

## **ECONOMIC CRIME AND ITS DYNAMICS, CASE STUDY SECTOR OF INTERNAL AFFAIRS TETOVO**

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### **Abstract**

Economic crime is the negative phenomenon that is encountered in all economic and political systems of countries regardless of their level of development. This is because in individuals and groups of individuals during the historical period there has always been a tendency to get rich in the easiest and shortest way, taking on themselves the risks that can result from those behaviours. Economic crime is considered one of the most serious forms that in the first order harms the state economy.

Despite numerous attempts to give a comprehensive definition of economic crime, so far no such thing has been achieved, which shows the complexity of this phenomenon.

In this paper, some definitions and characteristics of economic crime will be elaborated, then some states data on this type of crime in the Tetovo Internal Affairs Sector for 2021 and 2022 will be analyzed.

In the course of the paper, the analysis method, statistic method, comparative method, observation method, etc. will be used.

In conclusion, some concrete conclusions and recommendations will be made that should be taken into account in the fight against this type of crime.

*Keywords:* Economic crime, criminal offence, Home Affairs Sector Tetovo, dynamics of crime

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### **Intruduction**

Economic crime as a negative phenomenon manifests itself in different forms, starting from the commercial sector, through production, foreign trade, enterprises of different character, casinos, misuses in state and public institutions by different officials etc.

This very dangerous phenomenon for society has been observed since the first days of the independence of the Republic of North Macedonia during the process of transormation of state enterprises into private enterprises. In this period, state-owned companies were bought with very small amounts, purchases which created and influenced the exclusion of a beautifully large number of workers from work who were referred to as bankruptcy workers. This mode of privatization has also included the Tetovo region, where state-owned undertooks have been bought and privatized in a criminalized manner.

The way of committing this type of crime is characterized by non-violence. In principle, perpetrators of this type of crime are characterized by not respecting the legal regulation of the concrete field, such as. Law on taxes, law on public procurement, or other regulation governing any given area. In incriminating acts we may encounter elements of fraud, counterfeiting of ducoments, money laundering, etc. The main motive of the criminal offenses of economic character is material financial benefit, economic domination, the survival of companies or industries in difficulty. With the topic relating to economic crime in the Tetovo region, we can point out that during 2022 in the region of the Sector of Internal Affairs Tetovo (SPO – Tetovo) in the area of economic crimes, 130 criminal offences (2021-243 criminal offences) have been detected in the area of economic crimes, which is a reduction of detection function by 46% compared to last year 2021. The offences were committed by 142

committed. As a result of the conduct of these criminal offences, material damage was caused with a value of about 746,770.00 denars, (2021, 669,292.00 denar).<sup>276</sup>

During 2022 in the region of SPO Tetovo we mark a 4% crime reduction, and for the offenses committed, 768 criminal charges have been handed over to the Basic Prosecutor Tetovo (2021- 874 kal.penal), while the offenses were committed by 991 offenders (2021-1174).<sup>277</sup>

In 2023, 150 criminal offences (2022-130 criminal offences) have been detected in the scope of economic crimes, which is an increase in detection function by 15% compared to last year 2022. The criminal offences were committed by 167 committers (2022-142), against whom 116 criminal charges were filed. As a result of the conduct of these criminal offences, material damage was caused with a value of about 8,513,763.00 denars, (2022, 746,770.00 denar).<sup>278</sup>

## 1. Economic Crime - notion

Economic crime is prohibited behavior that harms or threatens the protected economic interests of society.<sup>279</sup>

Economic crime, unlike the usual one, is carried out in a secret manner, its consequences are not easily visible and are not always direct, and the reaction to this crime occurs after it has been discovered.<sup>280</sup> In most cases this type of crime is discovered after scandals are publicized, while a number of economic crimes remain undisclosed forever.

The Council of Europe defines<sup>281</sup> economic crime as a container of economic crime which includes all kinds of offences committed by public or private individuals or firms in their industrial, commercial, financial and other business-related activities.

According to Queloz<sup>282</sup>, economic crime reflects anti-legal activities that have the following characteristics;

- are carried out during economic activities, affecting the same private companies, the state and companies in the field of finance,
- are carried out by non-violent means, i.e., cunning, deceptive methods and the use of modern communication technology,
- The conduct of this type of crime requires special skills and mastery, characteristic of economic, commercial and financial matters, and in certain areas more specialized knowledge, which however makes it difficult or impossible to detect and document incriminating activities by supervisory bodies,
- the essential motive, the will to increase profits, expansion or economic domination or to protect and survive struggling companies or industries,
- It causes significant damage leading to significant losses, not only in narrow terms of ownership but also in other economic and social directions, such as unemployment, social security, quality of life, stability of companies, public property etc.

