6. ANALYSIS BY OFFENSE CATEGORY

This chapter presents the trends in eight out of the eleven categories of offenses examined in NCS 2005. It also offers an analysis of homicides, which are not included in the NCS. The eight types of offenses are divided in two groups:

1. Contact crime (in which the victim had a contact with the offender):
   - Intentional Homicide
   - Robbery

2. Non-contact crime (in which the victim did not have a contact with the offender):
   - Car theft
   - Theft from car
   - Bicycle theft
   - Burglary
   - Attempted burglary
   - Pickpocketing
   - Personal property theft

In addition to this data, there is a short review of crime against business. Wherever possible, four types of comparison have been made with statistical data from:
   - The Ministry of Interior;
   - Foreign police services (collected by Interpol or UNODC);
   - Previous National Crime Surveys (from years 2002 and 2004);
   - International victimization surveys (ICVS/EUICS).

6.1. Intentional Homicide

This crime category is analyzed only through police statistics as it is not part of the victimization surveys. Homicide data offers an additional perspective on what happened in the country after the rapid rise of crime since the early 1990s. Unlike other crimes, virtually all homicides are registered in the MoI statistics. As a crime category, homicide has not been influenced by the methodological changes in 1991 and 1998, which is why the intentional homicide rate is a good indicator of the national crime situation.

62 Appendix 2 contains data for the other three crimes.

63 The provided data includes only completed intentional homicides, or what is categorized in the United States as “murder”. Cases of manslaughter (killing of another person as a result of legitimate self-defense or due to negligence) are not included in the analysis. In 2002 there were only 2 cases of manslaughter in self-defense and in 2005 there were none (MoI data presented to CSD). Cases of homicides as a result of transport accidents are also not included. Attempted homicides are also excluded. Throughout the text the terms “homicide” and “murder” are used as synonyms.

64 It is possible that due to corrupt practices by health officials some of the murders are registered as suicides, but this should not change significantly the overall statistics.
The historical review of the dynamics of homicide shows several distinctive trends. Until the 1990s, the average annual number of murders was 185. Along with the overall crime growth and the socio-economic crisis in the period 1991–1993, the number of homicides grew and had its peak in 1994 when it reached the record 500 killings. During this period, the homicide rate was about 6 per 100,000 people—nearly four times as many as the EU average (in the period 1999–2001 the EU rate was about 1.6 per 100,000).65 A steady decline in homicides began after 1994. In 2005 the number of homicides in Bulgaria was 177, the fewest since 1987.

When analyzing homicides, it should be taken into account that in the late 1980s the country had a population of almost 9 million, while in 2005 it was less than 7.5 million. Thus, the level of murders in 2005 was 2.4 per 100,000, which is lower than that in 1990 (2.7 per 100,000) and is very close to the rate from 1988, which was 2.34 murders per 100,000 people.

The homicide rate provides a good opportunity for comparing Bulgaria with other countries. International police statistics show that the level of murders in Bulgaria is above the European average. A comparison between Bulgarian and EU data for the years prior to 1990 changes the image that many Bulgarians hold of the country as an “island of tranquility” in contrast to West European countries. In 1990 the average homicide rate in Western Europe66 was about 1.5 per 100,000 people, whereas the Bulgarian average in the 1980s was about 2.1 per 100,000 people.

Despite the relatively high overall murder rate and a number of public contract killings committed with firearms in the period 2000–2005, Bulgaria’s firearm homicide rate significantly declined in between 2000–2005, which drew Bulgaria closer to the average European

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level. In 2004 the coefficient dropped down to 0.27 per 100,000 people, lower than the level of many EU countries. In 2005, although it rose to 0.34, it was still comparable to many EU member states. The level of firearm homicides has declined significantly in comparison to previous years (1998–2003) when it varied between 0.49 and 0.81 per 100,000 of population. In that period the firearm homicide rate was almost twice the average European level and way above UK’s or Romania’s rate.

