

Research on the Causes and Prevention and Control Paths of Stakeholder Economic Crimes

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Abstract: In the overall environment of economic transformation and financial innovation, various forms of economic crimes involving multiple stakeholders, including illegal fundraising and pyramid schemes, have become prominent problems that harm public interests and affect social stability, as they often use false economic models and target unspecified groups. There are many reasons for the formation of such crimes, including the lack of formal investment channels driven by capital's pursuit of profit, distorted public speculation psychology and trust structure, difficulties in multi head cooperation in the regulatory system, and relatively backward legal application. This article proposes the establishment of a systematic prevention and control path: focusing on expanding compliance investment channels and raising public risk awareness in the front-end; The mid-range adopts a cross-departmental data sharing platform and digital supervision technology system; The backend also needs to refine the criteria for determining legal responsibility and strengthen the mechanism for recovering stolen goods and losses; By cultivating rational cognition and social governance environment at the end, full chain governance can be achieved, effectively controlling the spread of crime, maintaining market economic order and social security and stability.

1. Introduction

Stakeholder type economic crime refers to a type of crime committed against an unspecified majority of victims with the purpose of illegal possession or obtaining improper benefits, through fictitious economic models or the abuse of financial instruments, and seriously disrupting the order of the market economy. Its main forms include illegal collection of public deposits, fundraising fraud, pyramid schemes, and online lending fraud. Such crimes not only directly cause significant losses to the property rights and interests of the masses, but may also trigger group incidents, undermine the foundation of social trust, and even bring systemic financial risks. With the rapid development of the digital economy and financial innovation, the criminal methods of multi-party economic crimes are constantly changing and becoming increasingly covert, making it an important challenge in current social governance. In this context, it is of great practical significance to deeply analyze the causes of its formation and establish a comprehensive and effective prevention and control system.

2. Deep analysis of the causes of economic crimes involving multiple parties

2.1. The superposition of capital profit seeking and market failure

Due to the combined pressure of stable growth policies and the prevalent wealth anxiety in society, private capital faces a contradiction between limited investment channels and high return demands. The formal financial system is subject to strict regulation, such as consistently low bank deposit interest rates and high investment thresholds for private equity funds, making it difficult to meet the return expectations of some investors. On the contrary, multi stakeholder crimes usually attract investors by promising to break even and offering high interest rates, with annualized returns mostly exceeding 15%, significantly higher than the returns of compliant financial products, thus directly exploiting investors' speculative psychology. At the same time, there are regulatory gaps in some emerging economic fields, especially in the early stage of the development of Internet finance, and there is a lack of clear access standards and business norms, which leads to opportunities for criminals to exploit loopholes. For example, some P2P lending platforms, under the policy of "innovation trial and error", nominally act as information intermediaries but actually engage in credit intermediary business, ultimately becoming tools for illegal fundraising.

2.2. The catalysis of group blind obedience and trust alienation

The widespread spread of such crimes is driven by the "herd mentality" in the group mentality. Criminal organizations often use recommendations from acquaintances, fabricated success stories, and false authoritative endorsements to intentionally create an unreliable trust relationship, such as forging government documents or hiring celebrity endorsements, making individuals' risk judgments a false sense of "everyone is safe if they participate". In addition, even if some investors realize the risks, they will still engage in speculative "passing the buck" behavior, and even actively invite family and friends to participate, forming a vicious chain from voluntary participation to loss expansion, and then to maintaining group emotions[1]. It should be noted that the elderly population, due to their strong sense of social loneliness and weak digital skills, are easily targeted for emotional marketing. Criminals often lure them by providing free medical examinations or pretending to care for them, making this group particularly common in crimes such as pyramid schemes and pension fraud.

2.3. The dual dilemma of multi head management and technological lag

At present, China's regulation of multi-party economic crimes shows a clear "fragmented" characteristic. Specifically, the financial regulatory authorities are mainly responsible for the compliant operation of licensed institutions, while the market regulatory authorities pay more attention to enterprise registration and formal examination, and the public security departments generally wait until the actual occurrence of a crime to carry out law enforcement. There is a lack of efficient information sharing and collaboration mechanisms among these departments, resulting in many regulatory gaps[2]. For example, in some cases, criminal gangs first completed registration in the name of "technology company" in the market supervision department, and their business scope used vague terms such as "technical consultation", and then turned to the Internet platform for illegal fund-raising, until the capital chain was broken before entering the criminal procedure, which reflects the substantive lack of early supervision. At the same time, criminal methods are increasingly being upgraded with the help of new technologies such as big data and virtual currencies, such as using blockchain to confuse the flow of funds and promoting false investment projects through live streaming sales. In contrast, regulatory technology updates are slow, and mechanisms for fund monitoring and online public opinion warning are lagging behind, making it difficult to achieve the

regulatory goals of "early detection and early blocking".

2.4. Insufficient adaptation of crime and punishment and difficulty in execution

The current law still lags behind in the governance of economic crimes involving multiple parties, mainly manifested in three aspects: firstly, the definition of charges is not clear enough, and the distinction between the crime of illegal absorption of public deposits and the crime of fundraising fraud is mainly based on the subjective element of "illegal possession purpose". However, in judicial practice, due to insufficient evidence, such crimes are often classified as lighter charges[3]; Secondly, the deterrent effect of sentencing is limited. Some criminals adopt the approach of "admitting minor crimes to avoid severe punishment", such as claiming that fundraising fraud is an illegal absorption of public deposits to reduce criminal liability. At the same time, the assets involved are often transferred overseas or used for personal extravagance, making the recovery work very difficult; Finally, the civil relief mechanism is clearly insufficient, and the compensation ratio obtained by victims through criminal incidental civil litigation is generally less than 10%. In addition, the influence of the "criminal first, civil later" procedural principle has led to some cases being tried for several years, further exacerbating social conflicts.

