

**БАНКОВ МЕНИДЖМЪНТ И ИКОНОМИЧЕСКИ ПРЕСТЪПЛЕНИЯ СЪС
ЗЛОУПОТРЕБА С ДАНИИ**

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BANKING MANAGEMENT AND ECONOMIC CRIME OF DATA ABUSE

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Abstract

*The development of technology has direct effects to many areas of society. This concept brings so many advantages, such as communication flexibility and availability of information, as well as disadvantages, such as personal data abuse, which is the one of the main hypothesis of the article. Bank management refers to the process of managing the Bank's statutory activity, the financial relations which are connected with banking activities and other relations in banking sector that are part of banking management too. In this article so many examples shows firstly the relation between the two branches of science: the law and the economy, more precisely the abusing personal data of clients and committing economic crime. **Economic crime covers a wide range of offenses**, from financial crimes committed by banks, tax evasion, illicit capital heavens, money laundering, crimes committed by public officials (like bribery, embezzlement, traffic of influences, etc.) among many others. Today banking system is sophisticated and it gives opportunity to clients to take a control of their own bank account anytime by the electronic banking system, this system brings positive and negative sides. Firstly big advantage is that every client can have transparency, good communication, effectiveness, efficiency, confidentiality from the bank but on the other side there are disadvantages such as abusing the personal data of the costumers by hackers and in many cases by the bank officers.*

Keywords: bank, management, crime, abuse, technology

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1. Introduction

The dynamics and character of today's global economy destroys all conventional spatial and temporal barriers, especially in the functioning of banking. Rapid technological development has imposed the need to redefine the role and functions of banking institutions in the financial system. Electronic commerce, the use of the Internet and modern telecommunications systems have caused fundamental technological changes in the functioning of banking institutions.

Electronic technology increasingly finds application in modern business, that is, an increasing number of banking institutions in the world operate according to the concept of e-banking. Electronic technology enables banking institutions to use electronic payment cards with their clients, and the developed information network enables them to modernize their operations. Banks have established their own ATM networks, and in the trade there are POS terminals for payment with payment cards.

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This article covers the legal and economic aspects of banking management. We mentioned the legal aspects, more precisely we took into account the abuse of personal data and we can mention the in the legal aspect more emphasis is placed on the economic crime.

2. Banking management and economic crime of data abuse

Global prevalence of payment cards, their use and easy access to modern technology have made them appealing to criminals. In addition, the main target is the new and insufficiently underdeveloped markets, where there is no enough developed system for recognizing and preventing payment cards abuse. As basic forms of counterfeiting and payment cards abuse, we can list (Anucojić, 2009):

- Abuse of stolen or lost payment cards;
- misuse of issued, but still not put into service payment cards;
- unauthorized use of someone else's payment cards; issuing and using fraudulent payment cards;
- obtaining data unlawfully and using them for making fake payment cards;
- abuse and fraud by traders;
- abuse by users.

An important imperative for banks that work with all international payment cards (Visa, Diners, Master Card, and American Express) is to use card processing services. A part of the banks use in-house card solutions – same as the other payment cards, with the difference that, with this card, only in a certain number of stores known in advance payment is possible.

Most of the banks in the Republic of Macedonia use the *CaSys International* - International Card System which provides processing, authorization, development and implementation of strategic projects that would contribute to safe operation of electronic payment cards, Internet payments and e-banking. (CaSys International).

There are several types of fraud with electronic payment cards by providing data for forging them, such as: the use of special equipment for recording data from the magnetic tape and the PIN (Personal Identification Number) code, by using ATM (skimmers, cameras, pinpad, etc).

Recently, skimmers have advanced significantly. They are devices that read the data from the magnetic, or the so-called black tape (name and surname, Transaction Account Number, Personal Identification Number). Then, these data, with the help of a card writer – are "written" on an empty white plastic card, which later is used for emptying the account. In order to copy your card, the thief needs to have your PIN, as well as the data on the magnetic or the so-called "black tape" (Snyder, 2018).