According to Muazam Halili<sup>283</sup>, "Economic crime means all forms of criminal activities that are directed against the national, international economic system and their functioning, whether they are undertaken in the framework of economic activity or outside it."

<sup>276</sup> Annual Report of SPB-Tetovo, 2022, page .4

<sup>277</sup> Ibid.

<sup>278</sup> Annual Report SPB-Tetovo, 2023, page 4

<sup>279</sup> Muazam Halili, Bazat e kriminalitetit ekonomik [Basics of Economic Crime], Tetovo, 2023, pp-19

According to Tiedemann, economic crime is an anti-legal behaviour that affects, harms or threatens economic life or economic system in a way where the interests of a single individual are not included. The effect of economic crime should therefore be such as to threaten or harm economic life, and in this case the government and business community are counted as victims.

<sup>280</sup> Ragip Halili, Kriminologjia [Criminology], Pristina, 2016, pg-196

<sup>281</sup> Muazam Halili, Bazat e kriminaliteti ekonomik [Basics of Economic Crime], Tetovo, 2023, pp.-21

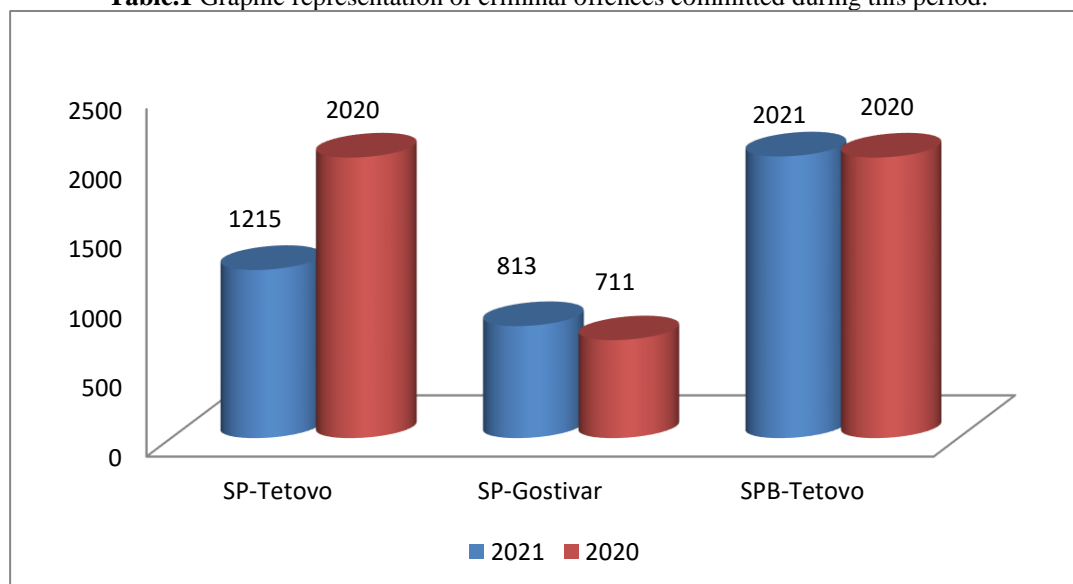
<sup>282</sup> Ibid.

Economic crime is presented in all areas of economic activity, ranging from the business of deposit, through production, ark business, commercial sector, foreign trade, commercial and hotel shops, economic and accounting sectors, to general leadership.<sup>284</sup>The causes of this type of crime are<sup>285</sup> the form of the report on the property of the working organization, the forms of the estate, the degree of concentration of functions, the development and rationality of the defence system, the business position of the working organization, the development of the organization of governance and the professional and intellectual capacity of the conductor.

