

## POSITION ARTICLE

## Current challenges in combating economic crime in Ukrainian

*Desafíos actuales en la lucha contra el crimen económico en Ucrania*

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**ABSTRACT**

Economic crime is one of the key threats to the economic security of the state, especially in the post-war reconstruction of Ukraine context. The full-scale aggression of the Russian Federation has increased risks in the financial sector and intensified transnational money laundering schemes, abuse of humanitarian aid, and corrupt practices. Economic crime adapts to digitalization, globalization, and crisis phenomena, which complicates its detection and counteraction. The research aims to identify the contemporary institutional and legal challenges of countering economic crime in Ukraine under conditions of armed conflict and post-war reconstruction, and to substantiate directions for improving the effectiveness of state policy in ensuring economic security. The study is based on doctrinal legal analysis using dialectical, systemic, structural-functional, and hermeneutic methods, as well as methods of analysis and synthesis. The regulatory legal acts of Ukraine and international documents, statistical data of state bodies, and scientific works of domestic and foreign authors were used. The following key challenges are identified: the economic crime multidimensionality and its ability to penetrate new areas of social relations; the transnational nature of offenses; the financial transactions digitalization and the crypto-instruments use; insufficient development and financing of the education system; oligarchizing of the economy; and risks of abuse in the cooperation sphere with the aggressor state. Effective counteraction to economic crime requires a comprehensive approach that combines legal, institutional, technological, and educational mechanisms; international cooperation development; and the modern financial monitoring and risk management systems implementation, as well as increasing public administration transparency. **Keywords:** Economic crime; Economic security; Counteraction to crime; Financial monitoring; Post-war reconstruction.

**RESUMEN**

El crimen económico constituye una de las principales amenazas para la seguridad económica del Estado, especialmente en el contexto de la reconstrucción posbélica de Ucrania. La agresión a gran escala de la Federación de Rusia ha incrementado los riesgos en el sector financiero y ha intensificado los esquemas de lavado de dinero, el abuso de la ayuda humanitaria y las prácticas corruptas. Además, el crimen económico se adapta a la digitalización, la globalización y los fenómenos de crisis, lo que dificulta su detección y prevención. La investigación tiene como objetivo identificar los desafíos institucionales y jurídicos contemporáneos en la lucha contra el crimen económico en Ucrania bajo condiciones de conflicto armado y reconstrucción, así como fundamentar propuestas para mejorar la eficacia de la política estatal en la protección de la seguridad económica. El estudio se basa en un análisis jurídico doctrinal que incorpora métodos dialéctico, sistémico, estructural-funcional y hermenéutico, junto con técnicas de análisis y síntesis. Se examinaron actos normativos nacionales e internacionales, datos estadísticos oficiales y literatura científica especializada. Entre los principales desafíos identificados se encuentran la multidimensionalidad del crimen económico, su carácter transnacional, la digitalización de las transacciones financieras y el uso de criptoinstrumentos, la insuficiente financiación institucional, la oligarquización de la economía y los riesgos derivados de la cooperación con el Estado agresor. Se concluye que su combate efectivo exige un enfoque integral que combine mecanismos jurídicos, institucionales y tecnológicos, cooperación internacional y mayor transparencia en la administración pública.

**Palabras clave:** Crimen económico; Seguridad económica; Lucha contra el delito; Monitoreo financiero; Reconstrucción posbélica.



## INTRODUCTION

In modern conditions, ensuring the economic security of the state is directly related to the effectiveness of combating economic crime. Economic security in this study is understood as the state of protection of the national economy, financial system, and public administration institutions from internal and external threats that can disrupt the stability of economic processes and the implementation of public policy. Economic crime is considered as a set of criminally punishable acts committed in the field of economic activity or using legitimate economic mechanisms in order to obtain illegal benefits (Ablamskyi et al., 2023; Sokurenko et al., 2024). Corruption within this work's framework is interpreted as the abuse of official authority or related opportunities in order to obtain an unlawful advantage, which undermines the institutional capacity of the state and distorts market relations.

Corruption is a multidimensional phenomenon that is an integral part of the public life of any state, regardless of its geographical location, economic and political level of development. At all stages of development of society and statehood, corruption has existed and exists in various manifestations (forms). At the same time, regardless of the type, nature, degree of this phenomenon, it is negative, and to some extent harms both individual legal relations and society and the state (Kalienichenko & Slynko, 2022).

