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WHITE-COLLAR CRIME DURING THE WAR

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Abstract. The article focuses on the issue of white-collar crime, examining its pervasive and harmful impact on society, especially during periods of social and political instability. White-collar crime typically involves offenses committed by individuals in high-status positions—such as business executives, government officials, and politicians—who exploit their social standing and access to resources for personal or financial gain. These crimes often include actions like economic fraud, bribery, and tax evasion, which erode the foundations of trust, integrity, and transparency in public and private institutions.

The article provides an in-depth analysis of various types of white-collar crimes, detailing how economic fraud involves the misappropriation of assets through deception, while bribery enables unlawful influence in decision-making processes, and tax evasion deprives the state of necessary funds for public services. Each of these crimes undermines public confidence in governance and financial systems, often with far-reaching consequences for the economy and society. Ukraine faces unique challenges in combating white-collar crime, especially given its high levels of corruption and ongoing geopolitical conflict. The article emphasizes the latent, often concealed nature of such crimes, which allows offenders to avoid detection and punishment, further emboldening corrupt practices.

The article also examines how the war has intensified the need for judicial reform and stronger measures to address white-collar crime, including the imposition of sanctions and more rigorous investigative processes. The conflict has shifted judicial priorities, requiring a heightened focus on cases where criminal acts may also threaten national security. This new context has led to more stringent enforcement and penalties for those whose financial misconduct intersects with issues of national integrity and resilience.

Overall, white-collar crime is a pressing issue, as it destabilizes economies, undermines public trust in institutions, and fosters inequality by allowing influential perpetrators to act with relative impunity. Its concealed nature and the often-complex networks involved make it challenging to investigate and prosecute, especially in wartime when resources are stretched, and legal processes may be disrupted. In Ukraine, the impact of white-collar crime is particularly pronounced, as both corruption and the ongoing war have exacerbated and transformed the landscape of these offenses. The article underscores the importance of

developing a robust legal framework, increasing transparency, and involving civil society in efforts to expose and combat white-collar crime, thus protecting the nation's stability and social welfare.

Keywords: white-collar crime; economic fraud; bribery; tax evasion; corruption; martial law; legal sanctions.

Formulation of the problem. Due to technological and informational changes, modern society is undergoing constant transformations, making it extremely challenging to track how exactly crime is evolving, what new methods are emerging in combating it, and which types of crimes have the most significant impact on the economies of developed countries. Nevertheless, there is no doubt that white-collar crime represents one of the most dangerous phenomena worldwide.

White-collar crime possesses specific features that set it apart from other forms of crime, primarily because such crimes are often committed by individuals occupying the upper echelons of society. As a result, when ordinary citizens are confronted with accusations of white-collar crimes, they often feel powerless or bewildered. This is understandable, as defending against such accusations is exceptionally challenging; however, it is not impossible.

Analysis of the study of the problem. The problems of white-collar crime have been discussed in their works by the researchers such as Chaplyk M. M., Granin D., Devyatka O., lawyers Bachynskyy and his partners and many others.

The purpose of the article is to investigate white-collar crime as a unique type of criminal offense. This study aims to provide an in-depth analysis of the nature and characteristics of white-collar crime, distinguishing it from other types of crimes. In particular, it is important to identify the main traits and specific features of white-collar crimes, determine the motives driving individuals to commit them, and analyze the impact of such crimes on society and the economy as a whole.

Presentation main material. Crime, being a universal social phenomenon, permeates all levels and sectors of society. It is found in every social institution, structure, and group, and its presence is an enduring aspect of human communities. Crime takes on various forms, each with its own characteristics and consequences, but among them, one of the most damaging to society is white-collar crime. Unlike more visible and violent crimes, white-collar crime is committed by individuals of high social standing—typically professionals, executives, or officials who exploit their positions for personal or financial gain. Such crimes are often financially motivated and involve deceit rather than physical force, making them harder to detect and prosecute. In contemporary society, white-collar crime is particularly insidious because it is highly latent; these offenses are frequently hidden from public view, further complicating efforts to address them effectively.

