institutions are subject to specific security requirements which, among other things, increase their resilience to cyber-attacks. If it is technically possible, these IT systems are also subject to DDoS attack protection solutions. In 2019, approximately 250 (compared to 190 in 2017) major denial-of-service attacks were targeted against DDoS-protected information systems, 15 of which were assessed to be large-scale and professionally implemented. The DDoS security solution has proven its effectiveness, and the IT systems, to which it has been applied, have been able to resist the attacks in all cases. Finding the true initiators of such attacks is extremely difficult. Such activities are often carried out by cyber-bullies, but the involvement of Russian special services cannot be excluded. In recent years, there have been particular efforts to strengthen the security of the IT infrastructure, enabling the election process, as cyber-attacks against it could discredit the election process and allow for speculations on the accuracy of the results. No foreign-coordinated cyber-attacks on election-related IT systems have been identified during either the 2018 Saeima elections or the 2019 European Parliament elections, and the Central Election Commission continues a systematic work on implementing secure and efficient IT solutions.

In order to strengthen the security of IT critical infrastructure in accordance with the amendments to Cabinet Regulation No 442 of 28 July 2015¹, the three state security agencies in cooperation with CERT.LV have developed recommendations on the use of information technologies manufactured or developed outside NATO, EU and the European Economic Area (EEA), which should be taken into account by state and local government institutions. According to these recommendations, the

¹ Procedures for Ensuring Conformity of Information and Communication Technologies Systems to Minimum Security Requirements

holder of the IT critical infrastructure must coordinate the use of products or tools developed outside NATO, EU and EEA with state security agencies. The new legislation helps to reduce security risks associated with the use of these technologies in IT critical infrastructure.

Information Technology Security Recommendations

Recommendations for Information Technology Security Management in State and Local Government Institutions and Information Technology Critical Infrastructure:

- planning of security measures for information systems needs to be based on the risk analysis of these systems, taking into account global and local information technology threats. The risk analysis must be reviewed at least once a year, or upon detection of previously unknown security threats to the information system, or following a major system security incident;

- when organizing a procurement for IT products and services critical to the functioning of the infrastructure, it needs to be determined whether the relevant products and services have been manufactured and developed by and the product and service provider is:

- a) a legal entity registered in NATO, EU or EEA; or
- b) a natural person who is a national of NATO, EU or EEA;

- when evaluating a procurement for IT products and services critical to the functioning of the infrastructure, preference must be given to products and services certified in NATO, EU or any of their Member States and meeting international standards in the field of information technology security;

- when evaluating a procurement for IT products and services critical to the functioning of the infrastructure, products and services that are manufactured in or whose providers are residing in countries that have offensive cyber programs against NATO, EU and their Member States (e.g. Russia, China, North Korea, Iran) must be avoided;

- IT critical infrastructure and, if requested by a state security agency, any state or local government institution needs to coordinate the use of products or services critical to the functioning of the infrastructure, which have been manufactured in or are provided by a country outside NATO, EU and EEA.



PROTECTION OF NATIONAL, NATO, EU AND FOREIGN CLASSIFIED INFORMATION

- ▶ In 2019, SAB issued 667 security clearances for access to national classified information, 1922 security clearances for access to NATO classified information, and 1960 security clearances for access to EU classified information; access to national classified information was denied in two cases, whereas access to NATO and EU classified information was denied in three cases
- ▶ As of January 2020, there are 95 valid FSCs for access to national classified information and six for access to NATO and EU classified information. In 2019, SAB has issued 28 FSCs and made changes to three previously issued FSCs, four applicants were refused the FSC, and one company had their previously issued FSC revoked

Latvian national classified information (Official Secret) is information, the loss or unlawful disclosure of which may harm the security, economic or political interests of the state. The protection of classified information includes personnel security, physical security, management of classified information, protection of classified information handled in communication and information systems, and industrial security.

Protection of classified information is also an essential aspect of the security of NATO and EU, making the ability to provide this protection a prerequisite for Latvia to be considered a full-fledged partner in these organizations. According to the Law on Official Secrets, the status of Official Secret is also applicable to classified information of NATO, EU, foreign states and international organizations. A sub-division of the SAB – National Security Authority (NSA) – is responsible for protection of NATO and EU classified information in Latvia. Regular assessment visits are conducted to check the compliance of the Latvian system for protection of NATO and EU classified information with NATO and EU security requirements.

SAB as the NSA is also responsible for the protection of classified information of foreign countries and institutions, including the drafting of international agreements on exchange and protection of classified information.