3. Systematic prevention and control path for economic crimes involving multiple parties

3.1. Strengthen source governance and risk education

To broaden formal investment channels, we should accelerate the development of an inclusive financial system, encourage the banking industry to launch more diverse wealth management products, and promote the expansion of compliant private equity funds and real estate investment trusts, thereby reducing the dependence of private capital on high-yield financial traps. At the same time, it is necessary to strictly regulate the Internet financial access mechanism, implement penetrating supervision on new areas such as online lending and virtual currency transactions, and resolutely prohibit the evasion of financial supervision in the name of financial innovation.

In terms of promotion, high-risk groups such as the elderly, students, and small and micro business owners should be targeted. Through community lectures, short video case analysis, and simulated court demonstrations, the financial knowledge that high returns always come with high risks should be repeatedly explained, and it should be emphasized that only talking about returns without mentioning risks is fraud[4]. In addition, it is necessary to establish a warning list for economic crimes involving multiple parties, including shell companies that frequently change their registered locations and enterprises involved in multiple complaints, and timely release risk warning information to the public through government platforms.

3.2. Improve collaborative governance and technological empowerment

A cross departmental collaborative linkage platform should be established, under the unified leadership of local governments, to integrate data from multiple departments including financial supervision, market supervision, public security, and cyberspace administration, and build a monitoring system for economic crimes involving multiple stakeholders. The system should focus on monitoring abnormal fund flows, such as a large number of individual accounts transferring funds to one account in a short period of time; We also need to pay attention to the phenomenon of high-frequency change registration, such as multiple changes in business scope within a short period of time; And false propaganda clues, including the content of exaggerated income commitments on the Internet, to realize early detection and early warning of economic crime risks.

In terms of improving regulatory efficiency, it is necessary to use big data analysis to summarize crime patterns, including sorting out fraud rhetoric and fund transfer paths of similar cases; Identifying suspicious transactions through artificial intelligence, such as abnormal on chain fund flows in virtual currency money laundering. At the same time, a system that combines electronic business licenses with business behavior traceability should be promoted, requiring companies to publicly disclose the specific use of funds and the authenticity of project commitments, in order to facilitate real-time verification and dynamic supervision by regulatory authorities[5].

3.3. Optimization of Legal Application and Strengthening of Recovery and Loss Mechanism

We should further refine the standards for legal application, especially clarify the rules for distinguishing between the crime of illegal absorption of public deposits and the crime of fundraising fraud. For example, behaviors such as "fictitious projects", "concealing the true purpose of funds", and "withdrawing funds" can be recognized as having "illegal possession purposes", while raising the quantitative standard for "serious circumstances", such as setting a more severe punishment for cases involving more than 50 million yuan or more than 1000 victims. In response to new types of crimes such as online pyramid schemes and virtual currency fraud, corresponding judicial interpretations should be promptly introduced to make up for the shortcomings of the existing legal system.

In the aspect of recovery of stolen goods and recovery of damages, we should establish a rapid freezing mechanism for assets involved in the case, and comprehensively seal up the real estate, financial accounts, equity and other assets of the suspect and his related persons in the investigation stage, so as to effectively prevent asset transfer. In addition, it is possible to establish a pre disposal procedure for assets involved in the case, such as auctioning virtual currencies, inventory, and other assets that are prone to depreciation in advance, in order to recover as much loss as possible for the victims. For accomplices who voluntarily return the stolen goods and actively cooperate with the investigation, they can be dealt with leniently according to law, which can encourage more people to return compensation and cooperate with the recovery of the stolen goods.

3.4. Cultivation of Rational Investment Culture and Construction of Diversified Governance Ecology

Financial institutions should be encouraged to actively fulfill their social responsibilities and strengthen risk warnings for behaviors such as large transfers and abnormal account opening. Relevant industry associations should formulate self-discipline conventions, prohibit member units from participating in illegal fundraising and illegal promotion activities, and establish a blacklist sharing mechanism. At the same time, it is necessary to guide the media to objectively report on economic crime cases involving multiple parties, avoiding excessive promotion of the "myth of sudden wealth" and affecting public values[6]. It is necessary to further expand the channels for public reporting, such as through the establishment of high reward funds and other measures, to increase the enthusiasm of the public to participate in supervision, and ultimately establish a social governance situation of "anti fraud for all".

4. Conclusion

As a concentrated reflection of social contradictions in the economic transformation stage, the governance of public related economic crimes should go beyond the previous single mode of focusing on criminal strikes after the event and turn to the whole process governance system including prevention, monitoring, punishment and coordination. Only by building an economic diversion mechanism, promoting technology enabled regulation, improving the legal system, and strengthening

social collaborative governance can we fundamentally curb the breeding space for crime and effectively safeguard public property safety and social stability. In response to the continuous deepening of financial innovation, the prevention and control mechanism also needs to maintain dynamic evolution and iterative optimization, in order to continuously enhance the early warning sensitivity and governance response capabilities to new criminal patterns.

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