

THE PROMOTION AND DEVELOPMENT OF INTERNATIONAL CO-OPERATION TO COMBAT COMMERCIAL AND ECONOMIC CRIME

Memorandum By The Government Of Lesotho

Crime is terribly increasing not only in the Commonwealth countries but in the world at large. It is increasing in the company offices, on building sites and industrial complexes. There is indeed, a rise in the offences committed within and against bureaucracies as increasing public resources are devoted to development schemes, to agricultural or commercial subsidies.

Murders, armed robberies and rapes are alarming, dramatic and often highly visible. These have to be prevented or vigorously investigated and prosecuted. But in terms of permanent damage to an economy or to the incomes and future welfare of a population, white collar and corporate crime are probably much more serious. Yet corruption, illegal price fixing, fraud in trade practices can fuel inflation, lead to unemployment, impoverish large numbers of people on fixed incomes.

The law, the police and the courts are geared to the more conventional types of offending and are usually quite incapable of dealing with this new challenge. The police are totally inadequate to deal with complicated malpractices hidden away in dovetailing companies and such obtuse accounts that an army of chartered accountants would find difficulty in understanding, let alone prosecuting.

When currency movements and the operations of multi-national corporations are brought into this picture and the armies of lawyers mobilised on both sides, it is obvious that criminal justice services in many commonwealth countries are faced with a serious challenge to their drive and ingenuity. Thus to tackle the problem realistically means not only a revamping of the criminal justice system, but a re-appraisal of business and bureaucracy in terms of crime prevention.

It is therefore important to recognise this burgeoning of commercial and economic crime for the menace which it is to the economy generally and to low income consumers, and taxpayers. It is equally important to initiate action on several fronts with a view to understanding the problem better and re-tooling the conventional criminal justice services to deal with it.

The direction which such action may take, is to pool knowledge and initiate further studies. Economic analyses of the extent, the cost and the impact of this type of crime are urgently required; but the legal studies of the problems involved in dealing with the subject and, in particular investigations of the past defects of law and law enforcement in relation to major prosecutions would be useful. It is important to know how offences arose at what levels in the company organisation, and how responsibility was shared.

There is a need for knowledge of the commercial and economic crime to be brought into training courses, not only for police, lawyers magistrates or judges, but also into training courses for business and management, for accountants and executives.

It is clear that such offences are beyond the capacity of existing police structures. An education in economics, law, banking, accountancy and in the way to conduct investigations into highly sophisticated and legally advised enterprises are obviously necessary. Teams of skilled specialist investigators will be required to successfully investigate and prosecute economic offenders.

We endorse the views expressed by Dr. Barry Rider in his paper. There is a need to reduce criminal activity in this area. The law enforcement authorities should gain ground in the struggle to protect the interests of the international community.