Hardly any negative social phenomenon is as specific as corruption, which creates an intriguing paradox in law. In particular, there is no phenomenon that is mentioned more often on a daily basis, even in colloquial speech, than corruption; there is no group of criminal offences (corruption) that the whole society knows more about; there is no legal topic on which legal scholars and practitioners are more in agreement on the criminal law consequences that corruption creates and are not willing to prevent it by creating various models of its prevention (Abdülkerim-Osmanović & Kazić-Çakar, 2024).

Economic crime covers a wide range of offences, ranging from financial crimes committed by banks, tax evasion, illicit capital, money laundering, crimes committed by public officials and many others. Economic crime is considered to cause significant social harm. This is because it not only affects democratic institutions, but also undermines the state treasury, reducing the available resources for the implementation of public policy. At the level of the UN Congress on Crime Prevention and Criminal Justice, attention has been drawn to the potential harm caused by economic and financial crime, which includes loss of confidence in businesses and institutions, bankruptcy and job losses. In the developed world, the impact of such crimes may be easier to contain, given the development of economies and the ability to put in place appropriate regulatory mechanisms. However, in developing countries, the long-term impact and costs of sustainable development are much higher due to weak regulatory frameworks and limited government capacity (United Nations, 2005).

Nowadays, combating economic crime is an important element of the economic security of any state at all stages of its development. In view of this, the study of combating economic crime becomes the basis for developing a clear vision of the development of a successful economy of a modern state. The modern state is facing new challenges posed by technological, digital, and cultural transformation in a postmodern society, which need to be understood through the prism of their impact on the development of economic crime. That is why the importance of combating corruption is enormous, and the results of the effectiveness of anti-corruption measures in the long run will be able to eradicate the tolerance of corruption among the younger generation, which will build Ukraine in the future (Bondarenko, 2023).

The full-scale aggression against Ukraine has exacerbated existing structural problems: the abuses in the field of public procurement, humanitarian aid, infrastructure restoration has increased, and money laundering and financial fraud schemes have intensified. At the same time, the economy digitalization and integration into international financial markets have complicated the mechanisms for detecting and documenting such offenses. This creates tension between the need for quick management decisions in times of crisis and the legal certainty and transparency requirements.

The scientific problem lies in the lack of a holistic analytical approach to identifying modern challenges in the field of countering economic crime, which would simultaneously take into account its multidimensionality, transnational nature, digital transformation of financial processes, and the institutional vulnerability of the state. Existing studies mainly analyze individual aspects of the problem, without forming a systematic vision of its impact on economic security under martial law.

The research's scientific novelty lies in a comprehensive conceptualization of the formation of the current challenges of combating economic crime in Ukraine as an institutionally determined phenomenon that functions at the intersection of legitimate economic activity and the illegal use of its tools. The proposed approach combines doctrinal legal analysis with a systemic consideration of economic crime in the state's economic security structure.

In view of the above, the article aims to identify the contemporary institutional and legal challenges of countering economic crime in Ukraine under conditions of armed conflict and post-war reconstruction, and to substantiate directions for improving the effectiveness of state policy in ensuring economic security.

## METHODOLOGY

The study uses a complex of modern methods of scientific knowledge, which is understood as a The study employed a complex of modern scientific methods, understood as a combination of general scientific methods (analysis, synthesis, induction, deduction, and systematization), special legal methods (doctrinal analysis, interpretation of legal norms, and comparative legal approach), and interdisciplinary tools (including elements of institutional and socio-legal analysis). The research was theoretical and doctrinal in nature and was based on the analysis of the national legislation of Ukraine, relevant international legal acts, statistical data from authorized state bodies, and scientific sources addressing issues of economic crime and corruption.

The methodological foundation of the research was the dialectical approach, which made it possible to consider economic corruption as a complex, dynamic, and multidimensional socio-legal phenomenon developing under the influence of political, economic, and technological factors. Systemic and structural-functional analysis was applied to examine economic corruption as an element of the broader system of state economic security and to determine its relationships with other institutions of public administration.

The hermeneutic method was used to interpret key legal categories and the content of legislative provisions. It facilitated the analysis of the meaning of the term “economic corruption” and the interpretation of relevant legal norms.

