

# THE ROLE OF THE NATIONAL POLICE OF UKRAINE IN ENSURING ECONOMIC SECURITY OF THE STATE

**Makarchuk Vitalii, Bila Tserkva National Agrarian University**  
**Nikitenko Oleksandr, Bila Tserkva National Agrarian University**  
**Illiashenko Oleksii, National Academy of Internal Affairs**  
**Kalatur Maksym, Scientific Institute of Public Law**  
**Motyl Ivan, Educational and Scientific Institute of Correspondence and  
Distance Learning of the National Academy of Internal Affairs**

## ABSTRACT

**Description:** *The purpose of the article is to examine the role of the National Police of Ukraine in ensuring the economic security of the State.*

**The subject of the study:** *The subject of the study is functions and powers of the relevant agencies of the National Police of Ukraine in ensuring the economic security of the State.*

**Methodology:** *Research methods are chosen based on the object, subject and purpose of the study. The study used general scientific and special methods of legal science. Among them are: historical and legal method; epistemological method; structural and functional analysis method; analytical method; the method of generalization helped to formulate general conclusions and recommendations.*

**The Results of the Study:** *The results of the study showed that the level of crime, including economic crime, is currently growing in Ukraine. One of the main tasks of the National Police of Ukraine is to fight economic crime and, respectively, to ensure the economic security of the country. The functions and powers of the relevant agencies of the National Police of Ukraine in providing economic security of the State, as well as investigative jurisdiction over this category of cases were investigated.*

**Practical Implications:** *It is proved that the National Police of Ukraine occupies a special place among the subjects of the economic security system of Ukraine, as it investigates most criminal offenses in such spheres as economic activity and official activity.*

**Value/Originality:** *Nowadays, the work of the National Police to prevent offenses in economic sphere is not effective enough, and therefore there is an urgent need to create a single body that will take care of the fight against financial and economic crimes.*

**Keywords:** National Police of Ukraine, Economic Security, Powers, Functions, Investigative Jurisdiction.

## INTRODUCTION

The Constitution of Ukraine (Law of Ukraine, 1996) stipulates that the protection of the sovereignty and territorial indivisibility of Ukraine, and ensuring its economic and informational security are the most important functions of the State and a matter of concern for all the Ukrainian people (Article 17). Thus, the protection of economic security of the state is a matter

of concern for the whole nation, which lies in cooperation and interaction of all branches of government (legislative, executive and judicial), State institutions, local governments and individual citizens.

Law enforcement agencies play a special role in this process, as they, within their powers, are called to protect national security, ensure law and order, protect rights, freedoms and interests of citizens, society and the State. These bodies counteract such offenses as corruption in State and local self-government bodies, legalization (laundering) of proceeds from crime, illegal enrichment, illegal appropriation and (or) embezzlement of property, etc.

Scientific literature proposes the following structural distribution of directions of system of activity of law enforcement agencies:

1. Activities of the State bodies on the maintenance of justice;
2. Activities of the Prosecutor's office;
3. Activities for detection, prevention and investigation of criminal offenses;
4. Activities for the protection of State security, State border and law enforcement.

Each of these areas has its own features that characterize certain specifics of one or another law enforcement agency.

The National Police of Ukraine is also part of the law enforcement system, one of the tasks of which is to ensure the economic security of the country. In this article, we will consider the specifics of the participation of the National Police in this process and explore what functions it performs to implement this task.

## **MATERIALS AND METHODS**

The methodological basis for the article is general and special methods and techniques of scientific knowledge. Historical and legal method allowed to identify historical and legal aspects of the formation of the agencies of the National Police of Ukraine to ensure economic security of the State. Epistemological method was used to clarify the concept of economic security of the State as a component of national security of Ukraine; the legal status of the National Police of Ukraine in ensuring economic security of Ukraine; the functions and powers of the National Police of Ukraine, which allow it to ensure economic security of Ukraine. Structural and functional analysis method was applied in determining the place of the National Police of Ukraine among law enforcement agencies, which ensure economic security of Ukraine. Analytical method provided an opportunity to develop proposals for optimizing the process of ensuring economic security of Ukraine by establishing totally new law enforcement agency-National Bureau of Financial Security of Ukraine. The method of generalization helped to formulate general conclusions and recommendations.

The scientific and theoretical basis for the article are the scientific works of specialists in the area of general theory of State and law, financial law, criminal law and other branches of legal sciences. The normative basis for the research is the Constitution of Ukraine, laws, by-laws, draft laws and other normative and legal acts, which determine the legal bases for the activity of the National Police of Ukraine in ensuring economic security of the State.

