

## Investigation of Economic Crimes at Housing-And-Municipal Complex of the Russian Federation

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**Abstract:** The work offers principal recommendations as to the optimization of investigation of crimes at the housing-and-municipal complex on its initial stage, on the basis of comprehensive study of the mechanism of criminal activity at the housing-and-municipal complex in Russia.

**Key words:** Housing-and-municipal complex (housing and communal services) • Investigation of crimes • Technique of investigation • Crime at the housing-and-municipal complex • Identification and disclosure of crimes

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### INTRODUCTION

Economic spottiness, considerable scales of shadow economy, imperfect legislation at the housing-and-municipal complex are the main reasons that require the development of special techniques for the investigations in the mentioned area [For example, see: 1. P. 3-4].

Many researchers assess the housing-and-municipal complex as a profitable business. Herewith, like any other area of economic activity the housing-and-municipal complex contains various violations of law and crimes including economic ones [See about investigating economic crimes in Russia, for example: 2.].

It is characterized by conversion and embezzlement of monetary funds by managers of companies, condominiums, contractors of the housing-and-municipal complex. The following cases are not infrequent either: evasion of taxes by organizations, fake enterprises and non-target use of budgetary funds that were given in order to develop the housing-and-municipal complex.

**Main Part:** It is quite characteristic of the economic and material practice at the housing-and-municipal complex to indulge the powers by heads of state enterprises and establishments while lending federal real estate. Bribery and commercial tampering of heads of state, municipal and other structures often accompany the process of allocating facilities and customer basins.

Bribers are often representatives of managing organizations that act in the process of preparing and holding contests, auctions to get the right to perform repairing works at the facilities of the housing-and-municipal complex.

The housing-and-municipal complex is characterized by frequent facts of managing organizations bankruptcy. It is a way to avoid tax liability and not to perform the taken financial obligations [See about economic crimes, for example: 3.].

The analysis of the practice of investigating crimes at the housing-and-municipal complex reveals considerable difficulties faced by practical employees. These crimes are characterized by high level of latency. Today having a great need in the law enforcement there is actually no technique of investigating crimes at the housing-and-municipal complex [See about these problems, for example: 4.].

The following problem situation is evident: on the one hand, criminal enrichment by means of criminal manipulation of property and monetary funds at the housing-and-municipal complex got widely spread in Russia; on the other hand, there is no great experience of investigating such criminals. Consequently there are no approved techniques of investigating crimes at the housing-and-municipal complex in Russia. The specified circumstances stipulate the urgency and witness about important scientific and practical role of such issues.

Let's mind that scientific researches of the housing-and-municipal complex are only starting. Developments in this area almost have not been made in the criminalistic science.

**Resume:** At the current stage there is neither technique of investigating crimes at the housing-and-municipal complex nor scientifically explained recommendations. It is quite obvious that this fact negatively influences both the results of scientific researches in this direction and the results of the business practices of law enforcement agencies in order to prevent, discover, detect and investigate crimes [See terms definitions, for example: 5.] at the housing-and-municipal complex of the Russian Federation.

### CONCLUSIONS

As a result of the conducted research the author has made the following conclusions.

- Stages of establishing, developing and reforming the housing-and-municipal complex in Russia are as follows: stage I (1917-1921) includes the formation of basics of the legal regulation of citizens' real estate laws; stage II (1921-1929) includes establishing of the legal regulation of citizens' real estate laws under NEP conditions; stage III (1929-1953) includes the development of the legal basis of providing citizens with real estate rights under command and administration management system; stage IV (1953-1977) includes the development of real estate legislation in the period of implementing housing legal reform and counter-reform; stage V (1977-1991) includes the formation of the sphere of housing legislation as a formally legal expression of the housing law; stage VI (contemporary) includes privatization of the sphere of the housing and communal services and formation of market mechanisms.
- The share of basic funds of the housing-and-municipal complex is more than 26 % of the total volume of basic funds of the country and goes only to the transport (29.5 %) and manufacturing (27.4 %). The price of basic funds of the housing-and-municipal complex is more than 8 tn. US dollars. The housing-and-municipal complex includes about 19 mil. housing facilities, more than 52,000 enterprises where 4.2 mil. persons servicing 1,092 cities and 1,872 rural settlements work.

Their area is almost 3 tn. sq. m. and it consumes more than 20% of the country energy resources. Herewith, big indebtedness of enterprises of this sphere and high percentage of wear-and-tear of communal infrastructure prevent the arrival of efficient managers to this sphere. There is a factor of optionality of all members of the housing-and-municipal complex market in terms of paying for the communal services and operating expenses of funds for the development of the sphere under research.

- The housing-and-municipal complex of Russia is peculiar of a number of negative tendencies of economic and criminal and organizational and management character. We see the following reasons of it:
  - Lack of economically stipulated centralization of management and husbandry functions, creation of additional services, establishing of new legal entities in order to perform the unified range of works in this sphere;
  - High level of criminalization of the contractors' activity at the housing-and-municipal complex;
  - Complicated system of contractual relations with the city administration, works performers, service providers and the population in a considerable part of the Russian regions;
  - Lack of effective control over the activity of managing organization and other enterprises of the sphere under research by municipal authorities;
  - Use of software that complicates the receipt of information by the law enforcement and citizens [6. P.457-461].