Generally scientific methods were also employed. The method of analysis enabled the identification and examination of the essential features of corruption, while the method of synthesis was used to construct an integrated and holistic characterization of economic corruption as a socio-legal phenomenon. The method of literature and document analysis facilitated the review of scientific publications, legislative acts, official reports, and other documents related to economic corruption.

The systemic method allowed economic corruption to be analyzed as an objectively existing element of public life functioning within social and legal systems. Taken together, the applied methods made it possible to clarify the essential characteristics of economic corruption, identify its main forms, and determine the specific features of its manifestations under contemporary conditions.

## RESULTS AND DISCUSSION

Today, Ukraine is a signatory to the UN Convention against Transnational Organized Crime (UNTOC - ratified by Ukraine in 2001) and the UN Convention against Corruption (UNCAC - ratified by Ukraine in 2006), which contain standards for combating money laundering and terrorist financing. In 2021, Ukraine joined the European Crime Prevention Network (EUCPN), which brings together European countries to fight crime together. In addition, Ukraine has joined the International Organization of Securities Commissions (IOSCO), which provides an international standard for regulating financial markets. Since April 2023, a new generation of the National Bank of Ukraine electronic payment system (SEP) has been in operation, which is an important technical prerequisite for the further qualitative development of Ukraine’s payment infrastructure. At the same time, the security situation in Ukraine remains threatening. This is primarily due to economic and institutional weaknesses, as well as the lack of a sustainable social consensus around key issues of social development, such as foreign policy orientation, identity issues, etc.

According to official reports, thus, in 9 months of 2024, the State Financial Monitoring Service of Ukraine received more than 1.3 million reports on financial transactions subject to financial monitoring. This is 27% more than in the same period last year. Every fifth report concerns suspicious transactions that may be related to money laundering, corruption, or terrorist financing. Since the beginning of the year, the NBU has managed to stop such transactions worth UAH 6.1 billion. In total, the number of financial transactions in the materials submitted by the State Financial Monitoring Service to law enforcement agencies reached UAH 53.1 billion. Most of the materials on suspicious financial transactions (were sent to the National Police of Ukraine: 223 cases or 28.6% of the total number. Currently, these are cases worth over UAH 15 billion (State Financial Monitoring Service of Ukraine, 2024).

### *The need to develop a modern information technology system*

Truly combatting crimes using the old and obsolete procedure becomes really frustrating and disturbing with the current technological advancement, reasons being the recurrent of the said crime. For the development of modern information technologies and globalization is an objective trend of our time, which allows us to identify significant risks of money laundering. During the war, the scale of legalized (laundered) capital has increased, threatening the stability of both Ukraine and the entire international financial system. This creates favorable conditions for criminal elements to use the financial system for money laundering and terrorist financing. The priority for law enforcement agencies specializing in financial investigations is to find opportunities to recover illegally obtained assets. This will effectively deprive the perpetrators of such crimes of their illicit wealth and

serve as a significant deterrent to potential criminals. All this shows that corruption is a rather negative factor in the development of any sphere of public life.

In the early 1950s, there was a significant increase in economic crime, associated with the inability of the socialist economy to provide for the urgent needs of the majority of the population. A significant number of thefts occurred in state-owned trading organizations and consumer transactions. Counterfeiting and corruption also became widespread (Brusakova & Grechenko, 2023). Corruption is one of the most widespread problems in the modern world, which negatively affects the normal development of the state. That is why any country that has chosen the path of democracy strives to eradicate corruption in all areas of the state apparatus and society.

Corruption is not just a crime. It undermines public trust in state institutions, distorts competition, increases public spending and threatens democracy. That is why the state is obliged to fight corruption and strive to eliminate it. This goal can be achieved by strengthening disorganization resistance to corruption and raising public awareness of its prevalence (Makarenko, 2020; Pchelin, 2019). Corruption is a complex problem that has a multi-factorial impact on the functioning of the state. Firstly, it undermines the legitimacy of government institutions, reducing the level of public trust in public administration. Second, corruption schemes can serve as a mechanism for financing illegal armed groups, which poses a direct threat to national security. Thirdly, systematic corruption undermines the economic stability of the country, leading to inefficient allocation of resources and lower living standards (Bondarenko & Tymoshenko, 2024).

### ***The situation and presence of corruption affecting the combating of economic crimes***

We all understand here that combatting crimes especially those related to economic has never, and will never be an easy task within the confines of every society as corruption remains one of those most negative phenomena that hinders the development of Ukrainian statehood and directly affects almost all national social institutions, including the economic development of our country.