## RESULTS AND DISCUSSION

Honcharova (2001) understands national economic security as a state of the national economy, under which stability and resilience to adverse conditions are maintained. The author is convinced that by preventing the impact of various threats, it is certainly possible to reach a sustainable level of economic security of the State.

Based on the study of modern scientific literature, Mandzinovska (2016) identifies the following approaches to the interpretation of the concept of “*economic security*”:

1. Is a quantitative and qualitative characteristic of the economic properties of the system in terms of its ability to survive and develop in a context of destabilizing unpredictable and difficult to predict external and internal factors;
2. Is the state of the most efficient use of resources to neutralize threats and ensure stability in the present and future;
3. Is the state of protection of the business entity from all internal and external threats in order to make the most efficient use of available resources for the realization of its strategic goals and objectives;
4. Is a process aimed at creating conditions for continuous adaptation of economic activity or economic functioning to the changes in the external environment in the process of achieving this goal?

Zhalilo (2001) emphasizes that the category of “*economic security*” can be interpreted as a combination of economic security of the State, i.e. macro-level security, and economic security of economic entities, i.e. micro-level security. Moreover, both the first and the second ones can be provided separately or even at the expense of each other for some time. At the same time, in strategic terms, these are not only interconnected but also indivisible concepts. It is the contradiction between the security of two levels—security at the macro level and security at the micro level—that was recognized as the main problem of Ukraine’s economic security at the beginning of the 21<sup>st</sup> century.

The National Police occupies a special place among the subjects of the economic security system of Ukraine, because this law enforcement agency actually implements most of the law enforcement functions of the State. Among these tasks, an important role is given to those whose purpose is to create favorable conditions for the acceptable functioning of the economic component of the State security. The outlined tasks, taking into account the peculiarities of the organizational structure of this State institution, are performed at different levels and aimed at comprehensive counteraction to the existing threats to the economic security of Ukraine. Given these circumstances, the issue of determining the place and role of this agency as a subject of economic security of the State requires special attention (Harust & Melnyk, 2019).

According to the Law of Ukraine “*On the National Police*” (Law of Ukraine, 2015), the National Police of Ukraine is a central executive body that serves society by ensuring the protection of human rights and freedoms, combating crime, maintaining public safety and order. The staff of the central body of police management includes organizationally united structural subdivisions that ensure the activities of the senior police officer, as well as the performance of the tasks assigned to the police. Thus, the activities of the relevant agencies of the National Police of Ukraine are aimed, in particular, at detecting, preventing and suppression of crimes in the economic sphere, including those committed by socially dangerous organized groups and criminal organizations that affect the socio-economic and criminogenic situation in the country and in some of its regions, identifying the causes and conditions that contribute to the

commission of offenses in the economic sphere, and taking measures to eliminate them (Kryshtanovych, 2017).

Previously, the agency that ensured the economic security of the State was the Department of Economic Protection of the National Police of Ukraine—the interregional territorial agency within the criminal police of the National Police of Ukraine, which carries out operational and investigative activities in accordance with the legislation of Ukraine. Its formation was provided by the Resolution of the Cabinet of Ministers of Ukraine of October 13, 2015 no. 830 “*On the establishment of a territorial body of the National Police*”.

According to the Regulation on the Department of Economic Protection of the National Police of Ukraine (Order of the National Police of Ukraine, 2015), its tasks were as follows:

1. Participation in the formation and implementation of State policy in the fight against crime, protection of the economy and property rights.
2. Detection, prevention and cessation of crimes in the economic sphere, including those committed by socially dangerous organized groups and criminal organizations that affect the socio-economic and criminogenic situation in the State and in certain regions.
3. Fight against corruption and bribery in the areas of strategic importance for the State economy, and among officials of public authorities and self-government; counteraction to corruption offenses and corruption-related offenses.
4. Establishing the causes and conditions that contribute to the commission of offenses in the economic sphere, and taking measures to eliminate them.

In accordance with the tasks assigned to him, the Department:

1. Takes measures to counteract crimes in the agencies of State power, against property, in the area of intellectual property related to counterfeiting, as well as to ensure compensation for damages caused by these crimes;
2. Counteracts criminal offenses in the area of economic activity, land use and use of State property, prevention of illegal use of subsoil and other natural resources, legalization (laundering) of illegally obtained income;
3. Takes measures to protect budget funds from criminal encroachments, ensures the legality of the application of procedures for the purchase of goods, works and services and the targeted use of budget funds;
4. Takes measures aimed at identifying property and material values obtained by criminal means, etc.