Regarding the measures for safe use of payment cards, it should be noted that all banks that issue electronic payment cards provide information to their clients how to protect themselves from possible misuse of their payment cards, as well as what to do if they become victims of abuse.

If there is a suspicion of a possible misuse of the payment card, it is necessary:

- To contact the bank immediately;
- to block the card;
- to check the condition of the card and the transactions of the monthly reports regularly, and every suspicious transaction should be reported;
- In case of loss or theft of the card, a report to the appropriate bank should be made.

Taking this into consideration, there are numerous measures for protection and for safe use of the payment cards pointed out by the banks, such as: how to protect card data; secure realization of the

transactions at the ATM; safe payment with a card at the point of sale; safe payment with a card via Internet; use of payment cards abroad; use of payment cards during holidays, etc.

Economic crime is regarded to generate a **considerable social damage**. This is due to the fact that it does not only affect democratic institutions, but, also, undermines the state treasure by cutting available resources for the implementation of public policies. The more vulnerable are those who need these policies the most and that is why they become one of the main victims of corruption and economic crime. (Center for Research and Prevention of Economic Crime) Economic crime is one of the modern types of crime in the new century and it is a part of the unconventional crimes, apart from the other types of conventional or modern types of crime, such as: corruption, money laundering, computer crime, and white collar crime.

The main characteristics of the economic crime are the following: firstly, it consists of criminal acts of the economic entities; secondly, it encroaches on the right of the economic management; thirdly, it entails significant losses to the state, the society or the individual citizens; furthermore, it has a continuing character; then, it is committed by individuals, since under the criminal law of Ukraine the offender can only be a natural person; it is characterized by high latency; it is characterized by a close connection to the organized crime, corruption and the shadow economic activities; and lastly, it forms a semi-criminal mentality of the citizens of the state (booksforstudy.com).

Economic crime is one of the most complex phenomena and many authors point to the negative consequences of this crime, such as: economic, political, social, legal and ethical. In the unconventional types of crime (the modern types), especially the computer crime and the abuse of transactions, the main problem is the evidence as a main thing for detecting the offender and the crime. Most offenders are educated hackers and, by using special computer programs, the hacker accesses the victim's personal data and, by their abuse, transfers the funds from the victim's transaction to their transaction; in these situations, the only evidence is the network and ICT (Information Communication Technology). These evidences are located in the cyberspace.

The word "cyberspace" is credited to William Gibson who used it in his book *Neuromancer* written in 1984. Gibson defines cyberspace as:

“A consensual hallucination experienced daily by billions of legitimate operators, in every nation, by children being taught mathematical concepts... A graphical representation of data abstracted from the banks of every computer in the human system. Unthinkable complexity. Lines of light ranged in the non-space of the mind, clusters and constellations of data. Like city lights, receding...” (Gibson, 1989).

Information-communication technology appears in a multiple role (Ачковски, 2012):

- a) Target of attacks: attacking the services, functions and content that are part of the network;
- b) Tool: In traditional/classical (conventional) types of crime, knife, poison, pistol and similar weapons are used as tools for committing crime, but in modern crimes, the most important tool is the computer;
- c) Environment: where the attacks run out. Often, this deception serves to conceal crimes;
- d) Evidence: Network and Information Communication Technology.

3. Conclusion

Electronic banking is associated with the increased use of telecommunication and computer technology, especially in the process of processing and transfer of data and information, ie communication with customers. The new modern technology has radically changed the overall performance of the banking sector.

The reason for the emergence of e-banking and the complete computerization of banking operations lies in the growing number of transactions and huge documentation, which is almost impossible to process quickly and efficiently with traditional banking methods in the foreseeable future. Also, the globalization and expansion of the banking system outside the borders of one country further complicates the operation

Economic crime is a contemporary type of crime which in the most of the cases is committing by hacking the personal data of the clients and then transferring funds to a different transaction. When we talk about economic crime at the same time we can mention the corruption, money laundering and cybercrime (computer crime) as a part of economic crime.

All those types of organized crime are so close with each other. When we made a relation between electronic banking, banking management and economic crime we concluded that the computer as a tool plays a big role for committing economic crime and hence the need for defining cybercrime.

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