The rule here remains that, the phenomenon of economic crime has no borders, as it affects organizations around the world, so no industry or organization can feel completely immune to the adverse effects of economic crime. In addition to direct losses, economic crime can cause serious damage to disorganization image and reputation, which can even lead to a loss of market share. Today, society is becoming less and less tolerant of non-compliance with ethical standards of behaviour, so organizations need to gain and maintain public trust (World Economic Crime Report, 2011).

The number of economic crimes that cause damage to people, organizations and even countries is growing all over the world. Ukraine is no exception. Investigating such crimes is becoming more difficult: along with globalization, fraud and economic crime are actively spreading around the world and are constantly taking on new forms. Therefore, it becomes obvious that the key to the successful development of any organization is not only investment in improving the efficiency of its activities, but also the development and implementation of programs, tools and technologies to combat fraud and economic crime (Tretiak, 2020).

Economic crimes are a type of crime committed in the course of professional activity within the framework and under the guise of legitimate economic activity with the use of legal economic institutions (rules, forms, procedures). Economic crimes are the basis of the shadow economy and are aimed at property and production relations, economic rights of citizens, legal entities, municipal and state entities (Baranovskyi, 2009).

### ***The problem of categorizing economic crimes***

The basis of every crime for it to be combat will depend on its categorization, and right from time immemorial, the concept of economic crime has been a difficult one in defining. The issue here is that one can really find difficulties in expanding miles on the fact that «economic crime» in its own is difficult to define, and its precise conceptualization remains a challenge. The task is further complicated by the rapid progress of technology, which opens up new opportunities for such crimes. It is difficult to determine the overall scale of the phenomenon, partly because there is no clear and widely accepted concept, partly because the systems for recording economic and financial crimes vary considerably from country to country, and partly because some cases are not reported to state authorities as companies and financial institutions handle incidents internally. Nevertheless, there is a growing consensus that economic and financial crimes, especially fraud, are among the fastest growing crimes (United Nations, 2005).

According to Popovych (2012): “economic crime is a set of economic crimes committed in the sphere of civil circulation of things, rights, and actions over a certain period of time with the illegal use of legitimate technological and accounting operations, financial and civil law instruments, and organizational, regulatory, and controlling and management rights and powers” (p. 145). This definition is integrated into the conceptual framework as a basic doctrinal basis for understanding economic crime as a systemic and institutionally

determined phenomenon that functions through formally legitimate mechanisms of economic activity and requires a comprehensive cross-sectoral approach to countering it.

A comprehensive mechanism of combating crime is aimed at comprehensively overcoming the causes, conditions, and consequences of economic crime. Thus, Mischenko (2011) emphasized that crime prevention and counteraction constitute, by their nature, a form of law enforcement activity. This activity is understood as a multifunctional and multidimensional concept encompassing almost all spheres of state action. Such counteraction operates at both the general social and the specialized levels. The general social level serves as the foundation for more specific measures, whereas the specialized level is implemented through legal responses to committed offenses as well as through targeted criminological measures aimed at preventing future crimes.

At the same time, we believe that countering crime is much broader than just law enforcement, including legal education, scientific, public, and creative activities aimed at understanding new ways of counteracting criminal practices using the potential of scientific research, creation of works of art, thematic events with public participation, etc. Recently, the influence of socially responsible business as a separate force capable of solving a number of social problems, including the problem of economic crime, has also been growing in the international space.

It is important to be aware that economic crime adapts to the realities of scientific and technological progress, the peculiarities of communication at the current stage of human development using social networks, characteristic crisis phenomena, interweaving into volunteer practices, initiatives to assist the civilian population, projects to rebuild destroyed infrastructure in conditions of emergency (martial law), distorting the bright desire of conscious and socially active citizens and the international community to contribute to helping the population of affected regions and states. In view of this, we can talk about characteristic challenges in the field of combating economic crime in a modern state.