The decline of firearm homicides is difficult to explain. Previous studies of the Center for the Study of Democracy show that in those regions of Bulgaria with greater numbers of registered firearms per capita, more crimes with firearms are committed. Meanwhile, in the last five years there was a continuous growth of the number of registered arms amongst the population.\(^6^7\) Although the majority of killings or other crimes involving firearms are done with illegally possessed guns, some of the crimes are committed with registered guns, which is why crimes committed with firearms are more numerous in districts with relatively more firearms per capita (e.g. Sofia, Lovech, and Haskovo).\(^6^8\)

### 6.2. Robbery

Police data and NCS findings outline similar trends in the dynamics of robberies in the country. There was a growth of robberies in 2003

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\(^{67}\) Rynn, S., Gounev, F. and Jackson, T. (2005), *Small Arms and Light Weapons in Bulgaria*, SEESAC, Belgrade.

\(^{68}\) Rynn et al. (2005).
as against 2001 and a decline in the period 2003–2005, which were registered both by the victimization survey and the police (figure 28). However, research shows that robbery is the crime for which the gap between police records and NCS findings is widest. The survey question was: “Have you been robbed of any property through use of violence or threat in the last five years? Has anyone attempted to rob you?” NCS reveals a nearly four times greater incidence than police records (figure 28).

One reason for the small number of police-recorded robberies is again the high level of non-reporting—the proportion of victims reporting to the police in 2003 was only 33%, and in 2004 it was even less—28%. Still, registered crimes should have been at least twice as many as those that the police had recorded. Such disparities are somewhat worrying, given that threat and violence during robberies are very common and that such serious crimes should be scrupulously investigated. The reluctance to invest greater effort makes police officers record only a small proportion of robberies. The police use a range of filtering strategies—discouraging victims from reporting a crime or ostensibly recording an incident but without making an official entry in the police records. With robberies, the police also employ the strategy of registering the case as a pickpocketing incident when the value of the stolen property is low or there was limited level of violence involved.

**International Comparison**

International victimization data shows that the rate of robberies per capita in Bulgaria is much lower than the average for Europe. In figure 29b the question “Have you been a victim of robbery in the last five years?” does not give a clear indication of the number of victims for a given year, but the data is fairly representative and allows a better international comparison.

Robbery is a damaging crime inflicting various losses to citizens. As NCS 2005 shows in 2004 the cost of stolen property amounted to €0.65 million. There are damages inflicted by such crimes, however, that are

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69 Data obtained on an annual basis should be analyzed with caution due to the small number of victims of this crime in the sample.

70 The 1,200 sample used does not provide enough cases to adequately analyze solely 2004 data.
much harder to calculate, as for instance medical expenses, psychological or emotional trauma.

**Box 2. Reduction of mobile phone thefts through public-private partnership**

About a third of robberies in the UK involve the stealing of mobile phones, so in the last two years the police have taken special measures to reduce those incidents. These measures could be applied in Bulgaria as well. The essential first step is to establish a shared database for stolen mobile phones. In case of robbery or theft, the victim calls his/her network operator to report the SIM card number and the IMEI number of the stolen phone. The mobile operator then blocks the SIM card and enters the IMEI number in the database accessible to all mobile operators in the country. In this way the phone is cancelled similar to a stolen credit card. It is worthless and non-sellable in the country because every attempt to insert a new SIM card in it will be recognized and automatically blocked by the mobile operator. However, the change of IMEI without authorization from the manufacturer should be prohibited, as should be the possession, supply or marketing of any equipment that can be used for re-programming mobile phones. In the UK, such offences are punished by five years of imprisonment, fines of any amount, or both. (UK Home Office)
6.3. Car Theft

Both police data (figure 25) and the NCS record a decline in the number of car thefts for 2005. Nevertheless, in all the three periods compared, car thefts registered by the police were less than those recorded by NCS. Non-reporting is not the only factor that can possibly explain the difference, as 96% of the victims state that they sought help from the police. Influence by police filters is also unlikely because, with this crime, police officers easily risk being caught concealing data.

The differences between NCS and police data can partly be explained by the fact that a portion of the stolen vehicles is recovered through private negotiation with the thieves. Respondents state that in the period 2004–2005 around 55–58% of stolen vehicles have been found, whereas police statistics shows a 14 to 16% recovery rate. The most likely explanation is that 31% of the victims were asked to pay ransom and 56% of them paid it. Ransoms are mostly demanded from owners of uninsured cars. It can be surmised that the difference between the recovery rates cited by respondents and the police is due to the fact that in the last five years, about 1/3 of the cars were stolen for ransom and that even after recovery by the owner, the police still considers the case not cleared-up, which in the police statistics is identical to “not recovered”.

