

## Conference Paper

# Anti-Money Laundering and Anti-Corruption Sense of Justice of Citizens of the Russian Federation as a Factor of Economic Security

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**Abstract**

The maintenance of economic security of the state is currently the most important problem of governments of all countries. This affects the economic stability of the population, the confidence of citizens to their government, relations at the international level. Law enforcement agencies need to fight threats such as money laundering and corruption. The role of citizens in this struggle is far from minimal, and their level of legal awareness has a decisive influence in this struggle.

**Keywords:** economic security, AML / CFT, corruption, legal awareness, sense of justice

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## 1. Introduction

At this moment, the world is in an unstable economic situation. Every day, organizations, responsible for fighting against crimes, disclose new schemes of money laundering, find hidden accounts of public officials; these facts indicate the insecurity of the economic environment. The world economy is constantly in recession, which affects the living conditions of citizens, the opportunities for the development of small and medium-sized businesses, international relations. In the Russian Federation, the economic situation of the society is also not stable. At the same time, this fact has acquired a special meaning in our country that expresses in mass discontent of citizens by the financial situation of officials. Here we should not talk about the size of wages, but about corruption. At present, illegal profit got by officials is the main cause of economic instability according to the opinion of the citizens. It is also necessary to add money-laundering methods, which are used by the employees of the state apparatus, legal and physical persons. Because of these opinions, it is necessary to explore the real level of citizens' awareness in the anti-corruption and anti-money laundering policies of the Russian Federation.

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Economic security means sustainable economic growth; social security of the population; state control over monetary and resource flows; protection of the country's economic interests at the international level [1]. The government supports the country's economic security, but citizens also take an active part in it. It is logical to assume that if people did not give bribes to officials, then there would be no bribery. Citizens jeopardize the economic stability of their country by such actions. Such things are the main reason for the relevance of this topic. Therefore, citizens condemn the actions of people who launder illegally obtained money, but do not condemn people who made this money illegal.

In these fields, citizens' sense of justice includes awareness of the legislation and measures that the government takes to combat corruption and money laundering. Understanding of money laundering and corruption influences on the economic situation, affects the further actions of the citizens. For a more detailed analysis, it is necessary to explore the corruption process and money laundering activities separately, to know the causes of occurrence and legal awareness influence on these processes.

Corruption is the receipt of money by an official from an individual for the provision of unlawful service. In addition, corruption involves the abuse of official powers and the theft of state money.

The most common example of a corruption crime is bribery. The bribe can be an ordinary transaction between two people, or it may include the interests of several organizations and large amounts of money (for example, illegal sale of a government order). However, in both cases, one fact remains unchanged: it is the desire of the citizen himself to have an exclusive position, obtained illegally. It must be understood that an opportunity to improve his life illegally is a primary cause of corruption. Why officials who take money are condemned by society, but it does not condemn people who gave them? On the other hand, people choose these officials, and they must be an ideal of behavior. However, what kind of laws compliance is expected from officials if people who do not want to act legally themselves chose them? The legal awareness of citizens in this sphere is the condemnation of corrupt officials. For a more effective fight against corruption, it is necessary to pay attention to the possible consequences of bribery. Moreover, the society is interested in this problem. This topic has become relevant in the last 3 years, although corruption has existed before. If you look through the reports of the General Prosecutor's Office of the Russian Federation, 42,506 crimes of corruption were revealed in 2013, and after that there is a sharp decline to 32,060 crimes in 2014 [2, 3, 4, 5]. Further, this figure is stable as it is shown in Table 1. This fact seems to be strange, because in the news information sources the discussion of

