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**Jaroslavs Streļčenoks**

**SYNOPSIS OF THE DOCTORAL THESIS**

**MĀKSLĪGĀ INTELEKTA TIESISKĀ REGULĒJUMA  
PROBLEMĀTIKA INTEREŠU KONFLIKTA  
RISINĀŠANĀ PUBLISKAJĀ SEKTORĀ**

**THE PROBLEM OF LEGAL REGULATION OF  
ARTIFICIAL INTELLIGENCE IN RESOLVING  
CONFLICTS OF INTEREST IN THE PUBLIC SECTOR**

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Advisor:

Dr.iur., prof. **Raimundas Kalesnykas**, Turība University

Official reviewers:

Dr. \_\_\_\_: (*vārds, uzvārds*)

Dr. \_\_\_\_: (*vārds, uzvārds*)

Dr. \_\_\_\_: (*vārds, uzvārds*)

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The doctoral thesis and synopsis can be reviewed at the library of Turība University, Graudu street 68, Riga.

Chairperson of the doctoral council for Law Science:

Dr. iur., prof.: **Ingrīda Veikša**

Secretary of the doctoral council for Law Science:

Dr. iur: **Kristīne Neimane**

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## Topic Highlights

Today, humanity has entered a new phase of innovative development: robots, robotic software systems, androids, and other forms of artificial intelligence (hereinafter referred to as AI) are preparing society for a new industrial revolution. AI is believed to manage large volumes of complex data more effectively than humans, perform tasks more efficiently and rationally, and achieve superior outcomes across various professions.

Over the next decade, the European Commission (hereinafter referred to as the 'EC') intends to intensify its support for the in-depth acquisition of digital skills, including knowledge in the field of AI.<sup>1</sup> Latvia has already begun fragmentary implementation of AI in the public sector through cooperation with private companies. For example, Tilde, in collaboration with the Enterprise Register, is developing the first AI solution – a robot designed to facilitate written communication with customers on the institution's website.<sup>2</sup> In 2018, the Court Administration actively participated in the development of forensic term forecasting models. This initiative utilized machine learning and neural networks to predict trial deadlines and resulted in the creation of ten practical application models.<sup>3</sup>

In several countries around the world, AI technologies are not only in the development phase but are also actively being implemented in the private sector. The public sector should not lag behind, particularly in the use of AI technologies to combat corruption and conflicts of interest.

Traditionally, to combat corruption and prevent conflicts of interest, special institutions were established in the public sector, new laws were enacted, and accountability for corruption was defined. The author proposes an alternative solution to this issue: the use of AI in the anti-corruption sector to minimize the risks of conflicts of interest in the public sector.

As a potential means of organizing public administration and, consequently, preventing corruption and conflicts of interest, AI has been incorporated into the strategies of countries such as the United Arab Emirates, the United States (hereinafter referred to as the 'US'), South Korea, France, India, Italy, Japan, Canada, China, the United Kingdom, and Germany.

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<sup>1</sup> Communication From The Commission To The European Parliament, The European Council, The Council, The European Economic And Social Committee And The Committee Of The Regions “Coordinated Plan on Artificial Intelligence” (2018). European Commission. Obtained 02.03.2020. from: <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52018DC0795>

<sup>2</sup> Hāka, Ž. (2017). Uzņēmumu reģistram pievienosies jauns darbinieks – robots. Dienas Bizness. Obtained 20.04.2021. from: <https://www.db.lv/zinas/uznemumu-registram-pievienosies-jauns-darbinieks-robots-468857>

<sup>3</sup> Informatīvais ziņojums par 2018.gada 15.–16.jūlija neformālajā Eiropas Savienības konkurētspējas ministru padomes sanāksmē izskatāmajiem jautājumiem, (2018). MK protokols Nr.32, 52.§, TA-1398. Pieņemts: 10.07.2018. Obtained 02.03.2020. from: [http://www.google.lv/url?sa=t&rct=j&q=&esrc=s&source=web&cd=3&ved=2ahUKEwjQz4-fh67jAhX5xMQBHQy\\_C54QFjACegQIBBAC&url=http%3A%2F%2Ftap.mk.gov.lv%2Fdoc%2F2018\\_07%2FEM\\_zino\\_15.07.2018.1406.docx&usg=AOvVaw3BtNsuACFIgDfuVC8QI9KC](http://www.google.lv/url?sa=t&rct=j&q=&esrc=s&source=web&cd=3&ved=2ahUKEwjQz4-fh67jAhX5xMQBHQy_C54QFjACegQIBBAC&url=http%3A%2F%2Ftap.mk.gov.lv%2Fdoc%2F2018_07%2FEM_zino_15.07.2018.1406.docx&usg=AOvVaw3BtNsuACFIgDfuVC8QI9KC)

Currently, the use of AI technologies in the public sector in Latvia is not regulated. Some fragmented attempts are being made to regulate AI technologies, including in relation to corruption prevention. For example, the legislative initiative of the President of Latvia regarding the use of AI systems in pre-election campaigning.<sup>4</sup>

The insufficient national regulatory framework, along with the relevance and demand for AI technologies in Latvia, prompted the author to focus on the legal regulation of AI in the anti-corruption sphere, specifically for identifying and preventing conflicts of interest in the public sector. This is aimed at contributing to the development of Latvia's legal science and legal thought on the chosen topic, as well as proposing recommendations for the creation and improvement of the national regulatory framework.

The dynamics of economic, legal, and social sphere development with AI tools indicate the need for a comprehensive and sequential legal regulation of AI, aligned with the spirit of the times, particularly in the use of AI technologies in the anti-corruption sphere.

Contemporary scientists are conducting research whose results can be used in scientific debates and arguments closely related to the anti-corruption field. For example, key conclusions have been raised regarding the role of AI in judicial work, and whether AI could replace state officials and employees working in the public sector. What fundamental principles should guide the operation of AI, and what risks arise from this?<sup>5</sup> Is it possible to minimize such risks through legal regulation of AI?<sup>6</sup> However, there is almost unanimous agreement among researchers that AI will develop and enter both the private and public sectors. As a result, the legal regulation of AI at the time of its creation is currently of great significance.

A similar opinion is expressed by the former State Auditor, Rolands Irklis, who pointed out that digitalization and the impact of AI will affect the sustainability of the public sector.<sup>7</sup> The author agrees with R. Irklis' statement and notes that knowledge is needed, and that legal methods can be used to determine the content of legal norms for AI use in the public sector. However, R. Irklis' opinion is expressed in a broader context compared to the author's focus, which is the legal regulation of AI in the anti-corruption sphere for preventing conflicts of interest.

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<sup>4</sup> Rinkēvičs, E. (2024). Valsts prezidents iesniedz likumdošanas iniciatīvu par mākslīgā intelekta sistēmu izmantošanu priekšvēlēšanu aģitācijā. Valsts prezidenta kanceleja. Obtained 20.02.2024. from: <https://www.president.lv/lv/jaunums/valsts-prezidents-iesniedz-likumdosanas-iniciativu-par-maksliga-intelekta-sistemu-izmantosanu-prieksvelesanu-agitacija>

<sup>5</sup> Levits, E. (2019). Mākslīgais intelekts – izaicinājumi un riski. *Jurista Vārds*, Nr.38(1096). Obtained 20.10.2022. from: <https://m.juristavards.lv/doc/275274-maksligais-intelektivs-izaicinajumi-un-riski/> 22.lpp.