Personnel Security

In accordance with the division of competence set in Law on Official Secrets, vetting for access to national classified information is carried out by all three state security agencies (SAB, State Security Service (VDD) and Defence Intelligence and Security Service (MIDD)), whereas the vetting for NATO and EU classified information is carried out only by SAB NSA.

In order for a person to be able to work with classified information, the state security agency needs to determine whether this is required for the particular position he or she occupies, carry out a vetting and issue a security clearance for access to national or NATO and EU classified information. The positions requiring access to national or NATO and EU classified information are determined by the head of each institution. These positions are then confirmed by the responsible state security agency, which further carries out the vetting for people occupying the particular positions.

The criteria for granting or refusal of national security clearances are set in Article 9 of the Law on Official Secrets. National security clearances are issued for up to five years. Security clearances for access to NATO and EU classified information are issued following an additional vetting, which can only be performed if a person has already received a national security clearance. The validity period of security clearances for access to NATO and EU classified information corresponds to the period of validity of the national security clearance.

The obligations of a person who has been security cleared for the access to national or NATO or EU classified information are specified in the Law on Official Secrets and the Cabinet Regulation No 21: Regulation regarding the Protection of Official Secrets and Classified Information of the North Atlantic Treaty Organisation, the European Union, and Foreign Institutions. Liability for intentional or unintentional disclosure of classified information is set in the Criminal Law.

In 2019, SAB issued 667 security clearances for access to national classified information, 1922 security clearances for access to NATO classified information, and 1960 security clearances for access to EU classified information. Access to national classified information was denied in two cases, whereas access to NATO and EU classified information was denied in three cases.

Pursuant to the amendments to the Law on Official Secrets, which came into force on 1 July 2018, the decision of a state security agency

to deny access to national classified information can be contested to the Prosecutor General, whose decision can be further appealed to the Administrative Court.

In 2019, the Prosecutor General has, in one case, deemed SAB's decision to deny access to national classified information as justified, while in the second case the Prosecutor General partially or temporarily revoked SAB's decision and forwarded it to SAB for further investigation. After a further evaluation of the case, SAB adopted a second decision to deny the person access to national classified information. The second decision was not contested.

Physical Security and Management of Classified Information

The inspection and certification of premises used for storage and handling of national classified information falls within the competence of all three state security agencies, while the premises for storage and handling of NATO and EU classified information are only certified by the SAB NSA.

SAB inspects the compliance with physical security requirements set in legislation for state institutions under its supervision and companies applying for a Facility Security Clearance (FSC). The inspection includes security of premises, electronic security, procedural safety, personnel security, and management of classified information. The SAB also advises employees of state institutions and companies on issues regarding security of premises and circulation of classified information (receipt, processing, storage, destruction).

SAB Central Registry monitors and controls the protection of NATO and EU classified information released to Latvia.

Protection of Classified Information Handled in Communication and Information Systems

SAB evaluates the compliance with security requirements and conducts accreditation for all information systems processing national, NATO and EU classified information in both state institutions and companies which have applied for FSC.

Industrial Security

FSC confirms the right of a company to participate in public procurements involving access to national, NATO and EU classified information, as well as the ability of the company to protect such information.

The vetting of companies for the access to national classified information is carried out by all three state security agencies, based on which SAB issues the FSC.

If a company requires access to NATO and EU classified information, the vetting is carried out only by SAB.

The criteria for granting or refusal of a FSC are set in Article 91 of the Law on Official Secrets, while the Cabinet Regulation No 417: Regulation on Facility Security Clearances prescribes the procedure, time frame and list of documentation to be submitted applying for a FSC, as well as the procedures for issuance, accounting, use, change of category and revocation of FSCs, and the policy for protection of national classified information within companies that have been issued a FSC.

A company can apply for a FSC by completing the security questionnaire in the annex of Cabinet Regulation No 417. FSCs are issued for up to five years.

As of January 2020, there are 95 valid FSCs for access to national classified information and six for work with NATO and EU classified information. In 2019, SAB has issued 28 FSCs and made changes to three previously issued FSCs, four applicants were refused the FSC, and one company had their previously issued FSCs revoked.

The decision of SAB to refuse the issuance of a FSC or revoke a previously issued FSC can be contested to the Prosecutor General, whose decision can be further appealed to the Administrative Court. The company can re-apply for a FSC five years after the final decision has come into force.

