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## THE INTERACTION BETWEEN SOCIAL RELATIONS AND CRIME – A FEATURE OF TODAY'S SOCIETY

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**Abstract:** *CRIMINALITY AS A SET OF VIOLATIONS OF THE CRIMINAL LAW THAT ARE COMMITTED IN A CERTAIN PERIOD AND SPACE CONSTITUTES, AS IS KNOWN, A SOCIAL PHENOMENON, BOTH FOR THE FACT THAT IT TAKES PLACE IN SOCIETY WITHIN THE RELATIONS BETWEEN THE MEMBERS OF THE SOCIAL GROUP, BUT ALSO FOR THAT IT DECISIVELY INTERESTS SOCIETY, INFLUENCES THE SMOOTH DEVELOPMENT OF SOCIAL COEXISTENCE RELATIONSHIPS.*  
*BEING A SOCIAL PHENOMENON, CRIME IS INEVITABLY INFLUENCED BY THE CHANGES IN SOCIETY, WHICH HAS LED TO CHANGES AND TRANSFORMATIONS OF THE SUBSTANCE OF THE CRIMINAL PHENOMENON (QUANTITATIVE AND QUALITATIVE), ATTRACTING CHANGES IN THE MEANS OF COMBATING CRIMES, INCLUDING THE CONTENT OF CRIMINAL LEGISLATION AND CRIMINAL PROCEDURES, AS INSTRUMENTS OF THE STATES' CRIMINAL POLICY IN THE FIGHT AGAINST SERIOUS VIOLATIONS OF SOCIAL DISCIPLINE.*

**Keywords:** SOCIETY, SOCIAL RELATIONS, VALUES, CRIME, CONFLICT, SANCTIONS

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Economic and social life is in continuous change and evolution; the diversification and expansion of the territorial coordinates of commercial changes made the image of the world we live in different from the one that existed 30-50 years ago. The modernization of economic life also had as a direct consequence a "modernization of crime", an adaptation of crime to the new social conditions. Thus, the classic patrimonial crimes or the classic methods of operation, such as: robbing a bank, traditional scams have lost interest for new criminals. They have found that they can earn much larger sums of money with much smaller risks by using more sophisticated



methods, such as: money laundering, fraudulently obtaining subsidies or facilities, misappropriation of funds, tax fraud or fraud on commercial transactions through the Internet.

We can observe that the role of legal entities, especially those that carry out their activity in the economic field, becomes extremely important in the configuration of the new criminality. The greatest benefits are obtained not by affecting individual patrimony, but by infiltrating and exploiting the collective patrimony of commercial companies (Mărcău, 2019).

The phenomenon of money laundering as well as the phenomenon of tax avoidance and fiscal evasion have been in an inseparable symbiosis throughout history. Although tax evasion and money laundering share the same techniques and even support each other, in the sense that in both situations, the legal income becomes illegal, money laundering is the opposite of this procedure, so that the money in question has an illegal origin, but through the work of washing is given a legal appearance, and their use is then taxed by the state (Pitulesc, 2002, p. 147).

The philosopher and moralist Francois de La Rochefoucauld said: "to know things well, you must know their details; and since the details are almost infinite, our knowledge remains superficial and imperfect" (Rochefoucauld, 1972, p. 32).

Money laundering is and will remain a complex and dynamic phenomenon of great diversity, both in the public and in the private sphere, manifesting itself both actively and passively, but at the same time a phenomenon little known to ordinary people. This crime appears to be victimless and devoid of the emotional implications of violent crimes or theft. The "discretion" that surrounds this type of crime is, in fact, one of the major difficulties encountered by investigators.

In the matter of money laundering, history shows that the foundations of this complex phenomenon were laid many centuries ago, and what followed was more of a modern adaptation of a "classic play". The confiscation of assets if they had a criminal origin is an example of this; the modern laws that facilitate these operations having their roots in British traditions in the field of customary law. Initially, most of the confiscations were punishments applied for political rather than economic reasons, as in modern society (Mărcău, 2011), they were often determined by the desire to increase the wealth of the Crown.