<sup>6</sup> Erkan, N. (2024). How can legal professionals navigate the ethical and legal risks of using Generative AI? Lexology. Obtained 10.03.2024. from: <https://www.lexology.com/pro/content/how-can-legal-professionals-navigate-the-ethical-and-legal-risks-of-using-generative-ai>

<sup>7</sup> Irklis, R. (2023). Atbildīgumam publiskajā sektorā jābūt pirms atbildības. LV portāls, Obtained 20.10.2023. from: <https://lvportals.lv/viedokli/354019-valsts-kontrolieris-r-irklis-atbildigumam-publiskaja-sektora-jabut-pirms-atbildibas-2023>

Examining practical experience, the author observes that the use of AI in the anti-corruption field, particularly in relation to the detection and prevention of conflicts of interest in the actions of public officials, reveals the existence of problematic situations. The main cause of these problematic situations is identified as the absence of legal regulation for AI in Latvia's legislative framework.

Given the above, there is a need for the development of a high-quality and innovative study, offering constructive solutions for the more direct regulation of AI in Latvia's legal system, particularly in the anti-corruption field, to modernize conflict of interest prevention and improve its effectiveness.

The significance of the topic is based on the following aspects of problematic situations:

**1. The problem of recognizing the need for the use of AI in various anti-corruption areas.**

The goals, tasks, role, and functions of AI in the anti-corruption field are closely interconnected and reflect the interests of society, the public sector, and state officials. Anti-corruption activities, especially preventing conflicts of interest in the actions of public officials, ensure public confidence that state officials act solely in the public's interest. As a result, the essential resources needed for societal development are ensured, which form the foundation for the sustainable growth of society. At the same time, the actions of state officials solely in the interest of the society/public create an environment and a form of expression for fundamental rights (i.e., the right to objective and fair public administration). State officials are an integral part of societal life, a mirror of social, legal, and economic processes, which does not always ensure objectivity in the decisions and actions taken, sometimes even acting contrary to the public interest – i.e., in their own, their relatives', or business partners' personal or financial interests. AI, as an anti-corruption tool for preventing conflicts of interest in the actions of public officials, can provide society with greater confidence that state officials will act solely in the interest of the society/public.

**2. The problem of recognizing situations that lead to conflicts of interest.** In today's world, given the significant losses caused by corruption, the right of state officials to handle public institution property and financial resources is no longer considered an absolute freedom of state officials. Society expects state officials to manage the property and financial resources entrusted to them efficiently, economically, and appropriately, in accordance with the public interest, while ensuring that there are justified control and oversight mechanisms for the actions of state officials, including intervening in the private lives of state officials, their relatives, and business partners. AI technologies could certainly enable such oversight and control over state officials' property and financial resources to be implemented much more effectively and quickly. Thus, access to the data of state officials, their relatives, and business partners through AI technologies is one of the most

important issues in protecting the economic and social interests of society, insofar as it is possible without violating the general human rights of state officials.

**3. The issue of integrating legal norms on the use of AI into anti-corruption legislation, considering the interests of both the public and private sectors.** AI technologies can be considered one of the forms of anti-corruption activities that ensures the prevention of conflicts of interest. At the same time, it must be emphasized that there needs to be a social balance between the interests of society, the state, and state officials for the regulatory framework to be effective. Equally important is to identify and legally establish the limits of proportionality and control mechanisms for AI technologies, so that the credibility of decisions made by AI (regarding whether a state official is in a conflict of interest situation) can be evaluated, traced, and, if necessary, verified.

**4. The issue of implementing a legal regulatory mechanism in establishing and protecting public legal relations in connection with the use of AI in the field of conflict of interest prevention.** On March 13, 2024, the European Parliament adopted the AI Act, but this regulatory act does not address the anti-corruption sphere. It does not align with the novelties in the interpretation and application of existing legal norms and is not synchronized with the legislation that governs anti-corruption activities. Considering also that there is no legal regulation for AI in Latvia (including in the anti-corruption field), this means that in order to use AI as an anti-corruption tool for conflict of interest prevention, existing regulations need to be changed and new ones developed, with, in some cases, guidelines proposed for the introduction of a concept for the use of AI in conflict of interest prevention.

### **Scientific Novelty and Relevance**

The scientific novelty of the dissertation is expressed in both theoretical and practical aspects. The scientific novelty of the dissertation consists of the conclusions drawn and the proposals developed, which are based on the results of the conducted research and may serve as a foundation for the further development of AI legal regulation, improving and enhancing the legal framework in the anti-corruption sphere, aimed at conflict of interest prevention, ensuring the effective implementation of legal relations based on human rights principles.

The author's research is the first work of its kind in Latvia, examining the application of AI technologies in preventing conflict of interest situations. The dissertation offers a legal framework for AI specifically in the anti-corruption field, identifying the problems within it, including those that currently prevent AI technologies from functioning effectively and being used in conflict of interest prevention. The dissertation proposes solutions for the creation of a legal

framework for AI. The research utilizes foreign legal frameworks addressing similar issues and provides a scientific basis for the proposed AI legal framework. The author assumes that the shortcomings and problems identified within the scope of this dissertation, along with the proposed solutions, will make a significant contribution to the public sector regarding the use of AI technologies in the processes of corruption and conflict of interest prevention. By applying the new scientific findings expressed in the research, it will be possible to develop the AI legal framework. From a practical application perspective, the work will provide lawmakers with the opportunity to implement scientifically grounded legal norms. For the executive branch, the work will offer an additional important tool for conflict of interest prevention in the anti-corruption field.

The work is a completed study on the legal institution, i.e., the use of AI tools for conflict of interest prevention, based on the analysis of legal literature, historical and existing international and national legal frameworks, and judicial practices. The scientific and theoretical significance of the work is substantiated by the revelation of the essence of the AI legal framework, the clarification of the content and understanding of concepts, the identification of problems, and their theoretical analysis.

### **Practical Application**

The conclusions and proposals made in the dissertation are applicable in the development of legal policy concepts in the field of anti-corruption law. The research is significant for the advancement of legal science. Innovative solutions are proposed for certain issues, and this is one of the latest studies in the field, so the insights presented in it can serve as a basis for further research on the legal regulation of AI in the anti-corruption field, as well as a source of new knowledge.

The dissertation is a unique study that can be used both as a scientific material for students in legal specialties and as a useful resource for employers, public officials and employees, representatives of various non-governmental organizations, and other interested parties as a source of knowledge on the use of AI in the anti-corruption field to prevent and avoid the emergence of conflicts of interest in the actions of public officials. Additionally, some of the insights gained during the study could be useful for the creation of new legislation within the framework of interpretation and application processes.

### **Subject, Purpose, Objectives, and Hypothesis of the Study**

**Research object:** AI technologies as a tool for conflict of interest prevention in order to prevent corruption in the public sector.



**Subject of the research:** development and implementation of the legal regulation, basic principles, and fundamental requirements for AI technologies in Latvia's legal acts, enabling their use for conflict of interest prevention in the public sector.

Within the scope of the research subject, the author examines the advantages of AI in the anti-corruption field for identifying situations that cause conflicts of interest and managing corruption risks, as well as its role as a tool for monitoring, identifying, and improving anti-corruption measures.

**The aim of the study:** is to develop the main directions for implementing AI legal regulation and specific steps for the effective prevention of conflict of interest risks as anti-corruption measures in the public sector.