In 2019, SAB's decision to refuse or revoke a FSC has been contested in one case, in which the Prosecutor General deemed SAB's decision as justified.

In order to issue FSCs, SAB vetted owners, officials and employees of the companies, issuing security clearances for access to national classified information to 242 persons.



LEGAL MOBILE INTERCEPTION

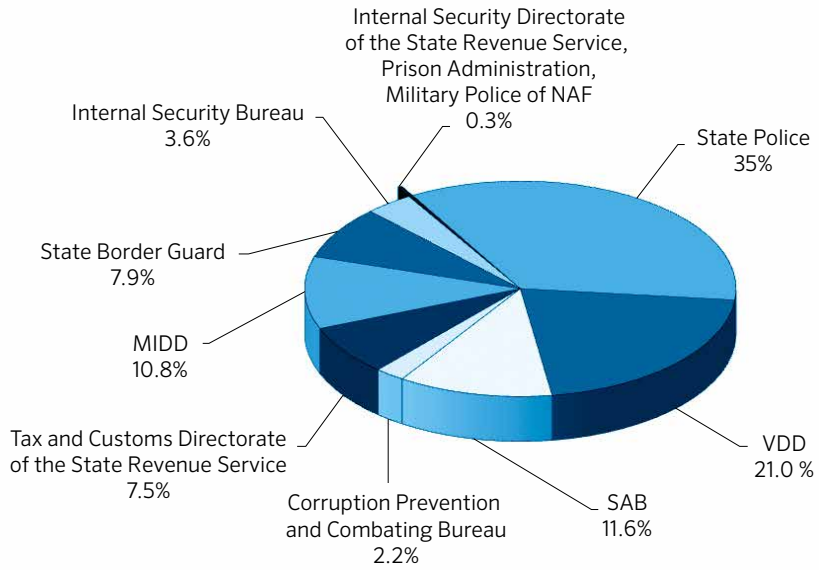
SAB hosts the technical facilities and equipment that ensures legal mobile interception for law enforcement agencies and state security agencies. The data obtained during the interception are transferred to the initiator of the particular interception who is legally able to perform specific intelligence activities and has received a warrant from the Justice of the Supreme Court. The competence and responsibility of SAB includes legal interception, protection of technical parameters and methodology of the interception, as well as the protection of the obtained data from unauthorized disclosure before they are delivered to the initiator of the interception.

Prior to the beginning of the legal interception, SAB receives the necessary documentation from the initiator of the interception, in which the following is stated:

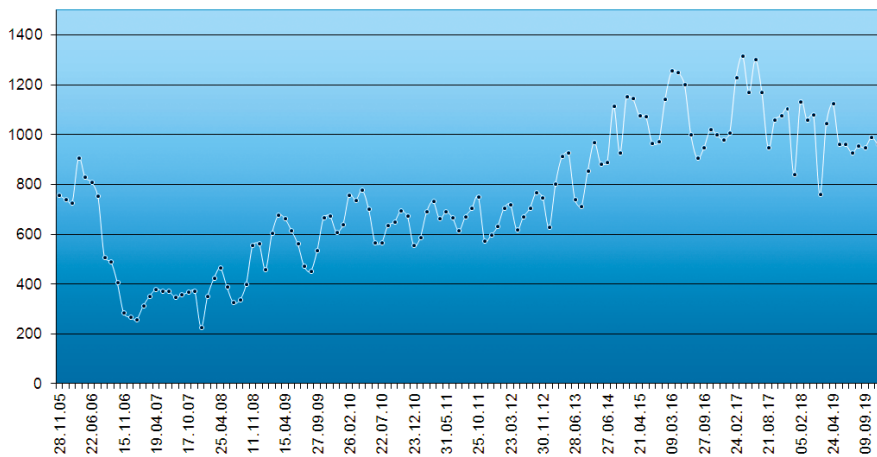
- ▶ registration number of the initiating decision;
- ▶ official who has taken the decision;
- ▶ head of the service who has confirmed the decision;
- ▶ Justice of the Supreme Court who has issued the warrant;
- ▶ telephone number to be intercepted;
- ▶ time period of the interception.

The legal supervision of mobile interception is ensured by the Prosecutor General and specially authorized prosecutors. Parliamentary control is exercised through the National Security Committee of the Parliament. As in previous years, SAB has not committed any violations regarding mobile interception in 2019. The proportional usage of the legal interception by law enforcement agencies and state security agencies is provided in the following chart.

Proportional usage of the Legal Interception by Institutions



Changes in the Total Amount of Legal Interception





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