To understand the scope and impact of white-collar crime, it is essential to start with its definition. The term “white-collar crime” was first introduced by the American sociologist and criminologist Edwin Sutherland in 1939. Sutherland defined white-collar crime as a crime committed by individuals of high social status, such as businessmen, government officials, and politicians, who, despite their respectable positions, engage in actions that are extremely harmful to society. Sutherland’s work highlighted that crime was not limited to the lower social classes or economically disadvantaged but was also present among the elite. Since then, the nature of white-collar crime has evolved, as has the regulatory framework of business and government. With the development of technology and new economic practices, white-collar crime has expanded in scale and sophistication, posing even greater challenges to legal systems worldwide.

The main characteristic of white-collar crime is the social class of the perpetrator, who is typically a representative of the state or a corporate entity, an official, or a professional in a position of authority. These crimes are usually committed with the intent of securing financial gain, either for the individual or

for others. Common types of white-collar crime include economic fraud, such as misappropriation or embezzlement of assets; abuses of office, including negligence, forgery, and bribery; and financial crimes like tax evasion, money laundering, and falsification of financial documents. These offenses, while often non-violent, have devastating impacts on public trust and the integrity of financial and governmental systems [2].

In Ukraine, white-collar crime is especially prevalent in the form of corruption and official misconduct, frequently involving representatives of government and business. These crimes are generally characterized by non-violent actions, relying instead on manipulation, deception, and misuse of authority to achieve financial or professional gains. The non-violent nature of these offenses makes them appear less harmful on the surface, yet their repercussions are extensive. White-collar crime in Ukraine remains particularly latent and often goes unpunished, a reality that not only facilitates the continuation of such crimes but also erodes public morale and undermines faith in state institutions [2]. In our opinion, white-collar crime in Ukraine is extremely latent and at the same time unpunished, which, in turn, significantly demoralises society.

Now let's look at the types of white-collar crime that exist in today's society.

The first type is *economic fraud*. Fraud is the misappropriation of another's property or the right to it by deception or breach of trust. One of the most striking examples is a pyramid scheme. This is a structure in which the profit of participants is realised through a constant inflow of funds. The profits of the first participants are taken from the deposits of the next. Typically, such structures promise great benefits to their participants, but it is impossible to maintain high profitability over a long period of time, as well as to fulfil obligations to all participants in the pyramid. Usually, a small number of founders at the top of the pyramid receive huge profits, the participants closest to them receive less, and those at the bottom simply lose their money [3].

An example of a pyramid scheme is the private company MMM, created by Sergei Mavrodi in the 1990s, which became one of the largest pyramid schemes in history. Although MMM claimed to offer an investment project, in reality, it simply used the money of new participants to pay "profits" to previous participants. As a result, when the flow of new investors slowed down, the pyramid collapsed, resulting in the loss of millions of dollars of investors. If we talk about an example of such a pyramid scheme in Ukraine, we can name Vimedios, which existed in April-July 2022 and managed to misappropriate millions of hryvnias [4]. And, unfortunately, there are many such examples, which is why you need to learn to analyse information, be careful and critical of too tempting offers.

The next type of white-collar crime is *bribery*. This is probably the most common type of white-collar crime. It is no secret that the level of corruption in Ukraine is high. Transparency International's monitoring data shows that Ukraine has long been among the countries with the highest corruption rates. In Ukrainian realities, corruption plays the role of a gateway through which "dirty" capital moves freely. Corruption makes it possible to enrich oneself illegally without using such traditional instruments of crime as fraud and violence [1, p. 182]. One of the types of bribery is the so-called "kickback". In this case, an official makes a decision that allows a person to enter into a contract for the supply of goods or services. In return, the person gives the official a certain amount of money that will be earned through this contract. The amount can be either fixed or a percentage of the profits [3].

