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LEGAL AND ACCOUNTING ASPECTS IN THE IDENTIFICATION AND PREVENTION OF ECONOMIC FRAUD IN COMPANIES IN THE REPUBLIC OF MOLDOVA

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Economic fraud represents a significant challenge for companies in the Republic of Moldova, having a major impact on financial stability and the integrity of the economic market. This article analyzes the relevant legislative and regulatory framework for preventing and identifying economic fraud, highlighting the most common types of fraud in the business environment, such as financial manipulation and embezzlement. It also examines methods for detecting fraud, such as financial auditing, data analysis, and the use of advanced technologies, including artificial intelligence and blockchain. The article explores the effects of fraud on the national economy and emphasizes the importance of implementing an integrated financial reporting system, supported by solid internal controls and strict regulations. The proposed recommendations aim to improve the measures for preventing, identifying, and combating economic fraud, promoting a safer and more transparent business environment in the Republic of Moldova.

Keywords: economic fraud, prevention, accounting regulation, financial transparency, financial reporting.

ASPECTE JURIDICE ȘI CONTABILE ÎN IDENTIFICAREA ȘI PREVENIREA FRAUDEI ECONOMICE ÎN COMPANIILE DIN REPUBLICA MOLDOVA

Frauda economică reprezintă o provocare semnificativă pentru companiile din Republica Moldova, având un impact major asupra stabilității financiare și integrității pieței economice. Prezentul articol analizează cadrul legislativ și normativ relevant pentru prevenirea și identificarea fraudei economice, evidențiind tipurile de fraudă cele mai des întâlnite în mediul de afaceri, precum manipularea financiară și deturnarea de fonduri. De asemenea, sunt examinate metodele de detectare a fraudei, cum ar fi auditul financiar, analiza datelor și utilizarea tehnologiilor avansate, inclusiv inteligența artificială și blockchain. Articolul explorează și efectele fraudei asupra economiei naționale și subliniază importanța implementării unui sistem integrat de raportare financiară, susținut de controale interne solide și reglementări stricte. Propunerile prezentate vizează îmbunătățirea măsurilor de prevenire, identificare și combatere a fraudei economice, promovând un mediu de afaceri mai sigur și mai transparent în Republica Moldova.

Cuvinte-cheie: fraudă economică, prevenire, reglementare contabilă, transparență financiară, raportare financiară.

ASPECTS JURIDIQUES ET COMPTABLES DANS L'IDENTIFICATION ET LA PRÉVENTION DE LA FRAUDE ÉCONOMIQUE DANS LES ENTREPRISES DE LA RÉPUBLIQUE DE MOLDOVA

La fraude économique représente un défi majeur pour les entreprises de la République de Moldova, ayant un impact important sur la stabilité financière et l'intégrité du marché économique. Cet article analyse le cadre législatif et normatif pertinent pour la prévention et l'identification de la fraude économique, mettant en évidence les types de fraude les plus courants dans le milieu des affaires, tels que la manipulation financière et le détournement de fonds. Il examine également les méthodes de détection de la fraude, telles que l'audit financier, l'analyse des données et l'utilisation de technologies avancées, y compris l'intelligence artificielle et la blockchain. L'article explore également les effets de la fraude sur l'économie nationale et souligne l'importance de la mise en place d'un système intégré de reporting financier, soutenu par des contrôles internes solides et des réglementations strictes. Les propositions formulées visent à améliorer les mesures de prévention, d'identification et de lutte contre la fraude économique, en promouvant un environnement commercial plus sûr et plus transparent en République de Moldova.

Mots-clés: fraude économique, prévention, régulation comptable, transparence financière, reporting financier.