**Research objectives:** to achieve the goal of the dissertation, the author has set the following objectives:

- 1) to determine the global and EU practices regarding the legal principles of AI operations, the specifics and issues of implementation, as well as the conditions and peculiarities of its introduction;
- 2) To identify AI control mechanisms for their effective and practical use in the public sector, as well as to determine the possible responsibility of AI designers, operators, owners, and users for mistakes that result in harm to a public official, their relatives, and/or business partners;
- 3) To explore the state definition of the term 'conflict of interest,' the legal regulation, institutional and judicial practice for identifying conflicts of interest in the actions of public officials, determine the methodology for the legal regulation mechanism of conflicts of interest, assess the effectiveness and benefits of AI in conflict of interest prevention, and propose the practical implementation of the legal regulation mechanism of AI for conflict of interest prevention in the public sector.
- 4) To group and determine the areas in the public sector where the use of AI would be most appropriate for preventing conflict of interest situations in the actions of public officials;
- 5) To compile the results of the survey of state officials and employees working in the public sector in Latvia regarding the current use of AI technologies, implementation requirements, risks, and perspectives, and to propose directions for the implementation of AI for identifying conflicts of interest in the public sector;
- 6) Based on the results of the empirical study (survey), to develop guidelines for implementing a concept that would ensure the prevention of conflicts of interest in the public sector through the use of AI technologies.

**Research hypothesis and the supporting research questions.**

**Research hypothesis:** conflict of interest and its various manifestations are one of the most significant forms of corruption, for the prevention of which it is necessary to apply AI as an innovative legal tool.

To facilitate a traceable analysis of the validation of the dissertation hypothesis, the following key research questions were formulated:

- 1) What is the content and development of AI, and what are the current changes in the legal framework worldwide?
- 2) How do institutional and judicial practices manifest in the field of anti-corruption in identifying and preventing conflicts of interest?
- 3) How does the use of AI in conflict of interest prevention impact the responsible institutions, legislative processes, and the rights of public officials?
- 4) What are the possibilities for improving and addressing issues in the use of AI technologies for preventing conflict of interest situations?

### **Scope of the Doctoral Thesis**

To achieve the set objectives, the thesis examines the existing regulatory legal acts governing the proposed research questions in published sources and internet resources, as well as other relevant information published up until May 15, 2024. The author compiled the researched information, analyzed it, and drew conclusions.

Given the scope of the thesis, a comprehensive exploration of the topic is not feasible. Therefore, the author has delineated the **following research limitations**:

- 1) In order to adhere to the scope of the thesis, the study focuses solely on the legal regulation of AI;
- 2) The scope of this thesis does not extend to the legal regulation of AI technologies as a category within the domains of philosophy or technical studies. Philosophical and technical perspectives on AI technologies are explored insofar as they contribute to a more nuanced understanding of the development potential of AI technologies and, within the legal context, their applicability in preventing conflicts of interest in the realm of anti-corruption;
- 3) Due to the limited scope of the thesis, the author conducts an in-depth analysis of the legal regulation of AI technologies by focusing exclusively on the experiences and practices of select foreign jurisdictions;
- 4) The temporal scope of the research for this thesis is delineated from 2014 (with the exception of a deviation in the first chapter concerning the development of AI) until the submission date of the thesis, i.e., May 15, 2024. In light of the significance of the AI Act adopted by

the EU on March 13, 2024, the author has limited the analysis of this document, but endeavors to examine it to the extent necessary to achieve the objectives set forth in the thesis.

### **Scientific Research Methods**

The structure of the thesis is designed to achieve the research objectives while simultaneously encompassing various legal interests (the legal regulation of AI technologies; conflict of interest prevention; safeguarding the interests of public officials; ensuring the public's interests), thereby facilitating a comprehensive scientific inquiry.

The research methods employed in the thesis and the theoretical and methodological framework of the study.

In the context of this doctoral research, the author, in pursuit of the established objectives and to achieve the overarching aim, employs and draws upon **the following scientific research methodologies:**

1) The logical-constructive method is used to predict the further development of the legal regulation of AI technology, as well as for the formulation and articulation of conclusions and recommendations;

2) The problem analysis method was used to describe and examine issues related to the effectiveness and development of legal regulations on AI and conflicts of interest, as well as to analyze the nature of AI technologies, existing and identified problems, their causes, and consequences in relation to the interpretation of legal norms found in court rulings (primarily on conflicts of interest) and scientific literature (primarily on AI);

3) Methods of Legal Norm Interpretation – Since the legal regulation of AI is still in its early stages of formation and development, the author of this dissertation employs the following methods of legal norm interpretation to a minimal extent: (1) *the grammatical (philological) method*, which is used to determine the literal meaning of a legal norm from a linguistic perspective; (2) *the systematic method*, which is applied to ascertain the meaning of the examined legal norm from the perspective of its interconnection with other legal norms, thereby defining its legal content; and (3) *the teleological (purpose and objective) interpretation method*, which is used to determine the legal norm's purpose, fundamental principles, and social objectives;

4) The document analysis method is used to examine the legal regulation of AI technologies in other countries, as well as in normative acts developed and adopted by international organizations. Additionally, this method is applied to distill the reasoning, conclusions, or findings

presented in scientific literature and/or court rulings, assessing their practical impact on problem-solving and potential future developments;

5) The dialectical method is used to study the development trends in the legal regulation of AI technologies by comparing different perspectives and viewpoints to identify solutions for the creation and improvement of legal frameworks regarding the use of AI technologies in conflict-of-interest prevention;

6) The comparative analysis method is used to study and analyze legal norms in foreign countries, identifying commonalities and differences, as well as examining the effectiveness of AI technology regulation across different legal systems: the continental legal system (e.g., Latvia, Germany, France, Austria), the Anglo-Saxon legal system (e.g., the United States, Canada), and the legal systems of Asian countries (e.g., China, South Korea, Japan). This method is also applied to evaluate and compare the works of national and foreign legal scholars on the significance, nature, and development of legal norms related to AI technology regulation in conjunction with EU recommendations and fundamental legal requirements;

7) The empirical method in this dissertation reflects the author's survey conducted among public officials and employees of state and municipal institutions regarding the current legal regulation of AI, future perspectives, and fundamental requirements. The survey also explored their views on how AI technologies could assist in preventing corruption and conflicts of interest, as well as the necessary legal regulatory measures to support this. Additionally, the empirical foundation of the study includes materials from Latvian court practice, as well as insights and case law summaries from the Supreme Court. It also incorporates, to the necessary extent, statistical data from the Corruption Prevention and Combating Bureau (KNAB) and court statistics related to the legal understanding of conflicts of interest in the study.

The author's study on the role of AI technologies in preventing corruption and conflicts of interest (hereinafter referred to as the Study) was conducted to determine the actual situation regarding the use of AI in the public sector and to explain the issues identified by the author within the scope of the work. As part of the Study, the author surveyed 319 officials (hereinafter referred to as respondents) from state and municipal institutions in Latvia between March 6, 2023, and December 13, 2023. The survey included participants from various regions of the country, different institutions, with varying lengths of service, at different levels of positions and status, and with diverse areas of expertise.

The author of the dissertation analyzes the Study data regarding the respondents' experience working with AI, their expectations and concerns about the effectiveness of AI in preventing corruption, as well as their fundamental requirements for the implementation of legal

regulation on AI, which is based on a balance of interests between society, the state, and public officials whose actions will be monitored by AI in the future.

The author of the study divided the research into two parts. In the first part, respondents are asked general questions. In the second part, special questions are posed regarding the respondents' interactions with AI and their attitudes toward it, in order to determine, first, the current state of AI implementation and use in the public sector, and second, the future perspectives for AI implementation in the public sector to prevent corruption and conflicts of interest: who should implement AI, what operational principles AI should follow, and so on.