Another type of crime we are considering is *tax evasion*. Every entrepreneur is obliged to pay certain funds to the state budget. The amount of taxes depends on many factors, such as company profits, staff salaries, etc. Often, in order to get more benefits, entrepreneurs evade paying part or all of the taxes. Various methods are used for this purpose: 1) falsification of declarations, i.e. deliberate understatement of the company's profit in official documents in order to reduce the amount of tax; 2) the so-called "black salary", when an employee receives part of his or her salary unofficially (usually in cash); 3) the use of unofficial bank accounts to hide some financial transactions in order to avoid paying taxes on them [3]. It is quite obvious that such methods of tax evasion have a significant impact on the economy of our country.

We also consider it necessary to consider how the war affected white-collar crimes. It is known that the provisions of Art. 216 of the Criminal Procedure Code of Ukraine clearly define the jurisdiction of pre-trial investigation of criminal offences by pre-trial investigation authorities (investigation, inquiry), but during the war, the classical criminal law qualification of a criminal offence, such as misappropriation or embezzlement of assets, abuse of position, etc., is accompanied by additional qualifications (criminal offences), such as obstruction of the lawful activities of the Armed Forces of Ukraine (Art. 141¹ of the CC), state treason (Art. 111 of the CC), aiding and abetting the aggressor state. It is the additional legal qualification (e.g., state treason) that is the procedural basis for changing jurisdiction and transferring cases from the National Anti-Corruption Bureau of Ukraine, the State Bureau of Investigation, the Bureau of Economic Security to the Security Service of Ukraine [5; 2].

Since the introduction of martial law, along with white-collar crimes, the dynamics of applying sanctions under Art. 4 of the Law of Ukraine “On Sanctions” [6], for the commission by a foreign state, a foreign legal entity, a legal entity controlled by a foreign legal entity, or a non-resident individual, foreigner, stateless person, as well as entities engaged in terrorist activities, of actions that have created threats to the national security, sovereignty or territorial unity of Ukraine, or significantly contributed to the commission of such actions by other persons. As for the pre-trial investigation stage, there have been more cases of investigating judges applying the measure of securing criminal proceedings in the form of seizure of property not to preserve material evidence, but to ensure the possible application of special confiscation [2].

Considering the trends in judicial practice, in general, under martial law, the approach of the Supreme Court in considering cases of WWC crimes has changed the most in terms of “excessive formalism” and “procedural exactingness” of the prosecution, i.e. the law enforcement dynamics are changing in such a way that “minor mistakes of investigation” may be made during the pre-trial investigation, and courts pay less attention to procedural violations of the prosecution. Also, there is a steady increase in cases of excessive bail when choosing (applying) preventive measures. In addition, the positive trend of courts using remote court proceedings is striking [2].

Therefore, we have to state that white-collar crime is a reality of Ukrainian society. One of the most important features of this type of criminals is that they very often avoid deserved punishment due to their status, high position, etc. Therefore, if you become a victim of this type of crime, you should do everything possible to bring the perpetrators to justice. A significant contribution to this fight is made by media programmes aimed at exposing corrupt officials, which are mostly created on a voluntary basis and funded by charitable contributions.

Conclusions. White-collar crime represents a profound and often hidden threat to society, especially in contexts like Ukraine, where corruption and official misconduct are deeply entrenched. This form of crime, typically perpetrated by individuals in influential positions, undermines public trust, weakens institutional integrity, and destabilizes the very fabric of society. The ability of high-ranking perpetrators to evade punishment due to their status not only allows these crimes to persist but also erodes public confidence in the legal system and democratic institutions. This culture of impunity fosters further misconduct and sets a damaging example for others in positions of authority, perpetuating a cycle of corruption and moral decay.

In times of national crisis, such as war, the impact of white-collar crime can be particularly devastating. Resources that are crucial for national defense and public welfare are siphoned off for personal gain, weakening the state’s resilience and undermining collective efforts for stability and security. The evolving complexity of white-collar crime, particularly during periods of social and political upheaval, highlights the need for a robust and adaptive response from both the legal system and society at large.