ЮРИДИЧЕСКИЕ И БУХГАЛТЕРСКИЕ АСПЕКТЫ ИДЕНТИФИКАЦИИ И ПРЕДОТВРАЩЕНИЯ ЭКОНОМИЧЕСКОГО МОШЕННИЧЕСТВА В КОМПАНИЯХ РЕСПУБЛИКИ МОЛДОВА

Экономическое мошенничество представляет собой серьезную проблему для компаний Республики Молдова, оказывая значительное воздействие на финансовую стабильность и целостность экономического рынка. В данной статье анализируется законодательная и нормативная база, применяемая для предотвращения и выявления экономического мошенничества, с акцентом на наиболее распространенные виды мошенничества в бизнес-среде, такие как финансовые манипуляции и растрата средств. Также рассматриваются методы обнаружения мошенничества, такие как финансовый аудит, анализ данных и использование передовых технологий, включая искусственный интеллект и блокчейн. Статья исследует влияние мошенничества на национальную экономику и подчеркивает значимость внедрения интегрированной системы финансовой отчетности, поддерживаемой надежными внутренними контролями и строгими регламентами. Представленные предложения направлены на улучшение мер по предотвращению, выявлению и борьбе с экономическим мошенничеством, способствуя созданию более безопасной и прозрачной деловой среды в Республике Молдова.

Ключевые слова: экономическое мошенничество, предотвращение, бухгалтерское регулирование, финансовая прозрачность, финансовая отчетность.

Introduction

Economic fraud constitutes a major challenge in the Republic of Moldova, exerting a direct impact on the integrity of the economic market. It is manifested through illegal or unethical actions aimed at obtaining illegitimate gains, taking various forms such as financial manipulation, embezzlement of funds, and abuse of authority. In an increasingly interconnected global environment, combating economic fraud has become a critical priority for governmental authorities and financial institu-

tions, as it plays a vital role in strengthening investor confidence and maintaining economic stability.

In the Republic of Moldova, economic fraud remains a widespread phenomenon, with associated risks exacerbated by the lack of effective internal control mechanisms and the partial enforcement of accounting and legal regulations. Internal fraud, committed by employees or company executives, poses a significant threat to the financial health of enterprises and the overall economic development of the country.

Preventing and detecting economic fraud requires an integrated system of financial control, supported by clear legal and accounting regulations, as well as the adoption of advanced digital technologies. This article aims to analyze the legislative and accounting framework, alongside the measures undertaken to combat economic fraud, highlighting the key challenges and potential solutions to enhance their effectiveness.

Research methods used. The study is based on a mixed-methods approach, combining both theoretical and applied research. Within the scope of this research, the current legislation as well as statistical data on economic crimes in the Republic of Moldova were analyzed. Comparative study techniques were also employed to assess the impact of national legislation on the prevention of economic fraud, with a particular focus on private companies and public-private partnerships. This methodology enables a comprehensive understanding of the current context and supports the identification of the most effective measures for preventing economic fraud.

Obtained results and discussions

In the Republic of Moldova, the fight against economic fraud is governed by a series of national and international regulatory instruments:

The Accounting and Financial Reporting Law No. 287/2017 establishes the general framework for organizing and maintaining accounting records within entities operating in the Republic of Moldova. It ensures a coherent reporting system that contributes to transparency and facilitates the detection of potential irregularities [8].

Law No. 308/2017 on the Prevention and Combating of Money Laundering and Terrorist Financing mandates specific measures for the identification and reporting of suspicious transactions to the competent authorities,

thereby helping to limit mechanisms of fraud within the national economy [9].

The Criminal Code of the Republic of Moldova defines criminal liability for economic offenses, including fraud, embezzlement, and forgery of documents, playing a crucial role in deterring illicit activities [3].

The Fiscal Code of the Republic of Moldova regulates the tax obligations of taxpayers and provides the legal framework for identifying, preventing, and sanctioning tax evasion, thereby contributing to the reduction of economic fraud risks [2].