To obtain information for the Study, an analysis of scientific literature and legal acts, as well as an analysis of international experience and modeling, was conducted.

### **Literature and Legal Sources Utilized**

The research conducted in this dissertation is based on legal sources, scientific literature, court rulings, the author's publications, and the author's own research. To address the identified objectives, works by both Latvian and foreign researchers were utilized, primarily in Latvian and English. In order to gain a deeper understanding of the practical situation, additional sources of literature and publications were examined, including both print materials and online resources. Furthermore, the dissertation predominantly relies on primary (original) and secondary data, with tertiary data being used in specific cases.

The theoretical and methodological foundation of the study primarily consists of the perspectives of foreign authors from interdisciplinary fields (Frank Emmerts, O. Erahtina, Nicolas Petit, Maria Eduarda Gonçalves, Matthew U. Scherer, Ben Wagner, Joshua Ellul, Gordon Pace, Stephen McCarthy, Trevor Sammut, Juanita Brockdorf, Matthew Scerri, Kārlis Piģēnis, and others) and Latvian authors (Egils Levits, Aigars Strupiņš, Edijs Poga, Rudīte Vīduša, Dr. Rolands Lappuķe, Jūlija Terjuhana, Dr.iur. Irēna Kucina, Viktorija Soņeca, and others), Latvian and foreign legal acts (both current and outdated, which allow for tracking the development of AI and conflict-of-interest legal regulation), court rulings (which help understand the legal content of conflicts of interest), as well as practical studies: the author's own research on the presence and perspectives of AI technologies in the public sector, guidelines, reports, statistical reviews, and other materials. The dissertation is the first study of this level on the legal regulation of AI in the anti-corruption field in Latvia, specifically concerning the prevention of conflicts of interest. The author has not encountered other works, studies, or publications by other authors in Latvia on the use of AI technologies in the anti-corruption field, particularly for preventing conflicts of interest in the public sector.

During the research period of the dissertation, the author has been involved in the development of the legal regulation of corruption and conflicts of interest, which gives the author an advantage in analyzing the objectives and specific needs for the creation, amendment, and removal of anti-corruption and conflict-of-interest norms during particular periods, as well as the advantage of introducing AI technologies as a tool in the anti-corruption field for the prevention of conflicts of interest. The dissertation is planned as both a scientific and empirical study (based on the author's professional experience and the research carried out by the author).

The foreign theoretical foundation in this field is primarily based on philosophical and technical studies and publications regarding the legal regulation of AI, the fundamental requirements and principles of its implementation, as well as ethical aspects. The most well-known approaches to the implementation of AI technologies in law include: 1) the lag of legal regulation behind AI development (USA, China); 2) promoting AI development through legal regulation (Germany); and 3) slowing down AI development or legal regulation prior to AI development (France, England, EU).

In the last five years, interest in AI and its legal regulation has grown so significantly that the number of publications has reached the thousands. Considering that the author's work is in the field of legal science, the dissertation addresses only the general philosophical and technical features of AI – those that also influence the development of legal science in the field of AI, particularly in matters concerning the use of AI technologies in the anti-corruption field for the prevention of conflicts of interest. Philosophical views also underpin the protection of state officials' and society's interests in relation to the risks of AI technology implementation and the potential harm it could cause to humanity, including state officials, their relatives, and business partners. Meanwhile, technical aspects are discussed in the context of AI development trends and the potential to collect vast amounts of information about state officials, their relatives, and business partners, analyze it, and draw conclusions, thereby ensuring the control and oversight functions over the actions of state officials to prevent conflicts of interest.

The author is interested in answering these questions in relation to the consolidation of AI technologies in Latvian regulations and ensuring that state administration can prevent conflicts of interest in the actions of public sector state officials with their help. By improving the legal framework with the initiative of the President of Latvia to regulate AI technologies in relation to political party campaigning, and with the AI Act<sup>8</sup> adopted by the European Parliament, discussions on the legal regulation of AI technologies in Latvia will increasingly arise among various experts,

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<sup>8</sup> Pieņemts Mākslīgā intelekta akts (2024). Eiropas Parlamenta Birojs Latvijā. *Jurista Vārds*. Obtained 16.03.2024. from: <https://m.juristavards.lv/zinas/284975-pienemts-maksliga-intelekta-akts/>

scientists, and researchers, as well as regarding different spheres of life, including the use of AI technologies in the anti-corruption field to prevent conflicts of interest in the public sector.

All the sources and materials examined collectively reveal and identify the main issues the author addresses in this work. The problems identified within the work will provide a foundation for improving legal norms and will promote a deeper understanding of the significance of AI technologies in the public sector. Furthermore, the causes and emergence of the identified problems will serve as a basis for future practical improvements in the legal regulation of AI technologies, the harmonization of legal norms, and further in-depth research in this area to foster the development, enhancement, and improvement of the legal environment.

### **Structure and Summary of the Work by Chapter**

The total volume of the doctoral thesis is 155 pages. The thesis consists of an introduction, three chapters, conclusions and recommendations, as well as a list of references and sources used. The thesis utilizes 323 literature and other sources. The structure of the thesis is designed to align with the objectives and tasks set for achieving the thesis goal. The thesis includes publications by the author related to the research topic. The work examines, analyzes, and compares sources, legal acts, and case law on the topics under discussion, including insights from other countries' experiences. The scientific discussion focuses on the issues of the legal regulation of AI, which is further elaborated in publications and conference materials, particularly with the adoption of the AI Act by the European Parliament on March 13, 2024. The doctoral thesis addresses the need for legal regulation of AI in the anti-corruption field, specifically for the prevention of conflicts of interest. The thesis further examines the issue of conflicts of interest and related case law, focusing on how AI technologies can be used to address situations where public officials are involved in a conflict of interest.

In **the first chapter** of the thesis, the author analyzes the definition of AI, addressing issues related to its development, characteristics, the elements involved in forming the concept of AI, its types and forms, as well as its distinguishing features. Additionally, the author examines the aspects of establishing legal fundamental principles for AI operations and the principles themselves, the various methods, and the areas of AI application in the public sector, considering the legal regulation of AI across different legal systems. Through this, the author describes the content of the study's object, the origin of AI legal institutions, and the connections between the components of the research subject, providing answers to the first two research tasks, i.e., determining global and EU practices regarding the legal principles of AI operations and control mechanisms for their effective and practical use in the public sector.

In the second chapter of the thesis, the author analyzes the legal regulation of conflicts of interest, addressing issues related to institutional and judicial practices. In relation to conflict of interest management in the anti-corruption sphere, the author explores the question of the methodology for the legal regulation mechanism of AI in preventing conflicts of interest, including the creation, effectiveness, benefits, and practical implementation of this legal mechanism. The chapter separately addresses issues regarding the roles of accountability in the operation of the AI mechanism for regulating conflicts of interest, as well as the need for control. In this chapter, the author accomplishes the third research objective by exploring the concept of "conflict of interest" and describing and analyzing the methodology of the legal regulation mechanism for conflicts of interest, assessing the effectiveness and benefits of implementing AI as an instrument in the anti-corruption sphere in the public sector. Furthermore, in fulfilling the fourth research objective, the author categorizes and identifies the areas in the public sector where the use of AI would be most suitable to prevent conflicts of interest in the actions of public officials.