The result of such tendencies is the high level of the hidden criminality at the housing-and-municipal complex, its "attraction" for the implementation of schemes for conversion, fraud and improper use of budget funds, criminal bankruptcy and other economic crimes.

- Two groups of funds as a source of theft include the following: budget funds that are given for the development of the housing and communal services and communal payments of the residential facilities' owners. Unlike budget funds (which theft we found in 30% of the researched criminal cases), residents' communal payments are often involved in various schemes of transferring via accounts created especially for "accumulating intermediaries"

by interested individuals from municipal authorities. Thus, conditions for short term commercial crediting and receipt of additional profit are created, payments with actual contractors are slowed down and possible amounts for payment under contracts are decreased.

- Subjects of economic and criminal schemes at the housing-and-municipal complex include:
- Heads of housing-and municipal organizations, their accountants, cashiers;
- Financially responsible persons of the managing company;
- Top management and personnel (employees) of contractors with whom contracts for communications and facilities repairing, land improvement, etc. have been concluded;
- Officers of administrations and heads of municipal bodies who being allocators of budget funds indulge their powers and are guided by lucrative impulses;
- Owners of residential facilities who can be related to the theft and legalization of monetary funds or any other property that have been obtained illegally;
- Organizers and heads of fake enterprising structures related to the above mentioned facilities.
- One of the sections featuring the economic and criminal schemes of obtaining property and monetary funds includes condominiums and managing organizations of apartment buildings. Actual character of managing residents' funds often goes against the current legislation and designated use of the managing organization. Unreasonable expenses are quite typical for the mentioned sections. They are economically untenable, they are expressed in a natural form and are not supported by relevant documents.

The difference between the data in the documents on the expenditure site and actual expenses is rather typical [See about peculiarities of accounting at the housing-and-municipal complex: 7].

- The activity of subjects of economic and criminal schemes at the housing-and-municipal complex causes specific features of unreasonable deduction, increasing the volumes of the performed works, etc. All of this must be discovered in the process of

documenting special investigative techniques. The complex of features singled out in the work can be the basis for forming the system of evidences under the criminal case.

- In order to increase fictitious expenses and exclude the opportunity to find witnesses of actual payments and their documenting by subjects of the investigation, it is characteristic of this sphere to use foreign employees from the CIS countries. This peculiarity of the criminal activity mechanism in the researched sphere stipulates the necessity of timely inspection in the records of the Federal Migration Service of Russia of those individuals who appear in labor and civil-law agreements of the managing companies and those contracting organizations in respect of which heads inspection events are held or criminal cases are opened. It is also related to the problem of personal data about the individuals [8. P.347-349].
- There is a direct dependence between timely discovering of features of implementing economic and criminal schemes at the housing-and-municipal complex and the opportunity to discover and successfully investigate such cases. Herewith, in some cases it is possible to open a criminal case in virtue of the citizens' indignation who initiate a legal action to the court against the managing organization, managers of condominiums, housing association. Thus, they help to discover the existing economic and criminal scheme at the housing-and-municipal complex.

Cautionary monitoring of similar conflicts must be regarded as a priority task at the stage of discovering features of implementing economic crimes at the housing-and-municipal complex.

- In the context of investigating crimes at the housing-and-municipal complex the work singles out the peculiarities of primary and subsequent investigating actions. They include.
- Inspection of facilities of the researched sphere must meet the requirements of safety for all participants of procedural actions, it must be assisted by specialists' participation, for example, by the Russian Technical Supervision Service, owners of residential and non-residential facilities [See about use of specialists in the investigation process: 9.];

- In some cases it is recommended to perform actual suppression of documents in order to get the opportunity to inspect them and make special investigations not through collection (that requires the availability of the opened criminal case) but through documents collection on the basis of article 15 of *Concerning Investigative Activities* Federal Act No. 144-ФЗ dated 12 August 1995;
- Primary and subsequent interrogation of managers of the housing-and-municipal complex must be held in the interrelation with specialists who are competent in issues of forming tariffs, energetic resources accounting, PC and software knowledge [for example, see: 10.], etc.;
- In the process of preparing for the interrogation of the contracting organization's employees they must be differentiated according to the level of possible awareness about the contents of the economic and criminal scheme of unreasonable deduction of materials, increasing of volumes of the performed works and provided services;
- Interrogations must be conducted according to the following scheme:
  - Lower section of the work performer-managers and accountants of the contracting organization-members of the acceptance commission of the managing company-top managers of the managing company;
  - Average employees of the works performer (contractor)-brigade head (master controlling the brigades work);
  - Contractor's representative who participated in handling over the works and members of the acceptance commission of the management organization who signed the Acceptance Certificate;
  - Employees of the Accounting Department, cashier of the contracting organization of managing organization (depending on the scheme of paying money) and the members of the contractor's brigade who worked at the facility;
  - Actual performers of works and individuals whose data was presented in the time sheet, job specifications and salary list;
- "nominees"-employees of the personnel subdivision-employees of the Accounting Department of the contracting organization or managing organization;
- Confrontments in this category of criminal cases must be conducted according to the following scheme:
  - Head of the contracting organization-top managers of the managing organization;
  - From the weak section (that is the first to provide information about criminal activity at the housing-and-municipal complex) to the stronger one (for example, a simple emigrant employer-master (site engineer)-cost consultant-economist-representative of the managing organization-members of the acceptance commission who signed the Works or Services Acceptance Certificate).

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