The "King of Chicago", the famous Alphonse (Al) Capone, went down in history as the founder of a criminal organization with annual turnover of 100 million dollars. It was therefore necessary to justify these incomes and one of the methods used was the acquisition of legal businesses and the mixing of their earnings with those from illegal businesses. Chain stores that offered laundry services were preferred, as large amounts of cash were obtained, an undeniable advantage for Al Capone (Adochiței, 2003, p. 94).

This is where the expression "money laundering" was born, used later to define all illegal operations through which "black money" was obtained. This somewhat romanticized origin is contested by other authors, considering that the term "money laundering" actually shows what the activity it describes consists of: the money obtained from illegal, or "dirty" sources, is passed through a series of transactions, or "launder" so that they appear as coming from a legal source, or "clean".

Despite the efforts made at the time, neither Al Capone nor his henchmen could be proven to be laundering money. After long attempts, the American authorities had to settle for the crime of tax evasion, the only one under which the famous mobsters could be arrested.

The conviction of Al Capone, in October 1931, seems to have been the reference point that led to the emergence of the phenomenon of money laundering. The Pole Maier Suchowljanschi, - Americanized as - Meyer Lansky, considered the financial genius of organized crime in New York



(also known by the nickname "the mafia accountant"), he was greatly affected by the conviction of Al Capone and decided not to suffer the same fate.

His alliance with famous characters from the mafia clans, led by Jews and Italians, (one of his close friends, apart from Al Capone, was the famous Bugsy - the one who founded the gambling empire in Las Vegas) laid the foundations of the crime organized in the USA for 5 decades in a row. Shortly after Al Capone's conviction, Meyer Lansky discovered the advantages of numerical password accounts in Swiss banks, thereby spreading millions of dollars into bank accounts around the world for money laundering (Adochiței, 2003, p. 94). He was among the first "pioneers of the public-private partnership," understanding that in order to exist, organized crime must work in cooperation with flexible government officials. Considered the "patron saint" of the money laundering business, Meyer Lansky died in 1983 as a true "hero": he did not serve a single day in prison for the millions of dollars laundered in the name of the Mafia and defeated the American state in all the lawsuits tax evasion charges against him.

Meyer Lansky is considered to be one of the most influential "money launderers" of all time, being credited with the first proper method of money laundering, called "loan-back", which means that the amounts of money from the business dubious could be disguised as loans granted by lenient foreign banks (Adochiței, 2003, p. 94).

Even now, money laundering experts have not managed to untangle all the strings of the sophisticated mechanisms used by Meyer Lansky. Some - such as those in Cuba and the Bahamas - were never detected, so it was concluded that, most likely, some of the money never returned to the American economy.

Relevant in this context are the statements made by Giovanni Falcone, the famous Italian judge, assassinated by the Mafia on May 23, 1992: "The Mafia is a logical world, more rational and more implacable than the State. The mafia is an articulation of power, a metaphor of power, but also a pathology of power. Mafia is an economic system, a mandatory component of the global economic system. The mafia develops thanks to the state and adapts its behavior according to it" (Voicu, 1999, p. 17).

However, the expression "money laundering" was actually used much later, the first appearance being reported in a newspaper in 1973, also from the United States, in an article about the "Watergate" affair. After this moment the expression spread to most languages, being used on all meridians (Adochiței, 2003, p. 94).

The crime of money laundering came to the attention of the authorities especially in the 1980s, when it occupied a leading place in the political agenda of many European states (Mărcău, 2014). It is known that the recycling of sums derived from crimes has an obvious influence on the increase in the recrudescence of organized crime, and combating money laundering is one of the most effective means of combating this form of criminal activity.

The reference point in the process of international regulation of the concept of combating money laundering originating from criminal activities is the UNITED NATIONS CONVENTION, adopted on 19.12.1988 in Vienna, which defined for the first time the term money laundering, but which provided as a criminal offense only drug trafficking (Course notes, 2008).

The main source of concern was the increase in the level of professionalism in the field of organized crime. Investigators have realized that criminals use more and more advanced means and methods to achieve their goals and have discovered that new forms of criminality have developed through the computer, developments to which investigators do not always have ready answers.