In **the third chapter** of the thesis, the author explores the legal issues that need to be addressed in order to create a legal regulation model for AI in the anti-corruption sphere for preventing conflicts of interest. To this end, the author examines the legal problems of AI use in resolving conflicts of interest in the public sector, including responsibility, data protection, credibility assessment of decisions made by AI, and monitoring the operation of AI. In this chapter, the author proposes a legal regulation model for AI in the anti-corruption sphere for preventing conflicts of interest in the public sector: implementation directions, basic standards, and concepts, thus ensuring the fulfillment of the fifth and sixth research objectives. Specifically, the author summarizes and analyzes the results of a survey of the study's respondents on AI, which leads to the development of guidelines for implementing the concept in the anti-corruption sphere, ensuring the prevention of conflicts of interest in the public sector with the help of AI.

### **The Validation of the Work Results**

The results of the author's research have been validated at international scientific conferences as separate thematic reports in conferences and discussions, where the research subjects were: conflict of interest; anti-corruption instruments; legal regulation of AI, AI technologies as instruments for conflict of interest prevention, and others.

The results of the research are entirely new, at least in Latvian jurisprudence. Specifically, aside from the author's works, the first published informational articles related to the main topics of the doctoral thesis, such as the use of AI technologies in the anti-corruption field for conflict of



interest prevention, became available only during the development of the doctoral thesis – both in institutional clarifications and in journalism.

The mentioned approval results were primarily implemented within the framework of academic and professional events. The author carried out the approval for the mandatory scientific research component of the doctoral studies on the research methodology, results, and theses mainly through peer-reviewed scientific publications, as well as at conferences, courses, and training seminars.

The author has participated in conferences on the topic of the doctoral thesis, which were published in **scientific proceedings** and **scientific journals**, and is also the author and co-author of two **books**.

1. The article titled "*Requirements for the Concept of Implementing AI as a Tool for Preventing Corruption in the Public Sector*" published in the scientific journal "Acta Prosperitatis", 2024, DOI: 10.2478/acpro-2024-0014.
2. The article "*Problems of Developing and Implementing International Standards for Public and Media Engagement in Corruption and Conflict of Interest Prevention*" published in the proceedings of the International Scientific and Practical Conference "Human Rights Protection and Anti-Corruption Issues in the Modern World: Concepts, Realities, and Perspectives", Academy of Management of the Presidential State Administration of the Republic of Tajikistan, Dushanbe, Tajikistan, 2024.
3. The article "*New Insights to the Concept of Conflicts of Interest: the Practice of Legal Assessment in Latvian Public Law*" co-author, published in the proceedings of the International Scientific Conference "Business Law in Selected European Union Member States", Department of Business and European Law, Faculty of International Relations, University of Economics and Business, Prague, the Czech Republic, 2023, ISBN 978-80-245-2254-8.
4. The article "*Concept of Implementation of AI for the Prevention of Conflict of Interest Situations in the Public Sector*" published in the scientific journal "Acta Prosperitatis", 2023, DOI: 10.37804/1691-6077-2023-14-87-95.
5. The article "*Legal Regulation and the Concept of AI Implementation for Resolving Conflict of Interest Situations in the Public Sector*" published in the proceedings of the IX International Scientific Conference "Social Changes in the Global World", Goce Delchev University, Štip, North Macedonia, 2022, ISBN 978-608-244-903-6.
6. The article "*Legal Issues of Using Artificial Intelligence for Preventing Conflicts of Interest in the Public Sector*" published in the proceedings of the XXIII International Scientific

Conference "Communication and the Development of Interdisciplinary Competences in the Digital Age", Turība University, Riga, Latvia, 2022, ISSN 1691-6069.

7. The article "*Objectives, Tasks, and Principles of the Legal Regulation Mechanism for Artificial Intelligence in Conflict of Interest Situations*" published in the proceedings of the VIII International Scientific Conference "Social Changes in the Global World", Goce Delčev University, Štip, North Macedonia, 2021, ISBN 978-608-244-838-1.
8. The article "*The Concept of Artificial Intelligence and Its Fundamental Legal Principles: Global Experience*" published in the proceedings of the XXII International Scientific Conference "Artificial Intelligence and Green Thinking", Turība University, Riga, Latvia, ISSN 1691-6069.
9. Co-author of the student textbook "*Anti-Corruption Policy*" for the Academy of the Ministry of Internal Affairs of the Republic of Tajikistan. Irfon, Dushanbe, Tajikistan, 2020, 875 pages, ISBN: 978-99975-0-834-8.
10. The article "*Public Engagement as One of the Most Effective Means for Preventing Conflicts of Interest in the Public Sector*" published in the proceedings of the VII International Scientific Conference "Social Changes in the Global World", Goce Delchev University, Štip, North Macedonia, 2020, ISBN 978-608-244-767-4.
11. The article "*Artificial Intelligence as One of the Most Effective Means for Preventing Conflicts of Interest*" published in the proceedings of the XXI International Scientific Conference "Sustainable Economy. History of Latvia", Turība University, Riga, 2020, ISSN 1691-6069.
12. Co-author of the study "*Corruption Risks in the System of Medical Education in Ukraine*" published on the ResearchGate platform. Kyiv School of Economics, Kyiv, Ukraine, 2019.
13. Publication "*Restrictions on Gift Acceptance for Public Officials*" published in the journal "Juridiskie padomi" No. 6. Riga, Latvia, December 2013.
14. Book "*Restrictions and Prohibitions for Public Officials in Schemes*", VSIA "Latvijas Vēstnesis", Riga, Latvia, 2011, 208 pages, ISBN: 978-9984-840-16-1.

In addition, the author has presented **papers** in Latvian, English, and Russian at international scientific conferences on the topic of the doctoral thesis.

1. At the XXV International Scientific Conference with a presentation on the topic "*Requirements for the Concept of the Implementation of AI as a Tool for Preventing Corruption in the Public Sector*", Riga, Latvia, 21.04.2024.
2. At the International Scientific and Practical Conference "Human Rights Protection and Anti-Corruption Issues in the Modern World: Concepts, Reality, and Perspectives" at the

Academy of Public Administration under the President of the Republic of Tajikistan on the topics (1) "*International Standards for Public and Media Involvement in Public Officials' Oversight and Conflict of Interest Prevention*" and (2) "*Issues in the Creation and Implementation of Standards for Public and Societal Engagement*", Dushanbe, Tajikistan, 01-02.12.2023.

3. At the XV International Conference "Business Law in Selected EU Member States" at the University of Economics and Business in Prague on the topic "*New Insights to the Concept of Conflicts of Interest: the Practice of Legal Assessment in Latvian Public Law*", Prague, the Czech Republic, 21.10.2023.
4. At the XXIV International Scientific Conference "Changes – the Foundation of a Sustainable Society" at the Turiba University on the topic "*Concept of Implementation of AI for the Prevention of Conflict of Interest Situations in the Public Sector*", Riga, Latvia, 19.04.2023.
5. At the International Scientific Conference "International Standards and Measures for Corruption Prevention" at M.Narikbayeva KAZGUU University on the topics (1) "*An Effective System for Preventing and Identifying Conflicts of Interest*" and (2) "*Whistleblower Protection and Reward System for Information on Corruption Offenses*", Astana, Kazakhstan, 13.12.2022.
6. At the International Scientific and Practical Conference "International Legal Framework for Migration and Development of International Cooperation within the UN and Other International Organizations" at the Academy of Public Administration under the President of the Republic of Tajikistan on the topic "*Public Involvement in Anti-Corruption Matters*", Dushanbe, Tajikistan, 03.12.2022.
7. At the IX International Scientific Conference "Social Changes in the Global World" at Goce Delčev University with a presentation on the topic "*Legal Framework and Concept of Implementing Artificial Intelligence in Solving Conflicts of Interest in the Public Sector*", Štip, North Macedonia, 01.09.2022.
8. At the XXIII International Scientific Conference "Communication and Interdisciplinary Competence Development in the Digital Age" at Turiba University on the topic "*Legal Issues of Using Artificial Intelligence in Conflict of Interest Prevention*", Riga, Latvia, 22.04.2022.
9. At the VIII International Scientific Conference "Social Changes in the Global World" at Goce Delčev University on the topic "*Goals, Tasks, and Principles of the Legal Regulation Mechanism for Conflict of Interest in Artificial Intelligence*", Štip, North Macedonia, 02.09.2021.

