

**DIRECTORATE GENERAL OF HUMAN RIGHTS  
AND LEGAL AFFAIRS  
DIRECTORATE OF MONITORING**

Strasbourg, 1 June 2007

**Public**  
**Greco RC-II (2007) 1E**

## **Second Evaluation Round**

### **Compliance Report on Sweden**

Adopted by GRECO  
at its 33<sup>rd</sup> Plenary Meeting  
(Strasbourg, 29 May - 1 June 2007)

## I. INTRODUCTION

1. GRECO adopted the Second Round Evaluation Report on Sweden at its 22<sup>nd</sup> Plenary Meeting (18 March 2005). This report (Greco Eval II Rep (2004) 9E) was made public by GRECO, following authorisation by the authorities of Sweden, on 12 April 2005.
2. In accordance with Rule 30.2 of GRECO's Rules of Procedure, the authorities of Sweden submitted their Situation Report (RS-report) on the measures taken to implement the recommendations on 22 December 2006 and provided additional information on 19 February 2007.
3. At its 26<sup>th</sup> Plenary Meeting (5-9 December 2005), GRECO selected, in accordance with Rule 31.1 of its Rules of Procedure, Croatia and Finland to appoint Rapporteurs for the compliance procedure. The Rapporteurs appointed were Mr Marin MRCELA on behalf of Croatia and Mr Kaarle LEHMUS on behalf of Finland. The Rapporteurs were assisted by the GRECO Secretariat in drafting the Compliance Report (RC-Report).
4. The objective of the RC-Report is to assess the measures taken by the authorities of Sweden, to comply with the recommendations contained in the Evaluation Report.

## II. ANALYSIS

5. It was recalled that GRECO in its Evaluation Report addressed five recommendations to Sweden. Compliance with these recommendations is dealt with below.

### **Recommendation i.**

6. *GRECO recommended to verify whether the resources available to the Anti-Corruption Unit of the Office of the Prosecutor General are adequate, and to provide specialised training on the use of seizure and confiscation to the prosecutors of that Unit.*
7. The authorities of Sweden report that the staff of the Anti-Corruption Unit of the Office of the Prosecutor General has been increased to five prosecutors and two specialised forensic accountants<sup>1</sup>. Representatives of the Anti-Corruption Unit have informed the Government Offices that the Unit presently has sufficient staff resources and receives adequate training to carry out its activities. Nevertheless, the possibility of supplying the Anti-Corruption Unit with additional external staff resources is being considered. Prosecutors of the Unit have much experience in criminal investigations (including financial and organised crime) and in the use of seizure and confiscation, and receive additional specialised training on a regular basis, *inter alia*, on confiscation and seizure of proceeds of crime<sup>2</sup>. In addition, staff are continuously updated on court practice in these matters.
8. GRECO takes note of the information. It would appear that the concern expressed in the Second Evaluation Round Report, that the Anti-Corruption Unit seemed to be overburdened with cases (in addition to being subject to intense media interest) and was in need of more resources and special training, is no longer prevalent.

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<sup>1</sup> At the time of GRECO's Evaluation Visit the Anti-Corruption Unit consisted of three prosecutors, including the director and the deputy-director (Second Round Evaluation Report, paragraph 29).

<sup>2</sup> An example of this is the training provided to the prosecutors of the Unit in December 2005 and January 2006 on international measures and possibilities of seizure and confiscation.