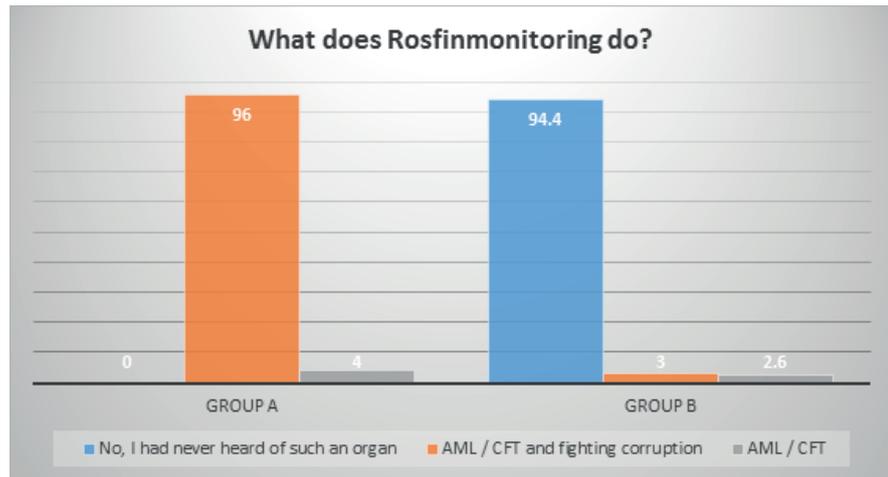


Diagram 1: About Rosfinmonitoring activity .

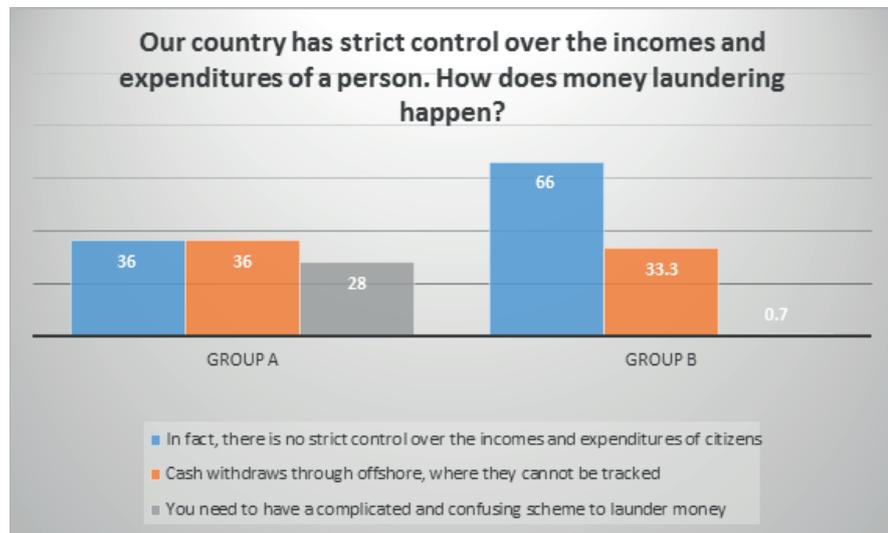


Diagram 2: About legalization of criminal proceeds.

corruption crimes increases. Citizens are confident that officials abuse their authority, while ignoring the responsibility of people who use their services. It is necessary to show that both parties are responsible for the corruption offense.

TABLE 1: The amount of corruption crimes.

	2013	2014	2015	2016
The number of crimes	42 506	32 060	32 455	32 924
Change per year	- 14,2 %	- 24,6 %	+ 0,8%	+1,4%
Specific gravity	1,9 %	1,5%	1,4%	1,5%

Public opinion is most objectively expressed the sense of justice of citizens. Now, YouTube is very popular, because everyone can express his opinion with his own



Diagram 3: About the attitude to money laundering.

video or commentary, remaining unrecognized. Video (from March 2017) related to the corruption investigation, has a record number of viewing - 25 million. That is, if the population of Russia is about 146, 5 million people [6], we can say that approximately every fifth person in Russia watched this video. For comparison, according to the results of the CEC (CEC - Central Election Commission), 47.8% of the population (about 70 million people) participated in the State Duma elections in 2016 [7]. This fact indicates that the citizens are interested in fighting corruption, and therefore they are interested in raising their awareness in this sphere.