10. At the International Scientific Forum "Nevsky Forum" on the topic "Trust and Sustainable Development in Conditions of Uncertainty: The New Role of Public Administration in the Digital Age," at the Academy of National Economy and Public Administration (RANEPA), Northwest Institute of Management on the topic "*Do Digital Technologies Increase the Public's Trust in State Authorities or Merely Enhance the Effectiveness of Public Administration*", St. Petersburg, Russian Federation, 26.07.2021.
11. At the International Scientific-Practical Webinar "Workshop on the Prevention of Corruption Best Practices and Innovative Tools" with a presentation on the topic "*Main Elements of Corruption Prevention Frameworks*", UN, Bangkok, Thailand, 12.07.2021.
12. At the XXII International Scientific Conference "Artificial Intelligence and Green Thinking" at the Turība University on the topic "*The Concept of Artificial Intelligence and the Legal Principles of Its Operation: Global Experience*", Riga, Latvia, 21.04.2021.
13. At the International Scientific and Practical Conference "Ethical Aspects of Legal and Corruption Risk Prevention in the Public and Corporate Sectors" at the National Research University Higher School of Economics (HSE) on the topic "*Improving Ethical Mechanisms in Public Administration*", Moscow, Russian Federation, 15.04.2021.
14. At the International Scientific Roundtable Discussion at the Academy of National Economy and Public Administration (RANEPA) Northwest Institute of Management, on the topic "*Latvian Experience in Fighting Corruption: European and Global Experience in Relation to a Specific Country*", St. Petersburg, Russian Federation, 29.01.2021.
15. At the International Scientific-Practical Conference "Legal and Corruption Risk Prevention During the COVID-19 Pandemic" at the National Research University Higher School of Economics (HSE) on the topic "*Untapped Opportunities in Corruption Risk Prevention*", Moscow, Russian Federation, 17.12.2020.
16. At the International Scientific Conference "Anti-Corruption Education in Higher Education Institutions of Central Asia and Eastern Europe" at the Academy of the General Prosecutor's Office of the Republic of Uzbekistan on the topic "*Modern Trends and Methods in Combating Corruption: National and Personal Experience*", Tashkent, Uzbekistan, 04.12.2020.
17. At the international seminar "The Role of Digital Technologies in Investigations and Corruption Risk Reduction" with the following presentations: (1) "*The Role of Information Technology in Implementing Anti-Corruption Policies*"; (2) "*Directions for the Use of Information Technology in Implementing Anti-Corruption Policies*"; (3) "*Practical Use of Information Technology in the Field of Anti-Corruption*" and (4) "*Current and Future*

*Technologies – Artificial Intelligence as One of the Most Effective Tools for Preventing Corruption: Global Experience*", OSCE, Ashgabat, Turkmenistan, 12-14.10.2020.

18. At the VII International Scientific Conference "Social Changes in the Global World" at Goce Delchev University on the topic "*Public Engagement as One of the Most Effective Tools for Preventing Conflicts of Interest in the Public Sector*", Štip, North Macedonia, 03.09.2020.
19. At the XXI International Scientific Conference "Long-term Economy. The Latvian Story" at Turība University on the topic "*The Concept of Implementing Artificial Intelligence to Prevent Conflict of Interest Situations in the Public Sector*", Riga, Latvia, 21.04.2020.
20. At the international seminar "Institutional and Legislative Mechanisms in the Fight Against Corruption," with the following presentation topics: (1) "*International Standards and Best Practices in the Development of Legislation for Corruption Prevention and Combating*"; (2) "*International and Inter-Agency Cooperation in the Fight Against Corruption*" and (3) "*Best Practices in Corruption Prevention in Public Procurement*", OSCE, Ashgabat, Turkmenistan, 21-22.10.2019.
21. At the international conference "Anti-Corruption Reforms of the Republic of Uzbekistan – 2018: Achievements and Priorities" with the topic "*Establishing an Effective Anti-Corruption System*", OSCE, Tashkent, Uzbekistan, 13.12.2018.
22. At the International Anti-Corruption Academic Seminar "*Enhancing the Potential of Academia to Provide High-Quality Anti-Corruption Education*" at Baku State University with the topic "Combating Corruption through Education", Baku, Azerbaijan, 30.10.2018.
23. At the International Scientific Conference "Security in Central Asia: Factors of Instability, Sources of Sustainability" at the OSCE Academy with the topic "*The System of Restrictions and Prohibitions of Public Officials: Goals, Types, Comparative Analysis*", Bishkek, Kyrgyzstan, 13.10.2018.
24. At the International Scientific Conference "Corruption as a Threat to Ukraine's National Security: Prevention, Combatting, and Punishment" at the National Academy of the Prosecutor General's Office of Ukraine and the Koretsky Institute of State and Law of the National Academy of Sciences of Ukraine on the topic "*Corruption Prevention: International Standards, Best Foreign Practices, and the National Context*", Kyiv, Ukraine, 29.11.2016.

The author of the thesis was helped in developing and understanding the research questions through their work and experience, having worked from 2003 to 2016 on corruption and conflict of interest prevention issues in various positions at the Corruption Prevention and Combating Bureau (KNAB), including serving as the head of KNAB from 2011 to 2016. From 2016 until the

completion of the thesis, the author has been employed as an international expert, consultant, and advisor in various international projects related to corruption and conflict of interest prevention within organizations such as the UN, the European Parliament, the European Commission, and the OSCE.

### **Conclusions and Proposals**

In the dissertation, the author achieved the research **aim** – to develop the main directions for the implementation of AI legal regulation and specific steps for effectively preventing conflict of interest risks as anti-corruption measures in the public sector. During the research, the author formulated the main directions for AI legal regulation implementation, including the AI concept for resolving conflict of interest situations and the fundamental standards for implementing the AI concept in preventing conflict of interest situations in the public sector. As a result of the study, the author proposed specific steps: removing obstacles, ensuring a transparent process, considering the impact on human rights and audit inspections, agreeing to share information, establishing legal remedies and accountability, and developing an evaluation and monitoring system, among others, for the effective prevention of conflict of interest risks as an anti-corruption measure in the public sector.

During the research, the proposed **hypothesis** has been confirmed: conflict of interest and its various manifestations are one of the most significant forms of corruption, requiring the application of AI as an innovative legal instrument for its prevention.

As a result of the dissertation research, the author has compiled nine (9) conclusions with proposals for their solutions. Proposals have been made for amendments and additions to eleven (11) laws, including the KNAB Law, the Law “On Prevention of Conflict of Interest in the Activities of Public Officials,” the Law on Administrative Liability, the State Civil Service Law, the Local Government Law, the State Administration Structure Law, the Law on the Service of Officials with Special Ranks of the Institutions of the Ministry of the Interior System and the Prison Administration, the Construction Law, the Public Procurement Law, the Law on the Processing of Personal Data, and the Criminal Law. Additionally, proposals have been made for amendments to three (3) Cabinet of Ministers (CM) regulations: No. 556 “Regulations on the Corruption Prevention and Combating Bureau,” No. 630 “Regulations on the Basic Requirements for the Internal Control System for Preventing Corruption and Conflict of Interest Risks in Public Institutions,” and No. 375 “Regulations on the State Regional Development Agency.” Furthermore, the author has proposed the adoption of the “Concept for the Development of AI Technology Legal Regulation for the Prevention of Conflict of Interest in the Public Sector” and

the internal legal act “Code of Ethics on the Use of AI in Public Sector Institutions in the Anti-Corruption Field.” Lastly, it has been proposed to issue a CM order “On the Working Group for the Implementation of Artificial Intelligence as an Anti-Corruption Instrument for Preventing Conflict of Interest in the Public Sector.”