NCS results make it possible to estimate the market of stolen vehicles and the profits it generates. Police data, which register 6,000 to 7,000 stolen cars a year, could be taken as the minimum and NCS findings (8,000–9,000 cars per annum) as the maximum number of car thefts. According to NCS, the average value of a stolen vehicle is about €3,050–3,100, while the average price of a car ransom is €1,100. Thus,

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71 Minivans and trailers are also included in the car category. In 2004 motorbike owners were asked whether their motorbike had been stolen, but due to the small sample these thefts could not be adequately covered, so no questions about motorbike thefts were included in the 2005 survey.

72 The comparison between the police-registered car thefts and NCS data on an annual basis is problematic due to the small sample. A possible solution when analyzing them is to compare the data over a five-year period (the answer to the question “Have you or a member of your household been a victim of a car/van/truck theft in the last five years?”) and to calculate an average for the period. In this way the sample will include a larger number of cases, but even then only the trend could be captured, and not the absolute number of thefts. The same approach has been used to police data. The data for 2005, for instance, are commensurate with the average annual values from the previous five years (2000–2005).

73 This evaluation cannot include thefts from Bulgarian citizens living abroad and coming back for a short period of time, from foreigners coming to the country to visit friends, etc.

74 Crime experts confirm this data. They believe that the average ransom is between €750 and €1,250. There are higher ransoms reaching €3,500 to €4,000 for cars priced more than €15,000, but these cases are very rare (interviews with police officers, 9 February 2006).
the total market value of the stolen vehicles would be between €24 and €27 million. The profit from ransoms is about €1.25–1.75 million per annum. Cars for which no ransom is demanded are probably exported or else their spare parts are sold at home. The total cost of car theft to owners amounts to €10–12 million per year.

Car thefts should also be analyzed in historical perspective. In the early 1990s, this type of theft was widespread. On average, 25% of the imported cars in 1992 were stolen, while in 1997, when Bulgaria was hit by a severe economic crisis, their share reached 35.5%. According to police statistics, in the period 1992–1996, the average annual number of stolen cars was 15,000 (figure 31). Considering that a large number of cars are recovered via bargaining through criminal networks, the number of stolen vehicles in that period has probably been even higher. With the decline of the organized crime run racketeering, the car theft rate has steadily been falling, with the exception of a minor rise between 1999 and 2001.

International Comparison

With the establishment of the Schengen area and the growing freedom of movement of East Europeans in the 1990s, there was an increase in car thefts in Western Europe. This trend persisted until 1993 and was followed by a gradual decrease due to changed car insurance requirements and tougher police measures throughout the EU and Eastern Europe, where the demand for stolen cars was greatest. In Western Europe, car thefts are also mainly an organized crime business. Europol estimates that each year Eastern Europe imports about 700,000 stolen cars, by which the annual gains of organized crime reach about €10 billion (where the estimated average value of one car is €15,000). The majority of the vehicles are traded in Russia, but a huge part of them are still exported to other East European countries. The main stolen car channels originate in Belgium, Germany, France and Italy to supply Southeast Europe, including Bulgaria.75 Bulgarian organized crime in Spain has become synonymous with “car-theft rings”, although the number of Bulgarian organized crime groups and suspects has gradually increased between 2001 and 2004.76

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**Figure 31. Vehicle thefts (1992–2005)**

![Graph showing vehicle thefts from 1992 to 2005.](Source: MoI)
International comparison of car thefts faces two methodological problems related to measuring the share of households possessing a car and the age of these cars. International police statistics cannot be used since it does not take into account the fact that in countries like Bulgaria the share of car owners is smaller (figure 32b). Victimization surveys, however, count the victims in relation to the number of vehicle owners (figure 32a). Regarding the average age of vehicles, in the EU it is 7.4 years, while in Bulgaria it is 13.6 years (figure 33). Only 10% of the cars in Bulgaria were manufactured less than five years ago, i.e. belong to the group of vehicles most attractive to thieves. The precaution
measures taken by car owners or the police, e.g. security alarm systems, GPS tracing systems, etc., are another factor that deters car thieves.