Among the key challenges, particular attention should be given to the multidimensional character of economic crime, which enables it to expand continuously into new spheres of social relations. The range of offenses classified as economic crime is extensive and includes fraud and accounting manipulation, blackmail, money laundering, insider trading, bankruptcy-related offenses, industrial espionage, corruption, counterfeiting, cartel arrangements, and embezzlement, among others. The scope of such criminal activity is constantly evolving, becoming more sophisticated, transnational, and technologically driven. A common feature uniting these offenses is the violation of trust, as well as the insufficiency of existing control and preventive mechanisms. Since economic systems are fundamentally grounded in trust, their proper functioning depends on the reliability and mutual confidence of their participants (Mautone, 2019).

### ***The situation of other transnational potential of economic crime***

One thing that we need to understand is that, in as much we understand the phenomenon of economic crime, the situation or tendency shows that the transnational issue surrounding this Crime is a worrisome one especially when the offender and the victim are separated by hundreds and thousands of kilometers, state borders and legal systems that differ in their specifics of regulating economic relations and responding to offences.

Some scholars argue that transnational crimes have existed in one form or another and to some extent since the emergence of organized societies. They remain prominent in popular culture and politics, developing in different eras, under different political and economic conditions. These crimes encompass a variety of offences, ranging from organized to corporate and political crimes. Some of the crimes that are transnational in nature include human trafficking, cybercrime, drug trafficking, migrant smuggling, maritime piracy, terrorism and others.

Globalization has expanded their markets, technological advances have accelerated their trends, and the Internet has facilitated the development of more powerful transnational criminal networks. Despite challenges related to state sovereignty, the international community is actively involved in the fight against transnational crime. This is evidenced by the development of various conventions on combating transnational organized crime, the main one being the UN Convention against Transnational Organized Crime. Several international specialized agencies, such as the United Nations Office on Drugs and Crime and the International Criminal Police Organization, also operate to combat transnational crime (Idoreyin & Glory, 2024).

The desire of the state and society to resist such negative phenomena as corruption and organized crime is clearly expressed at all levels of legislation in force in Ukraine (Voronyi, 2020). At the same time, according to Eurojust, economic crimes often have a cross-border element: criminals move their assets to other countries in an attempt to avoid freezing or confiscation. Working together to trace assets obtained through the violation of the law is a strategic priority in the European Union's fight against organized crime and the main focus of Eurojust caseload. The latter has accumulated considerable institutional knowledge of solutions and best

practices that can significantly increase the effectiveness of investigations, prosecutions and, ultimately, the recovery of criminal proceeds (European Union Agency for Criminal Justice Cooperation, 2024).

Popko & Popko (2021), considering the transnational challenges of combating economic crime, note that the problems of the modern world are global in nature; economic crime transcends borders and becomes international; transnational economic crimes are socially dangerous acts that encroach on the system of social relations in the field of financial and credit, investment, information, and trade activities and are transnational in nature, that is, they go beyond the borders of one state; combating transnational economic crimes falls within the internal competence of states, but international cooperation in this area also has an objective basis; the legal basis for international cooperation between states is international anti-criminal conventions, which define criminal acts and obligations of states regarding the criminalization of economic crimes and the provision of legal assistance in criminal proceedings, in particular in the extradition and transfer of accused and convicted persons, confiscated property, joint investigations and other issues.

### ***The problem of sufficient educational development***

Apart from all the glooming standings in the complexities in combatting economic crime depends on the challenge in the insufficient development of the education system and lack of its funding, which devalues the intellectual potential of a person in the state, actualizing criminal activity as an alternative way to maintain personal well-being that does not require a certain qualification level. Karpova & Protsenko (2017), studying Ukrainian realities, point out that the main problems of financing education at the regional level in Ukraine are the lack of funds in local budgets, ineffective control over the distribution of funds allocated for educational purposes, and corruption.

Thus, the improvement of financing of educational activities is possible if the control system is developed, educational funds are created, and the system of electronic document management in higher education is improved. According to the human capital theory, education is an investment that can bring good returns in the future, and efforts spent on education will definitely be rewarded. Thus, underfunding of education and research is still present and will not change in the near future in all spheres - social, economic, political, etc. - unless the entire system of education funding and management is reviewed, updated and restarted.

Among the challenges of combating economic crime, which are more typical for developing countries, we should also highlight the oligarchizing of society. According to some domestic scholars, there have always been moral guidelines, guidelines, and ideals in society and among political elites as components of value life. This is a kind of engine of progress or regression that contributes to the rise or decline of political institutions. The prerequisite for oligarchizing in Ukraine was the concentration of capital as a result of the implemented model of initial capital accumulation. Oligarchy as an element of the institutional environment is in constant interaction with other institutions.