Based on the research conducted in the dissertation, the following conclusions and proposals are presented for defense:

### **Conclusion No.1**

The creation of a legal framework for AI regulation would lay the foundation for the legal regulation of new social relations and eliminate legal barriers that hinder the development and application of AI systems in the field of corruption and conflict of interest prevention.

### **Proposal No.1**

Develop a concept for the legal framework of AI technology to prevent conflicts of interest in the public sector, defining fundamental principles for regulatory development in the field of AI. Thus, the **author proposes** adopting the "*Concept for the Development of the Legal Framework for AI Technology in Preventing Conflicts of Interest in the Public Sector*".

### **Conclusion No.2**

The absence of fundamental AI ethics standards in the process of preventing conflicts of interest creates risks and doubts regarding the objectivity of AI technology in decision-making, the reliability of conflict of interest prevention and detection processes, and, of course, the oversight of AI operations.

### **Proposal No.2**

At the legislative level, a system of interconnected values, principles, and specific actions (standards) must be formulated and developed for the design and implementation of AI, along with mechanisms to prevent the unethical use of AI. Therefore, the **author proposes** that public sector institutions (especially the Corruption Prevention and Combating Bureau and the State Revenue Service) adopt an internal regulatory act – the "*Code of Ethics for AI Use in Public Sector Institutions in the Anti-Corruption Field*".

### **Conclusion No.3**

The Corruption Prevention and Combating Bureau (KNAB), as an AI operator in the anti-corruption field, does not have the competence and responsibility stipulated in regulatory acts for data acquisition, compilation, and analysis, as well as for evaluating cases and making decisions regarding the assessment of a public official's actions in a conflict-of-interest situation.

### **Proposal No.3**

To establish a specific legal framework for AI in relation to specific anti-corruption activities, in order to define the competence of KNAB as an anti-corruption institution to use AI systems as a legitimate process. In this regard, the **author proposes:**

**3.1.** Amendments to Article 10, Part 1 of the *KNAB Law*, by adding a new point (3.<sup>1</sup>) in the following wording: *if necessary, to use artificial intelligence technologies for the monitoring of compliance with the law "On the Prevention of Conflict of Interest in the Activities of State Officials" and other regulations imposing additional restrictions on state officials.*

**3.2.** Amendments to Article 28 of the Law "On the Prevention of Conflict of Interest in the Activities of State Officials" by adding a new part (4.<sup>1</sup>) in the following wording: *If necessary, during the verification of declarations, when evaluating the compliance of a state official's activities with the Law "On the Prevention of Conflict of Interest in the Activities of State Officials" as well as other regulations imposing additional restrictions on state officials, the Corruption Prevention and Combating Bureau has the right to use artificial intelligence technologies to request and receive information and documents from the respective state official, public institutions, companies, public or political organizations and their associations, religious organizations or other institutions, as well as from persons indicated or required to be indicated in the relevant declaration during the evaluation and analysis process, as well as in decision-making regarding the identification of a state official's activities in a conflict of interest situation.*

**3.3.** Amendments to Article 115, Part 2 of the *Administrative Liability Law* by expressing Subsection 2.<sup>1</sup> in the following wording: *The institution's regulations may define a special division of competence between the institution's officials and AI technologies in the conduct of the administrative offense process.*

**3.4.** Amendments to the Cabinet of Ministers Regulation No. 556 of September 4, 2018, "Regulations of the Corruption Prevention and Combating Bureau" (protocol No. 41, § 2), by expressing Point 11 in the following wording: *The Head of the Bureau has the right, in cases and procedures specified by regulatory acts, to cancel decisions made by Bureau officials and the artificial intelligence system, as well as to give instructions regarding the direction of the investigation, the conduct of the investigation, and operational activities.*

### **Conclusion No.4**

The existing legal acts do not provide the possibility to contest and appeal decisions made by AI technologies regarding a public official's involvement in a conflict of interest situation. Consequently, there is no guarantee of ensuring fair decision-making in the anti-corruption field, leaving room for bias, which may result in a discriminatory impact.



#### **Proposal No.4**

Provide the possibility to contest and appeal decisions made by AI technologies regarding a public official's involvement in a conflict of interest situation. Therefore, the **author proposes** amendments to Article 10.<sup>1</sup>, Part Two of the *KNAB Law*, adding a new section (2.<sup>1</sup>) with the following wording: *An administrative act issued as a result of the Bureau's AI technologies regarding violations of the restrictions and prohibitions imposed on public officials by the Law 'On Prevention of Conflict of Interest in the Activities of Public Officials,' as well as the performance of public officials' functions in a conflict of interest situation, may be contested before the Head of the Bureau, while an administrative act issued by the Head of the Bureau may be appealed in court.*

#### **Conclusion No. 5**

The KNAB lacks the capability to process vast amounts of data at speeds unattainable by humans, which could serve the interests of public order, public health, and national security. Therefore, without automated AI-based decision-making, it is impossible to ensure the effective prevention of conflicts of interest as a new and innovative anti-corruption measure in the public sector.

#### **Proposal No. 5**

Establish the possibility of making automated decisions in legislation. Therefore, the **author proposes**:

**5.1.** Amendments to Article 17 of the *State Civil Service Law* Adding a new section (2) with the following wording: *Upon assuming the duties of a civil servant, the candidate's compliance with the restrictions and obligations related to commercial activities, income generation, holding multiple positions, and performing work, as stipulated in the Law "On the Prevention of Conflicts of Interest in the Activities of Public Officials," shall be continuously assessed using artificial intelligence technologies.*

**5.2.** Amendments to Article 77 of the *Local Government Law* adding a new section (4) with the following wording: *To ensure an effective system for preventing corruption and conflicts of interest risks within the municipality, employees and municipal council members shall sign a consent form stating that their compliance with the restrictions, prohibitions, and obligations set out in this law and the Law "On the Prevention of Conflicts of Interest in the Activities of Public Officials" will be continuously assessed using artificial intelligence technologies.*

**5.3.** Amendments to Article 96 of the *State Administration Structure Law* adding a new section (4) with the following wording: *The control of the combination of positions or jobs by the persons mentioned in the first part of this article, as well as compliance with the restrictions on*

holding multiple positions and jobs established in other regulatory enactments, will be continuously ensured through the use of artificial intelligence technologies.

**5.4.** Amendments to Article 3 of the *Service Career Law for Officials with Special Ranks of the Institutions of the Ministry of the Interior System and the Prison Administration Rewording* Section 4 as follows: The restrictions on holding multiple positions, earning income, and engaging in commercial activities, as well as other restrictions, prohibitions, and obligations, are determined by the Law "On the Prevention of Conflicts of Interest in the Activities of Public Officials," compliance with which will be continuously assessed using artificial intelligence technologies.