## 2. Dynamics of economic crime in tetovo and Gostivar region for the period (2020-2022)

2.1 *State of Economic Crime 2021 – 2020*: During 2021 in the region of SPO Tetovo we see a slight increase in crime of 0.39% compared to last year 2020, i.e. we mark an increase of 8 criminal offences. In the above-mentioned period, 2028 criminal offenses (2020-2020) or increase of 0.39% of which in the region of ST Tetovo 1215 criminal offences (2020-1309 criminal offences) or decrease of 07%, while in the region of S Gostivar 813 (2020- 711 Criminal Offences) or increase of 12%. For the committed criminal offenses, 1398 criminal charges were submitted, from where to the Basic Prosecutor Tetovo 874 criminal charges, while in the Basic Prosecutor Gostivar 524 criminal charges (2020-1425 kal.pen. from where Tetovo 994 – Gstivar 431), the crimes were committed by 1823 heads, and the one from the region of S. Tetovo 1174 Kryera and from the region of SP - Gostivar 649 the offenders. (2020 – 1870 total, from where in the Region of SP Tetovo 1318, and in the region of SP – Gostivar 552).<sup>286</sup>

**Table.1** Graphic representation of criminal offences committed during this period.



<sup>283</sup> Muazam Halili, Bazat e kriminalitetit ekonomik (këndështimi kriminologjik dhe kriminalistik), [The Fundamentals of Economic Crime (Criminological and Criminalistic Angst)], 2023 p..21

<sup>284</sup> Adnan Jashari & Ismail Zejneli, Disa vështrime në lidhje me kriminalitetin ekonomik në Maqedoni në periudhën e tranzicionit, E Drejta nr.1/2011 [Some views on economic crime in Macedonia in the transition period, Law No.1/2011], Pristina 2011, p.

<sup>285</sup> Ibid.

<sup>286</sup> Annual Report on The Activities of the Internal Affairs Sector – Tetovo 2022

In the SB, Tetovo in the framework of economic crime is led by the following acts; In the area of economic crimes, 474 criminal offences (2020-561 criminal offences) have been detected in the area of Tetovo, and in the Region of Gostivar 231 criminal offences, which is a reduction of the detection function by 15% compared to last year 2020. Criminal offences were committed by 532 offenders (2020-652 persons) of whom in the Tetovo region 304 committed, while in the Region of Gostivar 228 offenders, against whom 418 criminal indictments were filed, (2020-512 criminal indictments) of which 209 in the Basic Public Prosecutor's Office Tetovo and 209 in the Basic Public Prosecutor's Office Gostivar. These criminal offences caused material damages of about 1,500,466.00 denars (TE-2,589,529 denars, GV-1642,742,00 denars).

In the structure of criminal offences in the area of economic crime, these criminal acts are included: 64 (TE) VP The carrying of infectious disease, 280(TE-113, GV -167) VP, Omission of health provisions in times of epidemic, 2(TE) "Environmental pollution"; 21 (TE-16, GV-5) Criminal offense usurpation of irrevocable property"; 4 (GV) VP "Illegal exposure of mineral resources"; 18 (TE-1, GV-17) Criminal offense "Destruction of forests"; 1 (TE) The criminal offense "illegal hunting"; 4 (TE-1, GV-3 Criminal act "Environmental threat" 1 (TE) Criminal offense "Assistance in relation to environmental pollution"; 23 (TE-18, Gv-5) Criminal offense, construction without permit, and 10 (TE-8, GV-2) Criminal offense "Issuance of check without cover";

"Computer fraud"; 2 (TE) The criminal offense "Unauthorized access to a computer system"; 2 (TE) Criminal offense Fajdeja"; 1 (TE) Criminal offense "Making false payment card" 20 (GV) Criminal offense "Conducting public transport without license"; 5 (TE-2, GV-3) Criminal offense "Misuse of official position"; 4 (TE-3, GV-1) Criminal offense "Unconscious work during duty"; 1 (GV) Criminal offense "Assisting in connection with unconscious work during duty"; 1 (GV) Criminal offense "Removal or damage of the seal or official mark"; 3 (TE) Criminal offense "Tax avoidance" 1 (TE) Criminal offense "Avoidance of excise payment" 2 (TE) Criminal offense "Not respecting the decision of the court".