As a result of the 'coupling effect' and embedding in the general system of norms, it modifies the structural elements and targets of the institutional system as a whole to maintain its viability. Institutions that do not meet its need for self-preservation are transformed into simulacra in a way that strengthens the position of the dominant coalition. Such simulacra institutions include the basic institution of the economy, namely the institution of property, the main feature of which in the Ukrainian reality is the absence of specific property rights. In turn, this destroys incentives for efficient use of resources. Property as a simulacrum ensures and enhances the impact of extractive institutions, creating sub-optimal motivational mechanisms (Pavlenko et al., 2022).

It is important to pay attention to such a key issue in the field of combating economic crime as cooperation with the aggressor country. This area of law enforcement activity has undergone significant changes in 2022, in particular since the introduction of amendments to the Criminal Code of Ukraine. The innovations concerned the criminalization of economic activities related to cooperation with the Russian Federation. The legislators have created a legal basis for criminalizing a significant amount of economic activity of Ukrainian enterprises related to foreign economic activity.

However, the lack of clear specification of the criminalized norms and the unclear definition of the objective party in the provisions of the Criminal Code of Ukraine relating to prosecution for economic relations with the aggressor country creates conditions for abuse by law enforcement agencies, which use such norms to intimidate (i.e., to take actions to intimidate or create fear) businesses by opening criminal proceedings on minor or fictitious charges. Another problem is the lack of clear definitions of terms such as 'economic ties with the aggressor state'. The vagueness of the wording in the articles of the Criminal Code of Ukraine relating to the financing of actions in favor of the aggressor state or collaboration creates a wide field for subjective interpretation and, accordingly, for abuse (Melnychenko, 2024).

### ***The future implications and perspective of economic crimes in Ukraine***

The current dynamics of economic crime in Ukraine indicate its steady transformation under the influence of martial law, financial transaction digitalization, and deepening integration into global economic processes. Analysis of regulatory changes, statistical indicators of financial monitoring, and law enforcement practice demonstrates the increasing complexity of money laundering schemes, tax evasion, abuses in the public procurement sphere, and the international aid use. This indicates the problems' structural nature, and not just a set of individual offenses.

The spread of cashless payments, crypto-assets, and transnational payment instruments objectively complicates the detection of financial crimes, as criminal transactions are carried out through jurisdictions with different levels of regulation and financial control. Under such conditions, the countermeasures' effectiveness depends on the interdepartmental coordination quality, the technical equipment of financial investigation bodies, and the international legal cooperation level.

A separate factor is the corrupt practices' impact on the public institutions' functioning. Corruption reduces the financial control effectiveness, creates the prerequisites for the offenses' recurrence, and undermines trust in state regulation mechanisms. Combined with the certain criminal law norms' imperfection, in particular regarding economic interaction with the aggressor state, this creates the selective risk or abusive application of legislation.

The prospects for combating economic crime are associated with the institutional strengthening of the financial investigation system, the legislative technique improvement, the modern analytical tools introduced for processing financial data, and the increase in the transparency of the management processes. The complexity of the problem necessitates the combination of criminal-legal, administrative, financial-control, and educational mechanisms, which together form a systemic model for ensuring the economic security of the state.

### ***Enhancement the thinkable diagnoses in combatting economic crime***

The problem here is not just in looking at what has really provoked the phenomenon of financial crime in Ukraine but trying to see what has to be done in remedying the situation. For solving the problems of financial investigations in the field of combating criminal offenses is critical in ensuring Ukraine's economic and national security. For one cannot really solve the said crime without having an inside of the crime by carrying out the indispensable investigations for combating such crime which remains the key tools for combating criminal offenses related to illicit enrichment, money laundering and tax evasion. For sure, the challenge in combatting this crime is really real, as the State of Ukraine continues to face huge infelicities and challenges making it difficult for them to combat this.

Essentially, financial offenses related to the illegal receipt of income do not only strengthen the shadow economy, but also cause significant damage to the state budget of Ukraine, significantly reducing its revenue. For the growth of corruption is a direct incentive to increase financial crimes, as it creates favorable conditions for abuse, fraud, tax evasion and other illegal activities that undermine the economic stability of the state.