9. GRECO concludes that recommendation i has been implemented satisfactorily.

**Recommendation ii.**

10. *GRECO recommended to establish model codes for the development of consistent standards on ethical behaviour throughout public administration and to promote related training of civil servants.*
11. The authorities of Sweden report, as to the first part of the recommendation, that the Ministry of Finance, in co-operation with the Federation of County Councils (*Landstingsförbundet*) and the Federation of Municipalities (*Svenska kommunförbundet*)<sup>3</sup>, initiated a joint project with a view to, *inter alia*, raising public officials' awareness on corruption issues, following a recommendation issued by GRECO in the First Evaluation Round. In the framework of this project, a publication "On bribery and conflicts of interest – guidelines for public sector employees" has been developed. To date, these guidelines have been distributed to more than 100,000 public officials in government agencies, municipalities and county councils. Besides raising awareness, the guidelines seek to harmonise standards on staff behaviour and ethics within the various public entities, to offer guidance and increase knowledge of the relevant rules, and to encourage whistle blowing. In addition, they provide public entities with a model to develop their own ethical codes, tailor-made to the work of the entity concerned.
12. As regards the second part of the recommendation, the Swedish authorities report that the relatively large degree of independence of the government agencies vis-à-vis the central government must be borne in mind<sup>4</sup>: the responsibility for training of staff lies with the heads of the individual government agencies and the influence of the central government over training issues is therefore limited. However, within its sphere of influence, the central government has taken several measures to encourage that training on standards of ethical behaviour would be given to staff of these agencies. First of all, the dissemination of the abovementioned guidelines was accompanied by a letter from the minister concerned indicating that the guidelines should be used, *inter alia*, as a basis for discussions on how staff should apply the law and agency regulations in practice. Secondly, internal discussions on bribery and conflicts of interest form part of a programme currently carried out in the Government Offices (*Regeringskansliet*), where approximately 4,500 public officials work. These discussions, led by managers who have been trained for this purpose, focus on situations which public officials could face in their daily work and seek to raise awareness, clarify regulations and improve employees' ability to handle real-life situations. Thirdly, the Administrative Development Agency (*VERVA*) runs several training programmes for public officials of government agencies on ethical issues and the related legal framework, including special courses for managers in the public sector and an interactive internet-based training programme. Ethical issues are also included in the more general courses *VERVA* provides to public officials. Fourthly, representatives of the National Anti-Corruption Unit frequently provide information on corruption and ethical issues at meetings, conferences and seminars attended by public officials<sup>5</sup> and regularly raise the topic of integrity and corruption in their meetings with the Directors-General of the various government agencies. Finally, the

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<sup>3</sup> The two organisations formed the Swedish Association of Local Authorities and Regions in 2005.

<sup>4</sup> This was something that had already been noted in the Second Round Evaluation Report (paragraph 58): "The Swedish model of public administration is particular in that it provides for many independent State agencies (290), employing some 250,000 people. The agencies are to a large extent only governed by directives of the Government which provide a framework for its activities. It is then up to each agency to develop its policies, internal rules etc."

<sup>5</sup> An example of this is the nation-wide conference organised by the Swedish National Financial Management Authority (*Ekonomistyrningsverket*) in 2006, during which officials of the Anti-Corruption Unit gave information and recommendations on how to combat corruption.

National Anti-Corruption Unit and VERVA have taken the initiative to form a National Anti-Corruption Network, in which key representatives of the various government agencies participate. The network aims, *inter alia*, at raising awareness about the risks of corruption, to improve agencies' abilities to deal with such risks and to promote good and consistent standards of staff behaviour and ethics in public institutions. The network will serve as a basis for exchange of expertise, good practice and information, including on the training of staff on ethical issues. The first conference of this network will take place mid-2007.

13. The Swedish authorities furthermore report that the new Government, which took office in October 2006, attaches great importance to ethics in the public sector, including training of public officials, and has announced, in its 2007 Budget Bill, its intention to develop a public ethos in central government administration. This intention will be further elaborated in action plans in 2007.
14. GRECO takes note of the information provided. It commends the Swedish authorities for the work that has been carried out on establishing consistent ethical standards throughout the public sector and concludes that recommendation ii has been implemented satisfactorily.

**Recommendation iii.**

15. *GRECO recommended to introduce clear rules/guidelines and training for civil servants concerning the reporting of suspicions of corruption.*
16. The authorities of Sweden report that, as mentioned under recommendation ii, guidelines on bribery and conflicts of interest have been developed and distributed to more than 100,000 public officials. A section of these guidelines is devoted to the reporting of attempted bribery and other irregularities, requiring public officials to immediately inform their manager or another superior if, in the course of their work, they feel that they are the target of improper influence. The guidelines also require public officials to take action if they discover that a colleague is allowing him/herself to be improperly influenced or is taking into account improper considerations in the performance of his/her duties. The guidelines stipulate that in these situations the public official concerned may inform his/her superior or contact the management of the agency in question, internal auditors, the police and/or the prosecution service. In addition, the Swedish authorities report that it is always possible for an employee to pass on information about suspicions of corruption to the media. The employer is prohibited from investigating how the media obtained this information. As regards the training of civil servants concerning the reporting of suspicions of corruption, this issue has been included in the various training programmes carried out by VERVA and is also an integral part of the aforementioned awareness raising activities of the National Anti-Corruption Unit and the recently established Anti-Corruption Network. The matters of reporting corruption and training on reporting are being further considered within the framework of the Government's intention to develop a public ethos in central government administration, as mentioned under recommendation ii.
17. GRECO takes note of the information provided by the Swedish authorities and concludes that recommendation iii has been implemented satisfactorily.