Financial investigations are relatively recent in most states, complementing and operating in direct interaction with traditional investigative methods and techniques. However, practitioners have complained that existing anti-money laundering measures have limited effectiveness and that, overall, the effects of anti-money laundering efforts have been relatively disappointing to date.<sup>1</sup> Moreover, specialists in many countries found a lack of resources and expertise, especially at the judicial level, and that in many cases, both over time and in recent cases, it was difficult to identify the factual link between the suspicious transaction and the crime generators of dirty money, which in most cases was committed abroad. Money laundering is often, in essence, a crime that extends across the national borders of states. That is why the European states have become aware of the fact that intense international cooperation is necessary in order to combat this phenomenon.

After 1989, the transition to a market economy and the opening of Romania's borders led to a spectacular increase in the cross-border circulation of goods, people and capital, resulting at the same time in a serious increase in various types of criminal activities (Fudulu et. al., 2003, p. 47). Criminality in its prime and the profits from it made money laundering a relatively unknown concept in the Romanian economy before 1989.

Analyzing the evolution of economic-financial crime in our society, during the 1990s until now, it can be concluded that acts of corruption, smuggling, tax evasion, fraud in the financial-banking field have expanded and worsened lastly, the illegal activities generically titled "money laundering".<sup>2</sup>

Doru Bulata, member of the Office for Prevention and Combating of Money Laundering in Romania, declares that "the trends are focused on fraud in the financial-banking field, smuggling" and other illegal activities, carried out through phantom companies. Official figures show that in 2000 the sums involved in the money laundering circuit amounted to 800 million dollars, and in 2001 to around 700 million euros.

The end of the last millennium was marked worldwide by important geo-political transformations that accelerated the phenomenon of economic globalization favored equally by the merger of national financial markets.

Also, the jump to the computerized society through an unprecedented expansion of computer systems constituted another premise that favored the circulation of capital, practically no longer existing geographical limits, so that any operator can obtain information about currency quotes or price fluctuations on the large markets of capital, being able to order any operations and transactions from various areas of the world through computer networks.

The main effect of economic globalization is the extremely rapid movement of capital around the world, and the main effect of the advent of computers is that money "dematerializes", although coins and paper money still circulate, most monetary transactions involves electronic transfers (Voicu, 1991, p.11) (the global network can be used both for carrying out traditional financial transactions, but ultra-fast and extremely difficult to track, and above all, for the introduction of the concept of "electronic money". Through a complex protocol implemented in the computer network, ordinary money are transformed into virtual currency, the transactions concluded later being impossible to trace, ensuring absolute anonymity - this is about an extremely appropriate future, in AMSTERDAM a commercial company called "DIGICASH" has

<sup>1</sup>President of the National Office for the Prevention and Combating of Money Laundering - Ioan Melinescu - 15.09.2003

<sup>2</sup>Commission of the European Community - Between 1990 and 2000, the level of criminality increased more than four times. - "2001 Periodic Report on Romania's Progress towards Accession", Brussels, 13.11.2001.



already been established, which introduced the payment system with virtual money for its customers!) (Adochiței, 2003, p.98).

On the other hand, we must take into account that with the phenomenon of globalization, with the amplification of the degree of internationalization of the economic markets and with the development of transnational commercial companies, the chances of these structures being used for the purpose of criminal activities increase. Off-shore centers, characterized as areas with under-regulated and non-cooperative jurisdictions<sup>3</sup>are intensively used by companies that carry out criminal activities for the purpose of money laundering (Jurma, 2003, p.99).

Under these conditions, it can be concluded that huge sums of money circulate, including the dirty money resulting from drug and arms trafficking, smuggling, embezzlement, to which are added the sums obtained as a result of major acts of corruption, tax evasion, human trafficking human, fraud in the financial-banking field or through the computer, who are integrated into financial circuits in order to conceal their illicit origin and to be placed in legal businesses.

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<sup>3</sup>"Under-regulated jurisdictions" - refers to the legal systems in which the normative regulation in one or more of the following fields - financial law, tax law, commercial company law, foreign exchange law, criminal law, administrative law - does not reach the standards provided by the international legal instruments in in order to protect the integrity of financial systems.

"Non co-operative jurisdictions" - refers to systems that do not meet the requirements of international legal cooperation, not signing or ratifying the instruments of international cooperation developed by the UN, the COUNCIL OF EUROPE, the OECD,



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