Basic causes that conditioned the appearance of this type of crime are: report form of the property of the organization working, forms of property, the degree of concentration of functions, the development and justification defense system, the organization's business position working, governance and organization development professional and intellectual ability of the offender. Although the objective factors have central importance in terms of appearance and the structure conditionality certain economic crime, professionalism and intellectual ability, as subjective factors, in certain cases, may be crucial in committing economic crime offenses.<sup>287</sup>

*2.2.State of Economic Crime 2022 -2021:* During 2022 in the region of SPB Tetovo we mark a 4% crime reduction. In the above period, 1161 criminal offences were committed (2021-1215) of which we mark a 4% collapse. For the committed criminal offenses, 768 criminal charges have been filed to the Basic Prosecutor Tetovo (2021- 874 kal.penal), while the offences were committed by 991 offenders, (2021-1174).<sup>288</sup>

In 2022, 130 criminal offences (2021-243 criminal offences) have been detected in the economic crime case, which is a reduction in detection function by 46% compared to last year 2021. The offences were committed by 142 committed. As a result of the conduct of these criminal offences, material damage was caused with a value of about 746,770.00 denars, (2021, 669,292.00 denar).

<sup>287</sup> Ismail Zejneli&Alba Dumi-Economic Crime in Transition Countries- Aspects of the Legal and Economic Analysis, *Academic Journal of Interdisciplinary Studies Published by MCSER-CEMAS-Sapienza University of Rome, Vol 2 No 1-March 2013*

<sup>288</sup> Annual Report on the Activities of the Internal Affairs Sector – Tetovo 2023, page.4

In the structure of criminal offences in the field of economic crime, these criminal acts are included: 9 criminal offences "The carrying of infectious disease"; 13 criminal acts "Not acting according to health provisions in times of epidemic"; 11 Criminal offenses "Usurpation of immutable property"; 18 criminal offences "Illegal construction", 6 criminal offences "Issuance of cheque without cover and misuse of payment card"; 1 criminal act "computer fraud"; 2 criminal offenses "fajdeja", 56 criminal offences "conducting public transport without license possession"; 2 criminal offenses "misuse of official duty"; 5 criminal offenses "Unconscious work on duty"; 1 criminal offense "assistance in relation to the misuse of official position"; 2 criminal offenses "Tax evasion"; 3 criminal offences "not performing the court decision"; 1 offence, falsification of official documents.

In the current year, a total of 3 criminal offences have been discovered in the territory of the SPA - Tetovo "Misuse of official position", of which 2 acts of abuse of official duty provided for in Article 353 of the RNM - while 1 criminal offence of aid or in connection with the criminal offense misuse of official duty. Compared to last year (3 criminal offences), the detection function is at the same level. The crimes were committed by 3 authors against whom 3 criminal charges were filed.<sup>289</sup>

Regarding the criminal offense of unconscious work during the official duty, a crime that belongs to the group of criminal offences of economic character in the current year, in the region of SPO Tetovo, 5 criminal offences have been discovered, unconscious work during the task, foresaw and sentenced according to Article 353 - v. Compared to 2021 (2 criminal offences) which means that we have increased the detection function by 96%. . The crimes were committed by 17 offenders against whom 3 criminal charges were filed.<sup>290</sup>

*2.3. State of Economic Crime year 2023 -2022:*In 2023, 150 criminal offences (2022-130 criminal offences) have been detected in the scop of economic crimes, which is an increase in detection function by 15% compared to last year 2022. The criminal offences were committed by 167 committers (2022-142), against whom 116 criminal charges were filed. As a result of the conduct of these criminal offences, material damage was caused with a value of about 8,513,763.00 denars, (2022, 746,770.00 denar).

The structure of criminal offences in the field of economic crime are included: 2 v.p "Assistance to insurance fraud"; 1v.p "assistance in connection with the implementation of public transport without a license"; 1 v.p "not offering medical assistance", 1 vp. "Environmental pollution; 18 vp. the wealth of the wealth." 28 vp "Illegal construction"; 1 vp "Forest Desertification"; 6 vp. "Unauthorized access to the computer system"; 2 v.p "Issuance of check without covers and misuse of payment card"; 2 vp. "Computer fraud"; 1 v.p. "Assisting in illegal construction" 56 BC "Carrying out public transport without a license"; 4 bc "Infringement of industrial property rights"; 2 bc "Infringement of the right to present or protection of invention and topography of integral cars 3 v.p .1 Abuse of official position"; 7 v.p "unconscious work while exercising official duty"; 3 n.p.s. "Abuse of office"; 5 "Tax evasion" offences; 1v.p "Presentation of false evidence"; 3 bc "Non-execution of a judicial decision" and 1 v.p. "Special cases of forgery.