The Department was responsible for investigation of 86 economic crimes in 65 sectors of the economy, the main of which are the prevention of embezzlement of public funds, detection of crimes in the most vulnerable to criminal encroachments economy areas, including fuel and energy and agro-industrial complexes, subsoil use, land use, foreign economic and banking activities, combating criminal and administrative corruption, and combating bribery (Vasylynychuk, 2015).

However, the Department was liquidated by the Resolution of the Cabinet of Ministers of Ukraine of September 2, 2019, and its functions were redistributed among other structural units of the National Police of Ukraine. As the Minister of Internal Affairs of Ukraine Arsen Avakov remarked on this occasion,

*“Financial crimes are becoming more complicated: one department of the National Police cannot deal with all of them. Therefore, today there is a need to create a single agency that will take care of the*

*fight against financial and economic crimes-the Financial Investigation Service, to which will be transferred, iter alia, the functions of the Department” (Avakov, 2019).*

Currently, the main unit of the National Police that protects Ukraine’s economic security is the Department of Strategic Investigations. According to paragraph 1 of the Regulations on the Department of Strategic Investigations of the National Police of Ukraine (Order of the National police of Ukraine, 2019), this entity is an interregional territorial body within the criminal police of the National Police of Ukraine, which participates in the implementation of the Public Policy to combat organized crime and carries out operational and investigative activities in accordance with the legislation of Ukraine. The main tasks of the Department in terms of ensuring the economic security of Ukraine are:

1. Detection, termination and prevention of illegal activities of socially dangerous organized groups and criminal organizations, including public authorities and local governments that affect the criminogenic situation in the country and in some regions;
2. Implementation of measures aimed at coordinating the activities of police bodies (units) in the area of combating terrorism in accordance with the competence defined by the legislation of Ukraine;
3. Counteraction to corruption among officials, taking measures to identify corruption offenses and offenses related to corruption, and their cessation in accordance with the legislation of Ukraine;
4. Implementation of operational and investigative activities aimed at obtaining information on criminogenic processes in the criminal environment, related to the illegal activities of individuals and criminal groups, the schemes of legalization (laundering) of proceeds from crime.

It should be noted that the relevant agencies of the National Police of Ukraine investigate most criminal offenses in the area of economic and official activities (i.e. offenses with an economic component), other than those under investigation by the Security Service of Ukraine, the National Anti-Corruption Bureau of Ukraine and the State Bureau of Investigation. Such offenses, in accordance with the provisions of the Criminal Code of Ukraine (Law of Ukraine, 2001) in particular, are: counteraction to lawful economic activity (Art. 206); legalization (laundering) of proceeds from crime (Art. 209); abuse of power by an official of legal entity of private law, regardless of its organizational and legal form (Art. 364-1); abuse of power by persons providing public services (Art. 365-2); bribery of an official of a legal entity of private law, regardless of its organizational and legal form (Art. 368-3); bribery of a person providing public services (Art. 368-4) and a number of others.

The National Police of Ukraine also draws up reports on administrative offenses, including in the case of corruption-related offenses. We are talking about the composition of offenses enshrined in the following articles of the Code of Ukraine on Administrative Offenses (Law of Ukraine, 1984):

Art. 172-4:

*“Violation of restrictions on holding more than one job”*

Art. 172-5:

*“Violation of statutory restrictions on the receipt of gifts”*

Art. 172-6:

*“Violation of financial control requirements”*

Art. 172-7:

*“Violation of the requirements for the prevention and settlement of conflicts of interest”*

Art. 172-8:

*“Illegal use of information that became known to a person in connection with the performance of official duties”*

Art. 172-9:

*“Failure to take measures to combat corruption”.*

Notwithstanding the above, the work of the National Police in preventing offenses with an economic component, as well as the activities of other law enforcement agencies in this area, is not effective enough. This is due to outdated methods of preventing, investigating and combating economic offenses, the lack of cooperation with foreign law enforcement agencies in the field of economics, and the high level of external pressure on law enforcement in their investigation of such categories of offenses. Therefore, the State’s initiative to create a separate body, whose main task will be to ensure the financial security of the State, is justified and timely.