The National Accounting Standards, approved by the Ministry of Finance, serve as the fundamental regulatory framework for enterprises that do not apply the International Financial Reporting Standards (IFRS) [6]. These standards govern the recognition, measurement, accounting, and reporting of economic events, ensuring transparent and verifiable financial records.

The International Financial Reporting Standards, gradually adopted in the Republic of Moldova, impose strict requirements regarding the recognition, measurement, presentation, and disclosure of economic transactions. Their application significantly contributes to fraud prevention by promoting transparency and the comparability of financial statements [5].

Directive 2013/34/EU on the annual financial statements, adopted by the European Parliament and the Council, harmonizes financial reporting requirements across the European Union and supports fraud prevention by ensuring transparency and comparability of financial statements within the European economic area [4].

These regulations together form an essential legislative framework for ensuring financial transparency, economic discipline, and legal accountability in the business environment. However, their effectiveness largely depends

on the implementation of efficient internal control mechanisms, as well as on active co-operation between regulatory institutions and the business sector. Economic fraud can

be classified into several types, each having distinct financial and operational impacts on companies. Table 1 presents a relevant classification.

Table 1. Classification of Economic Frauds

Type of Fraud	Description	Specific Examples
Falsification of accounting documents	Manipulating invoices, delivery notes, etc., to conceal fraudulent transactions.	- False or inflated invoices - Forgery of signatures and financial data
Misappropriation of assets	Improper use of company assets or funds for personal purposes.	- Diversion of funds from company accounts - Unauthorized use of company resources
Financial reporting fraud	Manipulating financial statements to present a more favorable situation than reality.	- Creation of fictitious provisions - Omission of liabilities or losses in the balance sheet
Tax evasion	Concealing income and manipulating expenses to reduce tax liabilities.	- Failure to record revenues - Reporting fictitious expenses
Procurement fraud	Manipulating public tenders and procurement contracts to obtain illicit benefits.	- Bribery of public officials - Manipulation of the bidding process

Source: Compiled by the author based on bibliographic sources [3, 7, 9, 10].

Economic fraud, as outlined in the table above, encompasses a wide range of illicit behaviors that can significantly impact a company's financial health. Each type of fraud has its own particular characteristics and affects different aspects of economic activity:

Falsification of accounting documents is one of the most common forms of fraud, often used to conceal fictitious transactions or justify false expenses. This type of fraud can severely distort a company's financial position and undermine its credibility in the marketplace.

Misappropriation of assets involves the abusive use of company resources, such as funds or equipment, for personal purposes. This form of fraud can lead to direct financial losses and erode trust in the internal resource control systems.

Financial reporting fraud consists of manipulating financial statements to create an unrealistic financial image, either to hide losses or to exaggerate profits. It can mislead investors, creditors, and other stakeholders, with serious consequences for investment decisions and corporate reputation.

Tax evasion is another frequently encountered form of fraud, involving the concealment of income and manipulation of expenses to reduce tax liabilities. These practices can result in severe penalties from tax authorities and damage the company's relationship with regulatory bodies.

Procurement fraud refers to the manipulation of bidding and contracting processes, often involving corrupt practices such as bribery. This type of fraud negatively impacts the

efficiency of public spending and can foster an unfair business environment.

Each of these types of fraud carries not only financial implications but also significant operational impact, affecting the reputation and long-term stability of the companies involved. The prevention and early detection of such frauds are essential for maintaining a healthy and transparent business environment.

According to the 2024 Annual Report on the Activity of the State Tax Service [10], published in February 2025, a total of 2,740 cases of illicit economic activity were recorded during 2024, representing a 13.31% increase compared to the previous year. The total value of imposed sanctions reached 4.7 million MDL. The most affected sectors included goods trade (including online commerce), service provision, and passenger transportation via taxi services. Unauthorized trade was

identified as the main form of illicit activity, with 1,418 reported cases and fines totaling 2.49 million MDL.

These figures highlight a significant increase in the level of illicit economic activity in the Republic of Moldova, underlining the pressing need to strengthen institutional efforts aimed at preventing and combating economic fraud.