### **Conclusion No. 6**

Without the use and processing of data, AI will not be able to function effectively, thus hindering the prevention of conflicts of interest in the activities of public officials. Current legislation does not regulate the operation of AI in the processes of collecting, compiling, and integrating legal information, nor in the decision-making processes of public officials and the prediction of the consequences of their actions. Without this legal regulation, both KNAB and the heads of institutions (who are responsible for implementing anti-corruption policies within the organization) will not be able to ensure the monitoring of information and publication materials, data analysis from both open sources (such as mass media, social networks, etc.) and closed sources (including public official declarations, various databases, and others) regarding the control of public official activities, with the help of AI technologies.

### **Proposal No. 6**

To grant KNAB and institutional leaders the authority to process information using AI technologies in the field of anti-corruption for the prevention of conflicts of interest. Therefore, the **author proposes**:

**6.1.** Amendments to Article 10, Part 1 of the *KNAB Law* to add a new point (7.<sup>1</sup>) with the following wording: For the control of restrictions, prohibitions, and obligations set out in the "Law on the Prevention of Conflicts of Interest in the Activities of State Officials," it is allowed to obtain, receive, register, process, compile, and analyze the information necessary for the performance of the Bureau's functions using artificial intelligence technologies.

**6.2.** Amendments to the Cabinet of Ministers Regulations of October 17, 2017, No. 630 "Regulations on the Basic Requirements of the Internal Control System for the Prevention of Corruption and Conflict of Interest Risks in a Public Entity" (Prot. No. 51, § 33) to add a new point (13.<sup>1</sup>) as follows: The head of the institution or their authorized person, when establishing the corruption and conflict of interest risk prevention system in a public entity, may ensure the

improvement and oversight of the internal control system through the application of artificial intelligence technology.

### **Conclusion No. 7**

Without resolving issues regarding the use of personal information, institutional access to large volumes of confidential information to manage vast amounts of data concerning officials, their relatives, and business partners' activities in monitoring and controlling the construction and public procurement sectors, it will not be possible to ensure effective risk mitigation of conflicts of interest in the public sector through the use of AI technology.

### **Proposal No. 7**

Establish a legal mechanism for the application of AI technology in regulatory acts in various areas of construction and public procurement, thus the **author proposes**:

**7.1.** Amendments to Article 6, Part 6 of the *Construction Law*, adding a new point (6) in the following wording: to process, compile, and analyze received information and documents in order to prevent potential corruption risks, using artificial intelligence technology.

**7.2.** Amendments to Article 66, Part 2 of the *Public Procurement Law*, adding a new point (6) in the following wording: to process, compile, and analyze received information and documents regarding any procurement procedure in order to prevent corruption risks and assess the connections of the procurement procedure document preparer (ordering official or employee), members of the procurement commission, the commission secretary, and experts with the candidate or applicant, using artificial intelligence technology.

### **Conclusion No. 8**

The existing legal framework does not provide the conditions to ensure that specific algorithms and data of AI technologies remain the property of the state. The development of such standards could increase transparency and ensure the security of AI technology usage in identifying corruption and conflicts of interest in the public sector.

### **Proposal No. 8**

**8.1.** Establish a special cross-sectoral working group under the government to develop a centralized policy on the use of AI as a tool for conflict of interest prevention in the public sector. Therefore, the **author proposes** issuing a government order "On the Working Group for the Implementation of Artificial Intelligence as a Tool for Anti-Corruption and Conflict of Interest Prevention in the Public Sector," appointing the head of the Corruption Prevention and Combating Bureau as the leader of the working group.

**8.2.** Define the competent institution responsible for implementing the new compliance assessment procedure (standard) related to the use of AI technology in the anti-corruption field. Therefore, the **author proposes** amendments to point 3 of the Cabinet of Ministers Regulation No. 375 "Regulation of the State Regional Development Agency" from June 14, 2016, adding a new sub-point (3.7) in the following wording: Support for the functions defined in the Corruption Prevention and Combating Bureau Law regarding the implementation of the new compliance assessment procedure (standard) related to the use of AI technology in the anti-corruption field for conflict of interest prevention in the public sector.

**8.3.** Implement appropriate controls to assess algorithms, data, and design methods, providing for the certification of AI technology. Therefore, the **author proposes** amendments to Article 4, Part 1 of the *Personal Data Processing Law*, adding a new point (3.<sup>1</sup>) in the following wording: Ensure data protection certification procedures for the use of artificial intelligence in the anti-corruption field for conflict of interest prevention in the public sector.

**8.4.** Ensure that citizens, public officials, their relatives, and business partners have the opportunity to control the use of their personal information (data). Therefore, the **author proposes** to introduce a new article 29.<sup>1</sup> "Provision of Information on the Evaluation of Public Officials' Actions Using Artificial Intelligence Technology" in Section 5 "Examination of Violations and Fact Verification" of the Law "On the Prevention of Conflict of Interest in the Activities of Public Officials" in the following wording:

(1) Upon completing the evaluation of a public official's actions in accordance with the restrictions set forth in this law using artificial intelligence technology, the Corruption Prevention and Combating Bureau shall inform the public official about the action that was taken against them.

(2) The public officials mentioned in the first part of this article shall not be informed about the compliance of the action taken with the restrictions set forth in this law if it may:

- 1) cause harm to the lawful rights and interests of another person;
- 2) disclose the organization, methodology, and tactics of the Corruption Prevention and Combating Bureau's actions in the anti-corruption field;
- 3) harm the interests of national security;
- 4) harm the criminal proceedings initiated based on the mentioned information.

(3) If the circumstances mentioned in the second part of this article are identified, an officer of the Corruption Prevention and Combating Bureau shall prepare a substantiated inquiry, which is approved by the head of the respective institution or their authorized officer.

(4) The state official mentioned in the first part of this article shall be informed about the actions taken as soon as the circumstances mentioned in the second part of this article cease to exist.

**8.5.** To provide mandatory state oversight of AI systems, the **author proposes** amendments to Article 4, Part 1 of the *Personal Data Processing Law*, adding a new paragraph (6.<sup>1</sup>) as follows: to provide opinions on the compliance of data processing systems developed and used by the Corruption Prevention and Combating Bureau with artificial intelligence technologies in the anti-corruption field for the prevention of conflicts of interest with the requirements of regulatory acts.

### **Conclusion No. 9**

By not defining the responsibility of the AI operator for actions taken during the execution of their functions, it is impossible to guarantee the right of state officials, their relatives, and business partners to protect their rights, prevent discrimination and bias, as well as to compensate for damages.

### **Proposal No. 9**

It is necessary to develop approaches to criminal liability, administrative liability, and civil liability regarding errors made by AI technologies. Therefore, the **author proposes:**

**9.1.** Amendments to Article 38 of the *Personal Data Processing Law*, adding a new section (3) in the following wording: In cases where personally identifiable information or information whose disclosure could cause significant harm, physical harm, or suffering to a person is disclosed, and the data processed by AI technology used for anticorruption purposes in the area of conflict of interest prevention is revealed, a warning or a fine of up to two hundred monetary units shall be imposed on the official.

**9.2.** Amendments to Article 27 of the Law "*On the Prevention of Conflict of Interest in the Activities of State Officials*", adding a new section (3) in the following wording: When initiating an evaluation of a state official's actions, the Corruption Prevention and Combating Bureau must inform the state official that AI will evaluate the individual's actions in accordance with the restrictions, prohibitions, and duties set forth in this law.

**9.3.** Amendments to Section 20 of the *Criminal Code* "Criminal Offenses Against General Security and Public Order," adding the words "and artificial intelligence" after the words "automated data processing" in the first, second, and fifth parts of Article 243.

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