The next point of consideration is the legal awareness of citizens in the sphere of money laundering. The scope of this consideration already go beyond the activities of officials and include operations conducted by organizations and individuals. The Federal Financial Monitoring Service of the Russian Federation (Rosfinmonitoring) is the main controlling body in this field. The activities to launder the proceeds of crime especially threatens the economic security of the state. In addition to encouraging the existence of a shadow economy, there is an improvement in the environment for committing such crimes as drug trafficking, smuggling, human trafficking, and fraud. Every citizen, becoming a participant in the hiding of incomes, suspicious operations with money, automatically becomes an accomplice in the commission of a crime. Rosfinmonitoring organize activities to increase legal awareness among the citizens of the Russian Federation. As an example, it has programs for training students in relevant specialties, advanced training courses, holding international conferences in the field of AML / CFT (AML/CFT - Anti-Money Laundering/Combating the Financing of Terrorism).

At present, citizens aged from 18 to 25 are the most socially active representatives of the population. State policy also promotes the support and development of youth involvement in public life. The present young population is the future representatives of power; people who will interact with Rosfinmonitoring; future parents who will invest in their children's view of corruption and money laundering. Therefore, in order to talk about the level of legal awareness of citizens, a survey was held asking opinions of people aged from 18 to 25 years. The respondents were also divided into 2 categories:

1. Participants who have higher education in the field of AML / CFT
2. Participants who do not have training in this field

This division is necessary to track and compare the levels of legal awareness among citizens who study money laundering and corruption, and citizens who heard about this only in the news. The first group will be called «Group A»; the second group is «Group B». During the survey, 500 people answered questions: 50 people from group A, 450 people from group B. The survey showed the following results:

1. The most unexpected result is answers to the question «What does Rosfinmonitoring do?». Four hundred and twenty-five people out of 450 respondents of group B (94.4%) indicated that they had never heard of such an organ. In group A 48 people chose the correct answer, deciding that Rosfinmonitoring is engaged in AML / CFT and in fighting against corruption. These results are on diagram 1.
2. The next question is «Our country has strict control over the incomes and expenditures of a person. How could money laundering happen?». The results are on diagram 2. The interviewed group B in the number of 297 people (66%) chose the answer «In fact, there is no strict control over the incomes and expenditures of citizens»; 150 people, equal to 33.3%, chose «Cash withdraws through offshore, where they cannot be tracked». The answers in group A were different: 18 people (36%) – «Cash is withdrawn through offshore, where they cannot be tracked»; 18 people (36%) – «In fact, there is no strict control over the incomes and expenses of citizens»; 14 people (28%) – «You need to have a complicated and confusing scheme to launder money».
3. Diagram 3 presents the answers to the question «If someone offers you a great reward for participating in a suspicious monetary operation, how would you act?». 45 persons from group A (94%) definitely refuse. At the same time, 72.4%

of the group B refuses, that is 326 persons; 72 persons (16%) would agree to this proposal if they were not threatened.

Thus, based on the survey, the following conclusions could be made:

1. Among young people who study this topic in detail, the level of legal awareness is much higher. It expresses their 90% refusal to participate in criminal transactions.
2. Most young people are not aware of the activities of Rosfinmonitoring, and therefore do not know about the impact of money laundering and corruption crimes on the economic security of the country.
3. More than half of young people who do not study the question of money laundering and corruption-related crimes consider that the government does not have sufficient control over the flows of money within the country. This fact directly points to the ideas of young people about the possibility of committing economic crimes in this field with impunity.
4. People who study this field understand the problems of the modern system of combating money laundering and corruption, and therefore they are ready to improve it.

The government can use the following measures to change the current situation in the level of awareness of citizens in anti-money laundering and anti-corruption areas:

- Introduction to the school program of the discipline "Social Studies" the block about fighting against money laundering and corruption.
- Detailed coverage in the media of proceedings that occurred in this sphere.
- Involving young people to forums, conferences in these fields, giving them the opportunity to put their ideas into practice.
- Creation of a modern, integrated course on AML / CFT, anti-corruption; Certification of participants who successfully completed the course.

## 2. Conclusion

The sense of justice of the citizens of the Russian Federation in anti-money laundering and anti-corruption spheres is an important element of the economic security of our country. Now, there are gaps and inaccuracies in the understanding of citizens. It affects their actions, which worsen economic stability within the state. However, officials have

all the tools and opportunities (it also includes students' ideas) to improve the system of interaction of citizens and government bodies in the AML / CFT and anti-corruption areas.

## Acknowledgements

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