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## **COMPARATIVE CHARACTERISTICS OF ECONOMIC CRIME IN RUSSIA AND BULGARIA**

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With the development of the economy and the legal system, a significant proportion of crime is taking another form, much more difficult to detect and requiring expertise in various fields. The examination of economic crimes in Bulgaria and Russia seeks to identify the competencies and capabilities of the authorities responsible for preventing and detecting this misconduct. From a legal point of view, there is no difference between the definitions of "crime" in the two countries or it is insignificant. The difference lies in its properties, which, according to Bulgarian law, are four - a socially dangerous act, guilt, criminality and attachment, while in the Russian Federation they are five, all listed together with the action. The latter defined as behavior, i.e. a conscious and voluntary act, which takes many forms, referring not only to physical impact, but also to psychological - sign, gesture, word. The main prerequisite for claiming responsibility and recognizing the act as a crime is fault.

There is also a difference in the grouping of types of crime. The Criminal Code of Russia lists the following - crimes against the individual, economic crimes, crimes against the state and others. In comparison with this code, the Bulgarian has defined the following categories of crimes - against property, against the Republic, against the financial, tax and social security systems, against marriage, family and youth, i.e. there are no precisely regulated economic crimes here. Nevertheless, crimes against the financial, tax and social security systems, as well as crimes against property, can take as such. This is because they include fraud, misappropriation, money laundering, misuse of funds, and concealment of compulsory social security contributions, which directly or indirectly have a negative impact on the economy. Therefore, it is imperative to monitor the dynamics of economic crime in both countries.

PricewaterhouseCoopers (PwC) Economic Crime Surveys in Russia and Bulgaria for the 2009-2018 period show more fraud in the first country, both globally and Bulgaria. The opposite is true of the results of economic crime in Bulgaria, for the studied period this type of crime. Asset misappropriation, corruption and bribery, cybercrime are the most common.

The basic methods by which fraud and economic crime revealed are also examined. These may include corporate controls, internal audit (rotation), risk analysis. The latter concern Russia, while technological solutions implemented in Bulgaria in the fight against fraud and / or other economic crimes. Another part relies on real-time monitoring. Regardless of the ways (methods) with which economic crimes are uncovered, it is important for the organizations and the state that their losses occur. Loss assessment is a

process related to determining not only material damage but also psychological and reputational (demotivation of staff, deterioration of relationships with clients and partners, etc.). Data from PwC surveys show that losses in the range of 100 thousand to less than \$ 1 million are largest in Bulgaria, and in Russia for 2018, the prevailing losses are less than \$ 100 thousand.

We could summarize the findings of our research as follows:

**First.** There are differences in the definition of crime in Russia and Bulgaria. They mainly expressed in the properties of the crime, because unlike the Bulgarian criminal law, in which there are four, in Russian there are five.

**Second.** Economic crimes in the Russian Federation are higher than those in Bulgaria and at the global level. The main types are asset misappropriation, corruption and bribery related to orders and deliveries. While in Bulgaria, the top three also include cybercrime. High rates are a sign of ineffective fighting and prevention of misconduct.

**Third.** The methods they use to detect economic crimes are clearly ineffective. Bulgaria mainly uses real-time monitoring, implementation of high-tech solutions, while in Russia data analysis, risk assessment, internal audit used, with corporate controls (security) and internal audit being the most commonly used.

In conclusion, it could say that economic crime is a serious problem area for both Bulgaria and Russia. Although the methods, tools and approaches used to combat them are being improved and rationalized, the number of crimes is not decreasing, but rather increasing (this mainly observed in the Russian Federation). Because it is a complex and dynamic area, the fight against economic crime is an ongoing, holistic process that coupled with the right measures and mechanisms to deal with them.