In this regard, the Committee on Legislative Support of Law Enforcement of the Verkhovna Rada of Ukraine has developed a Draft Law of Ukraine *“On the National Bureau of Financial Security of Ukraine”* (Law of Ukraine, 2019). The purpose of the Bill is to develop organizational and legal framework for the National Bureau of Financial Security (NBFS) of Ukraine as a State law enforcement agency, which on the basis of criminal and risk analysis should be obliged to eliminate threats to financial security of the country, in particular by preventing, detecting, cessation, investigation of criminal offenses, assigned to its jurisdiction, in the area of economic, which directly or indirectly harm public finances, as well as combating crime in the area of taxation, customs and budgetary spheres, preventing their commission in the future.

Thus, at the State level an attempt was made to create a single law enforcement body, whose task is to ensure financial security of the State by protecting public finances during collecting revenues, in the course of distribution of budget resources, combating money laundering, identification of assets derived from economic offences under investigation (Lisova, 2018).

The following tasks are to be carried out by the Bureau:

1. Collection and systematization of information in the area of public finance;
2. Identification of risk areas in the field of public finance by analyzing structured and unstructured data;
3. Assessment of risks and threats to the financial security of the State, development of ways to minimize and eliminate them;
4. Making forecasts of the development of criminal trends in the economy in general and in the area of public finance in particular and preventing their occurrence in the future;

5. Detection of criminal technologies, schemes and mechanisms of criminal activity and patterns of their functioning, their disclosure and investigation;
6. Providing proposals to amend the regulations on the elimination of preconditions for the creation of criminal activity schemes in the area of public finance, in particular, in the area of taxation, development of recommendations for amendments to legislation;
7. Drawing up analytical conclusions and recommendations for State bodies in order to increase the efficiency of their management decisions on the regulation of relations in the area of public finance;
8. Fight against crime in the area of taxation, customs and budgetary spheres.
9. Prevention of crimes.

The Bureau will be responsible for the pre-trial investigation of crimes under the following articles of the Criminal Code of Ukraine:

Art. 159-1:

*“Violation of the procedure for financing a political party, election campaigning or referendum propaganda”;*

Art. 191:

*“Misappropriation, embezzlement or conversion of property by malversation”;*

Art. 204:

*“Unlawful manufacturing, storage, sale or transportation for selling purposes of excisable goods”;*

Art. 205-1:

*“Forgery of documents submitted for state registration of legal entities and individuals–entrepreneurs”;*

Art. 209:

*“Legalization (laundering) of property obtained by criminal means”;*

Art. 209-1:

*“Intentional violation of the legislation on prevention and counteraction to legalization (laundering) of proceeds from crime, terrorist financing and financing of proliferation of weapons of mass destruction”;*

Art. 212:

*“Evasion of taxes, duties and other mandatory payments”;*

Art. 212-1:

*“Evasion of payment of premiums on obligatory state social insurance and obligatory state pension insurance”;*

Art. 216:

*“Illegal production, counterfeiting, use or sale of illegally produced, acquired or counterfeit documentary stamps or check stamps”.*

## CONCLUSION

Thus, based on the research, we found that the level of crime, including economic crime, is currently growing in Ukraine. This negative phenomenon is facilitated by the global economic crisis, inflation, shadowing of the national economy, and a significant decline in living standards.

Economic crime is an extremely dangerous phenomenon that has taken root in all spheres of State functioning and is a negative factor towards the development of a European-style country. Therefore, the prevention of crimes in this area is an important task facing by public authorities (Lisova, 2018).

The National Police of Ukraine is a law enforcement agency, one of the tasks of which is to ensure the economic security of the country. It occupies a special place among the subjects of the economic security system of Ukraine, as it investigates most criminal offenses in the sphere of economic and official activity. Until 2019, the Department of Economic Protection of the National Police of Ukraine was the agency of the National Police, which ensured the economic security of the State. However, last year the Department was liquidated due to a low level of performance, and its functions were transferred to other agencies and units of the National Police, in particular, to the Department of Strategic Investigations.

Unfortunately, today the work of the National Police (as well as other law enforcement agencies) to prevent offenses with an economic component is not effective enough, and therefore the issue of creating a single body to take care of financial and economic crimes is acute. Such a body should be the Financial Investigation Service, the Bill on the establishment of which has already been registered in the Verkhovna Rada of Ukraine. However, according to some researchers, certain provisions of this Bill are debatable and need to be finalized, and therefore it is very important to take into account the foreign experience of such law enforcement agencies. This question will be the topic of our further research in this area.

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