The low efficiency of financial investigations creates favorable conditions for the creation of new schemes of abuse and embezzlement, which is unacceptable during martial law, as the state's resources are critical to ensuring the country's defense capability and social stability. The growing use of the latest digital technologies creates additional threats in the area of financial crimes. The rapid growth in the use of digital technologies, cryptocurrencies, and international payment systems is contributing to the emergence of new forms of financial fraud, which makes it difficult to detect and investigate them. Increased volumes of non-cash payments, popularity of online banking, mobile applications, e-wallets, and the emergence of fake money transfer platforms create favorable conditions for fraud.

In order to effectively conduct financial investigations, a number of challenges must be overcome, which will provide a solid foundation for fighting financial crimes, strengthening economic security and upholding the rule of law. Therefore, taking urgent measures is a prerequisite for the formation of a transparent and effective system of financial investigations, increased budget revenues and stability of the financial system.

Considering the research conducted, several strategic prospects for strengthening the counteraction to financial and economic crimes can be identified. A key direction lies in enhancing the effectiveness of detecting and investigating financial crimes. This requires strengthening the institutional capacity of competent authorities, improving analytical and financial monitoring tools, increasing the number of resolved cases, and ensuring the recovery and return to the state budget of funds obtained through illicit activities.

An equally important prospect concerns improving the efficiency of public administration. Reducing excessive bureaucracy, minimizing corruption risks, and increasing the quality and timeliness of managerial decisions are essential for limiting opportunities for the unlawful use of public resources. Greater transparency and institutional accountability would create a more predictable regulatory environment, which in turn would encourage domestic investment and sustainable economic development.

Strengthening public confidence in the financial system and law enforcement institutions also constitutes a significant dimension of effective counteraction. Ensuring the stability and reliability of banks and other financial institutions, promoting transparency in supervisory practices, and enhancing institutional credibility are necessary for building constructive relations between the state, the business sector, and society.

Reducing the scale of the shadow economy and increasing budget revenues remain closely interconnected priorities. Legalizing business activities, combating tax evasion, formalizing labor relations, and creating favorable conditions for lawful economic conduct would reduce incentives for the use of illegal schemes. Expanding the formal sector of the economy would strengthen fiscal sustainability and increase the state's capacity to finance public policy objectives.

Improving Ukraine's international reputation in combating financial crimes represents another strategically important prospect. Consistent and effective implementation of measures aimed at preventing financial misconduct would enhance the country's standing as a reliable international partner, contribute to the formation of a favorable investment climate, and facilitate the attraction of foreign capital. In the context of post-war reconstruction and deeper integration into global markets, this dimension acquires particular importance.

## CONCLUSIONS

The conducted doctrinal and systemic analysis confirmed that economic crime is a multidimensional socio-legal phenomenon that functions within legitimate economic institutions and is transformed under the influence of digitalization, globalization, and martial law. The dialectical approach application made it possible to reveal its dynamic nature and interconnection with political, economic, and institutional processes, and the systemic method is to determine its place in the economic security structure of the state.

The results obtained indicate that the key challenges are the economic crime's ability to penetrate new areas of social relations, its transnational nature, the modern financial and digital instruments used, institutional vulnerability associated with corrupt practices, insufficient level of development and financing of education, and the oligarchizing of the economy.

Analysis of the regulatory framework and law enforcement practice showed that fragmented response measures do not provide a systemic effect, since they do not take into account the complex nature of the phenomenon under study.

The theoretical contribution of the study is to clarify the economic crime conceptualization as an institutionally determined phenomenon that arises at the intersection of formally legitimate economic activity and the illegal use of economic mechanisms. The proposed approach expands the understanding of countering economic crime, going beyond the limits of a purely criminal-legal response and integrating it into the broader context of ensuring economic security.

Given the established patterns, it is advisable to strengthen the institutional capacity of financial investigation bodies, improve legislative techniques, develop international coordination, and implement risk-oriented internal control mechanisms in the business entities' activities. The distinction between the analytical level of the problem and practical response measures creates the basis for the formation of a consistent state policy in the countering economic crime field.

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The authors declare no conflict of interest.

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Olha Hetmanets, Anatolii Rusetskyi, Roman Rozumyak, Maksym Kuterha and Daria Korobtsova contributed equally to conceptualization, data curation, formal analysis, investigation, methodology, supervision, validation, visualization, writing—original draft preparation, and writing—review and editing.

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