Besides the positive trends in Europe, there are two purely economic reasons for the decline of car thefts in Bulgaria. One is the car market saturation due to the growing import of second-hand cars after 2001. The other is the falling demand in markets like former Yugoslavia, Albania and the former USSR, which have coped with their car deficit in the last couple of years.

6.4. Theft from Cars

The gap between police and victimization survey records is quite high where theft of personal items or spare parts from cars is concerned. The households that have been victims of this type of crime are four times as many as the thefts registered by the police (figure 29). If the cases when respondents state to have been victims of more than one theft are counted, it could be concluded that their approximate number in 2004 was 100,000. When comparing prevalence and incidence, it is noticeable that the number of crimes increases because about 1/3 of households become a victim of such thefts more than once. In addition, about 2/3 of car owners that were victimized in 2005 had already been victimized between 2001 and 2003. Most probably, the perpetrators of this type of crime target specific groups of vehicles in specific areas. Therefore, preventive measures to protect the groups that are at highest risk of such thefts are very likely to improve the situation.

Almost half of the cases (48.7%) of stolen items from a car are audio/CD players. The second most attractive type of objects are spare parts: tires and wheel rims (9.2%), batteries (6%), mirrors (5.2%), lights (3.7%) and others (8%). The overall value of the stolen items is estimated at €8–8.5 million with an additional €4.5–5 million for the damages caused.

NCS findings indicate that underreporting of thefts from cars continued to increase in the last two years. While in 2004, 55% of the victims did not report thefts from cars to

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78 Prevalence rates are the percentage of respondents who experienced a certain crime once or more in a given period of time. Incidence rates express the number of crimes experienced by each 100 people in the sample for the year preceding the survey. These count all incidents against victims who may have experienced more than one incident during a given year.

79 The estimated average value of the stolen parts and property is €82–85, while the average value of the damages according to the victims is about €45–48.
the police, in 2005 their share rose to 62%. Meanwhile, the police continue the practice of not registering all the reported thefts from cars. In 2004, about 30–35,000 of the thefts reported by victims were not registered by the police. However, in comparison to 2003, there is a decrease in the number of unrecorded thefts from cars. Nevertheless, this fall should be viewed against the overall decrease of this offense paralleled by growing underreporting which put lesser pressure on the police to find ways of not registering thefts from cars.

Unlike other offense categories, the volume of thefts from cars in Bulgaria is above the European average. In Bulgaria, about 5.9% of car owners are victims of theft from their cars. In Europe, the average is 5.1%, while in countries like Germany and Hungary those values are half of that. As stolen car parts are quite often resold, this type of crime is best prevented by restricting such marketing possibilities.

6.5. Burglary

Burglary continues to be the most politically sensitive crime in Bulgaria. This type of crime has had and continues to have the most significant impact on a large number of households. For the last 15 years, between 50% and 70% of Bulgarian families have become victims of burglary or other theft from the house. The decrease of burglaries contributed significantly to the overall reduction in recorded crime. The data obtained in the three NCS corroborate the trends registered by the police during the period 2001–2004 (figures 36 and 37).

Contrary to the police-registered decrease in the level of burglaries, the NCS finds that between 2004 and 2005 there has been a slight increase in burglaries (figures 36 and 37). The discrepancy in the trends

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80. In the Bulgarian text “burglaries” is inclusive of all “thefts from homes” because the ICVS question asked comprises several offense categories of the Bulgarian police.

81. The evaluation is made on the basis of MoI data and victimization survey findings in the period 1997–2005.
may well be explained with the growing number of unreported crimes. As NCS 2005 finds out, in 2004 nearly 75% of citizens reported burglary of their homes to the police, whereas in the first eleven months of 2005, the share of reporting burglary victims dropped to 53.1%.