Regarding the criminal offense misuse of position and official authorization, a crime that is part of economic crime, a total of 3 criminal offences have been detected in the territory of SPO - Tetovo. Compared to last year 2022 (3 criminal offences). the detection function is at the same level. The crimes were committed by 5 authors against whom 3 criminal charges were filed.

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<sup>289</sup> Ibid.

<sup>290</sup> Ibid.

Also in 2023, in the region of SPO Tetovo have been discovered 7 criminal offences, unconscious work during duty, foresit and sentenced under Article 353 - v. Compared to 2022 (5 criminal offences) which means that we have increased the detection function by 40%. . The offences were committed by 7 offenders against whom 1 criminal charge was filed.

### 3. Consequences of economic crime

Every crime, and in this context, economic crime, has consequences in light spheres.

The consequences of economic crime are severe wherever they occur and in most cases have to do with:<sup>291</sup>

- the barrier and restraint of social economic development, especially in non-democratic democracies;
- generates political instability;
- prevents equal access to public services;
- it affects public trust in state institutions;
- it affects the security and confidence aspect, where serious investors, whether at home or abroad, are reluctant to invest;
- The gap between rich and poor is widening;
- 1. damage to public interests at the expense of the interests of individuals, or certain groups of individuals;
- violation of the constitutional order, perhaps it violates freedoms and human rights, favoring and privileging people of power and others who common denominators have incriminating actions;
- destruction of free competition and market economy by favoring and privileged individuals and monopolistic groups, in terms of concessions, privatizations, tenders etc. where we have a direct impact on the development of the country's economy and the life of the citizen;
- it affects the efficiency of public governance and administration, especially when the employment of people on the basis of nepotism and bribes comes into being, not on merit, which however results in the quality of the work of the respective institutions, etc.

The development of crime in today's society dictates the need for effective strategies and international cooperation in its struggle.<sup>292</sup>No matters affecting specific forms of crime, the prevention and combatting of crime requires a comprehensive criminal policy, both within a country, region or international level.<sup>293</sup>This policy is not static, but it responds to the needs that arise in preventing crime. International and European institutions charged with the development of democracy, the protection of human rights have assessed the need to prepare certain minimum standards that should be taken into account in drafting national legislation and in the practice of preventing and combating crime, including its most severe forms.<sup>294</sup>They have developed and adapted many standards in the field of criminal policy and prevention of crime."

<sup>291</sup> Muazam Halili, *Bazat e Kriminalitetit Ekonomik* [Basics of Economic Crime], Tetovo, 2023, page 25

<sup>292</sup> Vesel Latifi & Ismet Elezi & Vasilika Hysi- *Politika e luftimit të kriminalitetit* [The Policy of Combating Crime], Prishtina, 2012, pp.-148

<sup>293</sup> Ibid.

<sup>294</sup> Vesel Latifi & Ismet Elezi & Vasilika Hysi- *Politika e luftimit të kriminalitetit* [The Policy of Combating Crime], Prishtina, 2012, pp.-148

Considering the fact that economic crime can appear in different forms, according to the recommendations contained in the International Convention, but also in bilateral agreements for the elimination of economic crime, is necessary that within each system to be established more bodies and specialized institutions in order to be able to follow, detected and sanctioned this type of crime. Anti-corruption policy is in the foreground, not only in the transition period, but also in other developed countries, because it is a widespread international phenomenon and socially in a very great risk. The fight against corruption, as international phenomenon, requires not only an effective policy within the country, but also international cooperation, based on the European Convention.<sup>295</sup>

### **Recommendations and conclusions**

Given the progress of economic crime for the period of the study, we think that there is a need to draw up some national standards in accordance with those of international criminal policy for preventing crime in general and economic crime in particular.

The fight against economic crime seems to be continuous and permanent in coordination with all national and international institutions. So criminal policy against economic crime, the fight against corruption should be a priority of any democratic society, and that progress in this area is crucial for the country's eu accession.

In preventing economic crime, besides courts, prosecution offices, police, customs etc. which directly have an important role, indirectly have a role in preventing economic crime, the state commission for prevention of corruption, the public revenue directorate, the state market inspectorate, the financial intelligent service etc.

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<sup>295</sup> Ismail Zejneli&Alba Dumi- Politika e luftimit të kriminalitetit Economic Crime in Transition Countries- Aspects of the Legal and Economic Analysis, *Academic Journal of Interdisciplinary Studies Published by MCSER-CEMAS-Sapienza University of Rome, Vol 2 No 1-March 2013*