However, the implementation of effective mechanisms for the detection and prevention of economic fraud involves overcoming considerable challenges. Although companies and institutions have access to a wide range of tools and modern technologies to combat fraud, economic realities show that such phenomena continue to occur on a broad scale, and their detection remains a complex task. The main challenges in this regard are summarized in Table 2.

Table 2. Challenges of Economic Fraud

Challenge	Description	Proposed Solutions
Lack of an integrated reporting system	Financial data is fragmented across various entities, making it difficult to detect fraud in real time.	- Creation of a centralized digital financial reporting platform.
Complex IFRS implementation	Small and medium-sized enterprises face difficulties in adopting International Financial Reporting Standards due to high costs and complexity.	- Provision of tax incentives and technical assistance for IFRS implementation.
Inadequate internal control	The absence of rigorous internal audit procedures and continuous monitoring makes fraud harder to detect.	- Staff training and development to implement more effective internal controls.
Lack of a financial integrity culture	Deficiencies in employees' financial and ethical education contribute to fraudulent behavior.	- Educational campaigns and the development of an organizational culture based on ethics and transparency.

Source: compiled by the author based on references [1,5,7,9,10,11,12].

Based on the data presented in Table 2, several key challenges in implementing effective mechanisms for preventing and detecting

economic fraud are highlighted. Each of these challenges addresses an important aspect of financial processes and internal control, and

the proposed solutions are essential to support companies in combating fraud.

➤ *Lack of an integrated reporting system.*

The fragmentation of financial data across various entities makes it difficult to detect fraud in real time. Creating a centralized digital financial reporting platform would provide greater visibility over all financial transactions, thereby facilitating the identification of potential irregularities.

➤ *Complex implementation of IFRS.* The adoption of IFRS can be challenging, especially for small and medium-sized enterprises, due to high costs and complexity. Offering tax incentives and technical assistance could help these companies implement IFRS in a more efficient and accessible manner.

➤ *Insufficient internal control.* The absence of rigorous internal audit procedures and continuous monitoring leaves room for fraudulent activities. The proposed solution of continuous training and development for staff to implement more effective internal controls is essential for fraud prevention.

➤ *Lack of a culture of financial integrity.* The financial and ethical education of employees plays a crucial role in preventing fraudulent behaviors. Educational campaigns and the development of an organizational culture based on ethics and transparency are necessary to create a work environment that discourages fraud and promotes financial responsibility.

Overall, these challenges require a coordinated and proactive approach from organizations to reduce risks and prevent economic fraud. The proposed solutions can significantly contribute to creating a safer and more transparent business environment.

In recent years, technological advancements have introduced new tools and solutions that play a crucial role in preventing and detecting economic fraud. Modern technologies have been essential in enhancing organizations' ability to detect and prevent fraudulent behaviors

by automating monitoring processes and data analysis. Among these innovative techniques are:

▪ *Artificial Intelligence (AI).* Machine learning algorithms enable the analysis of massive amounts of financial data in a short time, thus detecting anomalies and suspicious transactions that could indicate fraud. These intelligent systems can continuously learn from available data, improving their performance and ability to identify increasingly complex frauds. For example, AI can analyze behavioral patterns, such as transactions that do not align with typical models of a client or company, and can automatically issue alerts when deviations from established financial norms are detected. This approach significantly reduces the risk of human error and ensures a prompt response to potential frauds.

▪ *Blockchain.* Blockchain technology represents an innovative and highly efficient system for ensuring the transparency and security of financial transactions. Each transaction recorded on the blockchain is validated and stored in an immutable way, making it extremely difficult to manipulate data or create false financial documents. In a blockchain-based network, any attempt to modify a document or record a false transaction is immediately detected, due to the decentralized and transparent nature of the technology. Thus, blockchain can be used as a powerful method of fraud prevention, especially in areas such as online payments, goods deliveries, or financial services.