**Figure 36. Share of households victims of burglary (%)**

![Graph showing share of households victims of burglary over years](source: Vitosha Research–NCS)

**Figure 37. NCS and police-registered burglaries**

![Graph showing number of households victims of burglary and burglaries registered by police](source: Vitosha Research–NCS; MoI)

NCS findings also point to the damages caused by this type of crime. In 2003, the average value of stolen and damaged property was calculated at about €450 per offense. In 2004, it was estimated at €300, whereas the value of damaged property was €110 per offense. Thus, the total value

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82 The 2005 data are an estimate based on records for the first eleven months.

83 Comparisons with police statistics should take into account the fact that some burglaries have not occurred at people’s homes.
of the stolen and damaged property in 2004 was between €20 and €30 million (€7.5–10 million of which account for the damaged property). Attempted burglaries also inflict damages. Their estimated cost for 2004 was approximately €0.77 million. The types of possessions most frequently stolen by burglars are household appliances, cash, valuables and clothes (figure 38).

International comparison of burglaries shows that the victimization level in Bulgaria in 2004 was 3.0, while the average level in the other 18 countries researched by EUICS was 3.4 (figure 39). This places Bulgaria amongst the countries with a relatively low risk of burglaries.

Comparisons may be drawn for attempted burglary as well. Generally, a large share of attempted burglaries suggest that homes are well protected by security devices and the police are fast to react, so that burglars fail to gain entry and the crime is registered only as an attempt.84 In the United Kingdom for example, about 60% of the homes are equipped with security alarm systems and the ratio between attempted and successful burglary is 1:1. In comparison, in Bulgaria, where merely 3% of the households have a security alarm system, the ratio is 1:2.

Apart from burglary and car theft, ICVS collect data about a third group of thefts, which are regarded by most citizens as petty crimes. They include bicycle thefts, and the more general category of theft of personal belongings. According to NCS, there has been a decline in this type of crime for the last four years, except for bicycle thefts.

Theft of personal property refers to a quite diverse group of offenses, so for the sake of comparison, pickpocketing was singled out. Pickpocketing is defined as an incident where the victim carries the items that are later stolen, e.g. wallets, handbags, jewelry, etc. This crime is also typically the least reported—about 73% of the victims did not seek help from the police. Comparison with police data demonstrates that pickpocketing incidents recorded by the police are five to six times fewer than the number of reported incidents (figure 41). This shows that police filtering strategies are applied most pervasively with this type of offenses.

For methodological reasons, the comparison of victims of pickpocketing across countries is done by comparing the prevalence rates for a 5-year period. Two different trends have been captured for European countries (figure 42). While in western Europe there has been a growth of pickpocketing between 2000 and 2005, in countries like Bulgaria and Poland it has been on the decline. For example, in Bulgaria there was an almost twofold decrease according to NCS—in 2001, 14.5% of respondents stated that they had been a victim

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85 These two types of theft differ. In the case of pickpocketing respondents are asked whether they were carrying the stolen possession—wallet, handbag, etc. Theft of personal belongings occurs outside the home, e.g. items left on the beach or in the street.
of pickpocketing, while in 2005 their share was 7.3%. The comparison between Eastern and Western Europe supports the hypothesis of “crime export” developed in section 3.4. Some countries like Austria and Greece have reported the participation of Bulgarians in pickpocketing incidents. Some Bulgarian crime experts believe that only the youngest children of well-known Roma pickpocket clans have remained in Bulgaria (notably, to be trained in pickpocketing).

The level of bicycle thefts has been relatively steady for the past five years—about 1% of respondents have been a victim of this type of crime (figure 40), which they define as moderately serious or serious. About 30% of households in Bulgaria possess at least one bicycle. 12.4% of the bicycle-owners have been a victim of bicycle theft in the period 2001–2005. This means that in the studied period, one in eight bicycles was stolen. Most probably there is a well-developed market for stolen bicycles that has not been seriously affected by police actions in the past five years. Since this crime concerns a third of Bulgarian households, the police should take better preventive measures against bicycle theft, mainly by targeting the market for stolen bikes.

Thefts of personal property incurred costs. According to NCS 2005 data, the total value of stolen bicycles in the preceding year 2004 was nearly €1 million. The cost of stolen property from pickpocketing incidents was almost €8.5 million.