Despite the covert and sophisticated nature of white-collar crime, it is essential for both victims and the broader society to actively pursue justice and accountability. Addressing white-collar crime requires a multi-layered approach that strengthens legal frameworks, enhances transparency, and builds a culture of

accountability within institutions. Media and public awareness are indispensable in this effort, as they play a critical role in shedding light on these hidden crimes. Investigative journalism, public reporting, and civic activism can expose the harmful networks of corruption, encouraging both public and institutional actions against such abuses.

Public engagement and awareness, therefore, are powerful catalysts for change, helping to dismantle the protective barriers that often shield powerful perpetrators. By fostering a societal commitment to integrity, media and public oversight can help rebuild trust in institutions, deter future misconduct, and contribute to a fairer, more transparent, and resilient society. In this way, the fight against white-collar crime is not only a matter of justice but a fundamental step toward societal growth and stability.

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ЗЛОЧИНИ “БІЛИХ КОМІРЦІВ” ПІД ЧАС ВІЙНИ

Анотація. Стаття зосереджується на проблемі злочинів “білих комірців”, досліджуючи їхній всеохопний і шкідливий вплив на суспільство, особливо під час періодів соціальної та політичної нестабільності. Злочини “білих комірців” зазвичай включають правопорушення, скоєні особами з високим соціальним статусом—такими як бізнесмени, державні службовці та політики—які використовують своє соціальне становище та доступ до ресурсів для особистого або фінансового збагачення. Ці злочини часто охоплюють дії, такі як економічне шахрайство, хабарництво та ухилення від сплати податків, які підривають основи довіри, доброчесності та прозорості в публічних та приватних установах.

У статті наводиться детальний аналіз різних типів злочинів “білих комірців”, зокрема описується, як економічне шахрайство включає привласнення активів через обман, тоді як хабарництво сприяє незаконному впливу на процеси прийняття рішень, а ухилення від сплати податків позбавляє державу необхідних коштів для суспільних послуг. Кожен із цих злочинів підриває суспільну довіру до органів влади та фінансових систем, часто маючи далекосяжні наслідки для економіки та суспільства. Україна стикається з унікальними викликами у боротьбі зі злочинами “білих комірців”, особливо враховуючи високий рівень корупції та поточний геополітичний конфлікт. У статті наголошується на латентній, часто прихованій природі таких злочинів, що дозволяє правопорушникам уникати виявлення та покарання, ще більше підкріплюючи корупційні практики.

Також у статті розглядається, як війна посилила потребу в судовій реформі та жорсткіших заходах для протидії злочинам “білих комірців”, включаючи запровадження санкцій та більш ретельні процеси розслідування. Конфлікт змістив судові пріоритети, вимагаючи підвищеної уваги до справ, де злочинні дії можуть також загрожувати національній безпеці. Цей новий контекст призвів до більш суворого правозастосування та посилення санкцій для тих, чий фінансові зловживання перетинаються з питаннями національної цілісності та стійкості.

Загалом, злочини “білих комірців” є нагальною проблемою, адже вони дестабілізують економіку, підривають довіру суспільства до інституцій та сприяють нерівності, дозволяючи впливовим правопорушникам діяти з відносною безкарністю. Їхня прихована природа та часто складні мережі, що залучені в ці процеси, ускладнюють розслідування та судове переслідування, особливо під час війни, коли ресурси обмежені, а правові процеси можуть бути порушені. В Україні вплив злочинів “білих комірців” є особливо помітним, оскільки як корупція, так і поточна війна ще більше ускладнили та змінили характер таких правопорушень. У статті підкреслюється важливість розробки надійної правової бази, підвищення прозорості та залучення громадянського суспільства до зусиль щодо викриття та протидії злочинам “білих комірців”, захищаючи стабільність та добробут нації.

Ключові слова: злочини “білих комірців”; економічне шахрайство; хабарництво; ухилення від сплати податків; корупція; воєнний стан; правові санкції.