**Recommendation iv.**

18. *GRECO recommended to introduce clear rules/guidelines for situations where public officials move to the private sector in order to avoid situations of conflicting interests.*

19. The Swedish authorities report that Sweden has a long tradition of promoting a flexible labour market. Part of this flexibility consists of an employee being able to move freely from the public sector to the private and vice versa. The Government does not consider such a move problematic in itself. The Administrative Procedure Act obliges public officials to disclose any circumstance which could undermine their impartiality, which includes offers of employment in the private sector that would create a conflict of interest for the public official concerned. In addition, the Public Employment Act stipulates that a public official may not have any employment or assignment or exercise any activities which could adversely affect confidence in his/her impartiality or which may harm the reputation of the authority. Furthermore, the Secrecy Act (SFS 1980:100), the Secrecy Regulation (1980:657) and the Act on the Protection of Trade Secrets (1990:409) contain rules to protect the public interest in situations where public officials move to the private sector which, *inter alia*, prohibit an employee from disclosing or using certain types of information. These rules are also applicable after the public official has moved to the private sector. Further safeguards, in the form of a possible “quarantine” are not viewed as being effective in practice or desirable.
20. GRECO takes note of the information provided. It already noted in the Second Round Evaluation Report that the Swedish rules on secrecy and criminalisation of insider trading may have a preventive effect on situations of conflict of interest. Nevertheless, GRECO had some concerns that the ethical aspects of such situations were not necessarily covered by these rules and therefore considered that further rules or guidelines were required. Although it now appears that there is also a provision in the Administrative Procedure Act which could require a public official to disclose offers of employment in the private sector, GRECO does not consider this to be sufficient. GRECO takes the view that possible additional rules or guidelines do not have to take the form of a general “quarantine”, but may entail a more tailored format, for example concerning public officials in certain positions or as regards particular situations where conflicts of interest may arise. As outlined in the Council of Europe’s Recommendation No. R (2000) 10 on codes of conduct for public officials, rules or guidelines of this nature can put suspicions to rest that actions of the public official were influenced by expectations of future employment with a particular employer or that the new employer of the public official gained an unfair advantage over his/her competitors by employing someone who has had access to information that the competitors regard as their commercial secrets, or that relates to possible future developments in (government) policies which would affect their sector.
21. GRECO concludes that recommendation iv has not been implemented.

#### **Recommendation v.**

22. *GRECO recommended to reconsider existing rules concerning “corporate liability” with a view to introducing effective, proportionate and dissuasive sanctions for legal persons involved in corruption and to examine the advisability of establishing a registry on the use of corporate sanctions.*
23. The authorities of Sweden report that the amended rules on corporate fines in the Penal Code entered into force on 1 July 2006. In addition to changes which increase the range of situations in which a corporate fine can be imposed<sup>6</sup>, the maximum fine which can be imposed upon

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<sup>6</sup> It is no longer a prerequisite that the crime has entailed gross disregard for the special obligations associated with the business activities or is otherwise of a serious kind. In addition, the prerequisite that the entrepreneur has not done what could reasonably be required of him for the prevention of the crime has been supplemented by an alternative prerequisite that the crime has been committed by a person who has a leading position based on a power of representation of the legal

companies has been raised from 3,000,000 SEK (approximately €330,000) to 10,000,000 SEK (approximately €1,110,000). The establishment of a registry on the use of corporate sanctions has been considered by the Government. However, this matter will be re-examined once more practical experience with the new rules on corporate fines has been obtained by the police and the prosecutorial authorities, making it easier to assess how the possible need for a registry - or other means to collect and keep information - can best be met.

24. GRECO takes note of information provided by the Swedish authorities. It considers that the concern it expressed in the Second Round Evaluation Report, that the maximum limit for corporate fines was very low, has now been adequately addressed. Furthermore, it appears that the advisability of establishing a registry or other means to collect and keep information on corporate sanctions has been and continues to be examined.
25. GRECO concludes that recommendation v has been implemented satisfactorily.

### **III. CONCLUSIONS**

26. **In view of the above, GRECO concludes that Sweden has implemented satisfactorily almost all of the recommendations contained in the Second Round Evaluation Report.** Recommendations i, ii, iii and v have been implemented satisfactorily. Recommendation iv has not been implemented.
27. GRECO invites the Head of the Swedish delegation to submit additional information regarding the implementation of recommendation iv by 30 November 2008.
28. Finally, GRECO invites the authorities of Sweden to translate the report into the national language and to make this translation public.

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person or an authority to take decisions on behalf the enterprise or by a person who otherwise has special responsibility for supervision or control of the business. A further change is that, in order to further increase the efficiency of the sanction, prosecutors are, under certain circumstances, entitled to impose corporate fines of up to 500,000 SEK (approximately €55,000) without having to submit this to the court (i.e. through an order for a summary penalty).