6.7. Business Victimization

Several specifics of the business victimization analysis need to be explained. First, the Bulgarian police do not record crimes against companies or legal entities separately. Instead, they use a category called “economic crimes”, which includes a wide range of financial and administrative offenses against companies, organizations and state institutions. Although the police record whether the victim is an individual or a legal entity, this information is not processed and is not presented in a form that

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86 According to the Austrian police, in 2005 alone 540 Bulgarian pickpockets were arrested in Vienna (“Bulgaria Makes a Last Attempt to Stop Child Pickpockets in Europe”, Sega, 14 February 2006). It is not clear, though, whether the pickpockets held might have been fewer in number, while detained several times.

87 Interviews with criminal police offices in ten local police departments (July 2005).
could make it possible to assess crime against companies. This study provides an opportunity to identify the crimes that affect the companies most seriously.

Crime against businesses differs from crime against individuals and households also with respect to the factors that influence its level. Socio-economic and demographic factors, as well as police actions, can only partially account for the dynamics of crime against business. For example, the number of males in the high-risk age group (15–29 years old) or unemployment may influence various types of theft, robbery or violence, but they could not be used to account for, say, fraud by employees.

Due to these characteristics, the business crime survey, which followed the methodology of the 2000 UNICRI survey, focused on crimes different from those considered in the case of individuals and households.

**Figure 43. Business victimization (%)**

![Graph showing business victimization percentages](image)

*Source: Vitosha Research–NCS*

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88 The 2000 UNICRI survey covered only companies based in Sofia, so a comparison between 1999 and 2005 levels of crime against business is only possible for those companies. The second figure (b) presents estimates of the crime level in 2005 in Sofia based on the reports of victims for the first nine months of the year.
The business crime section of the NCS does not include questions on bicycle/motorcycle theft or pickpocketing, but it includes some additional crimes:

1. Frauds by employees or outsiders;
2. Thefts by customers or employees;
3. Threats, extortion and racketeering;
4. Vandalizing of property.

Corruption and crimes related to corporate governance (for instance, issues related to disregard of the interest and rights of minority stakeholders by managers or majority stakeholders) are topics that have been analyzed by CSD in other studies\textsuperscript{89} and are not dealt with in this report.

6.7.1 Frauds and Thefts by Customers and Outsiders

Frauds and thefts by customers and outsiders are amongst the most common crimes against business. However, there has been a significant decline in both types of crime in the period covered by this report. This trend coincides with the decline in frauds\textsuperscript{90} and thefts against individuals and households. While in 1999 the share of companies based in Sofia that were victims of fraud by outsiders was 25.6\%, in 2005 it dropped to 17.9\% and was 11.7\% for companies throughout Bulgaria. Smaller companies are more vulnerable to this type of crime.

There is an even bigger decline in thefts by outsiders and clients. In 1999, about 17.5\% of the businesses in Sofia were victims of theft by outsiders or customers, while in 2005 their share dropped to 7.9\%. The nationwide proportion of companies that became victims of such thefts was 8.4\%. Companies from the restaurant and hotel sector are at highest risk. They are 2.2 times as likely to be victims of this crime as the rest of business sectors. Another high-risk group of companies are wholesale traders (1.8 times more likely to be victims) and retailers (1.3 times more likely)

Another crime for which declining values were recorded is burglary. In 1999, the share of businesses that were victims of burglary in Sofia was 13.2\% (while in 2005 they were 12.3\%) with 6.5\% overall for the country. This decline is reflected in the way victim companies regard burglary. In the year 2000, 39.1\% of them defined burglary as the crime with the most disastrous effect on their business. In 2005, the share of


\textsuperscript{90} This report does not analyze in detail frauds against citizens. NCS 2005 did not include questions on this topic, either. In NCS 2002 and NCS 2004 respondents were asked the following question: “Have you been a victim of consumer fraud in the last calendar year (2001 or 2003), i.e. when buying goods or services have you been cheated about their quality or quantity?” The findings indicated a significant decline: from 30.7\% in 2001 to 22.4\% in 2003. It is likely that consumer fraud has continued to decrease during 2004 and 2005 and has approached but remained above EU levels (For the 18 countries surveyed in EUICS the prevalence of consumer fraud is 11.9\%).
companies that described it as the most serious crime against them was 32.6%. Despite this decline, burglary remains the crime that inflicts the greatest damages on business.