▪ *Digital Audits.* The use of advanced software for conducting real-time audits represents another innovative approach in combating fraud. Unlike traditional audits, which may take weeks or months to verify financial documents, digital audits can continuously and automatically analyze a company's entire financial activity. These software tools can quickly detect any irregularities in the financi-

al process, identifying potential frauds as soon as they arise. Moreover, digital audits help reduce errors and improve operational efficiency, providing auditors and other professionals with more accurate and faster tools to assess the accuracy of financial data.

Regarding legislative and accounting measures for preventing economic fraud, the authorities in the Republic of Moldova could implement additional policies to strengthen the financial system and create a safer environment for businesses. These measures could include:

Clear regulation of financial reporting. It is essential for the authorities to create clear and precise regulations for financial reporting, which impose stricter and more transparent standards in relations with tax authorities. These regulations should ensure complete transparency of companies' transactions and financial activities, thus facilitating the rapid identification of potential irregularities or fraud. Additionally, financial transparency can contribute to increasing public and investor trust, providing a solid foundation for the development of a stable and fair economy.

Imposing harsher sanctions. In order to discourage economic fraud, authorities must adopt a more severe sanction system, aimed at creating a climate of legal compliance and preventing illegal behaviors. Sanctions should be proportional to the severity of the offenses, and their enforcement should be firm and consistent, sending a clear message that fraud will not be tolerated. These punitive measures may include large fines, asset confiscation, or even imprisonment, depending on the nature of the fraud and its impact on the economy and society.

Continuous training for auditors and accountants. In the financial-accounting field, it is crucial for professionals to stay up to date with the latest fraud prevention techniques and tools. Organizing courses, seminars, and work-

shops for auditors and accountants in both the public and private sectors is essential for improving their skills in detecting and preventing fraud. Additionally, continuous training helps professionals better understand international regulations and apply best practices in accounting, which contributes to a more transparent and secure financial system.

Therefore, by integrating innovative technologies, clear regulations, and educational measures for professionals in the field, a safer and more efficient financial system can be built to prevent economic fraud. These solutions will help create a more transparent and responsible business environment, where the risks of fraud are minimized, and public and investor trust is strengthened.

Conclusions

Economic fraud represents a significant threat to the financial stability of companies in the Republic of Moldova, with considerable financial and operational impacts. In the face of the complexity and diversity of economic frauds, it is essential for authorities and companies to adopt proactive measures to prevent and quickly identify these fraudulent behaviors. In this regard, the implementation of an integrated financial reporting system, which allows for efficient and transparent monitoring of financial data, is crucial. The creation of centralized digital financial reporting platforms can help reduce data fragmentation and detect financial anomalies in real time.

Additionally, the adoption and implementation of IFRS are essential to ensure a coherent and transparent financial framework, which prevents the manipulation of financial data and supports stricter financial regulation. These standards provide a clear framework for presenting financial information and facilitate comparability and transparency between companies.

Improving internal controls remains a fun-

damental aspect of preventing economic fraud. Organizations must adopt audit procedures and continuous monitoring of financial processes, and employees should be consistently trained and educated on the importance of financial integrity and adherence to ethical principles. At the same time, the use of modern technologies, such as artificial intelligence, blockchain, and digital audits, can significantly contribute to enhancing the process of fraud detection and prevention.

Last but not least, legislative and educational measures must be supported by a firm commitment from all parties involved, including authorities, financial institutions, employers, and employees. Clear regulations and stricter sanctions for economic crimes will contribute to creating a climate of law enforcement and discouraging fraudulent behaviors. At the same time, continuous training for financial-accounting professionals is essential to ensure an effective approach to fraud prevention and to strengthen trust in the financial system.

By implementing these measures, a safer, more transparent, and more responsible business environment can be created, reducing fraud risks and strengthening long-term financial stability.

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