Small businesses with up to 10 employees are most vulnerable to burglary, having an odds ratio 7.2 times as high as that of bigger companies. The likelihood for companies that have 11 to 50 employees is 9.3 times as high. As to the type of business, wholesalers have an odds ratio of 4.7 followed by retailers (2 times as likely to be victims of burglary).

The survey found out that insured companies are at a high risk of burglary due to either the relatively wide spread of insurance frauds (i.e. staging fraudulent burglaries to collect insurance payment), or the fact that companies that buy insurance do so precisely because they are at a higher risk.

### 6.7.2 Frauds and Thefts by Employees

Employee fraud is among the offenses that have been on the increase. It mainly affects larger companies (figure 44). This finding is demonstrated by the results of an international crime business survey conducted by PricewaterhouseCoopers (PWC), which also captured a rise in fraud in larger companies (with more than 200 employees) in the period 2001–2005.91 The PWC survey finds several reasons for this trend. First, responsibilities in big companies are divided among a greater number of people, which provides individual employees with greater anonymity. Quite often employees do not consider their actions harmful to the organization, as they don’t believe such actions could have a significant effect. In addition, the financial operations and transactions at large companies are quite complex, which makes the companies more vulnerable. Another risk is that such companies often venture into new, unknown markets (local or international). On the other hand, larger firms have well-developed internal control systems and risk management strategies, which increases their chances of revealing the frauds (and reporting them in the survey).92

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92 Ibid., p. 6.
As far as theft by employees is concerned, victimization among Sofia-based companies has fallen. In the period 1999–2005, the share of victims dropped from 3.9% to 1.1%. However, this problem persists for businesses in the rest of the country, where the share of victims is 4.5%. This type of crime is more likely to occur within larger companies, especially in the wholesale business.

Crime inflicts a range of serious damages to companies. It places a financial burden on companies far beyond the one directly caused by the criminal incident itself—this burden involves property protection costs, insurance expenses, bribes and financial losses due to reduced productivity or spoilt chances for potential income. The **direct damages alone that companies sustained due to thefts in 2005, are estimated at nearly €50 million.** Fraud, on the other hand, is even more damaging. According to the PWC survey cited above, the average cost of fraud amounts to €150,000. This estimate, however, relates mainly to large companies, which were disproportionately represented in the PWC survey of Bulgaria.
The analysis of crime trends in 2000–2005 and the problems outlined in the present report call for two types of measures:

1. Systematic and professional use of victimization surveys as an additional tool in the formulation and implementation of national crime prevention and law-enforcement policy.

   1. **Annual victimization surveys.** Effective victimization surveys would require much greater resources which should be provided for in the Ministry of Interior budget. Victimization surveys in Bulgaria use a sample of 1,000–2,000 households; in the UK, 46,000 households are surveyed several times per year. Extended National Crime Surveys will provide opportunities for an adequate monitoring of the overall crime situation, rather than just police-registered crime. A private-public mechanism for bringing forward and debating these issues has already been created through the National Crime Prevention Commission.93

   2. **Capacity-building at law-enforcement institutions as regards victimization surveys.** Surveys can be used to extend police analysis by focusing on the victims of crime in addition to their perpetrators. This will enable the development of community and victim-oriented crime prevention and reduction programs. Victimization surveys have been conducted in Bulgaria for nearly nine years, but until recently they have been somewhat sporadic. Thus far, however, they have not been used on a regular basis in the work of law-enforcement institutions.

2. Development and implementation of measures for increasing crime reporting:

   The current criteria for police work effectiveness—the clear-up rate and the number of registered crimes—should be reconsidered to increase the incentive of local police department heads to record all reported crimes. Possible approaches include: public accountability regarding the ratio between reported and registered crimes; introduction of a single registration number for registering reported crimes; awareness-raising campaigns on the ways of reporting a crime and the benefits of reporting. Only in this way could initiatives such as Community Policing practically promote closer contacts between the public and the police.

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93 Decree N° 125 of 24 June 2005 on the Establishment of National Crime Prevention Commission. Art. 5.4 of the Decree stipulates that the Commission “shall propose the implementation of periodical victimization surveys and reports to assess the level of crime and the crime trends in Bulgaria".