

# SCIENTIFIC OPINION

**Prepared by: assoc. prof. Svetla Boneva, Ph.D, CGAP**  
University of National and World Economy – Sofia  
“International Economy and Policy” Faculty  
Department of “International Economic Relations and Business”  
Scientific specialty 05.02.10: “World Economy and International  
Economic Relations”  
Professional field 3.8: “Economy”

**Object of the scientific opinion:** Ph.D thesis in doctoral program “Accounting, audit and analysis” within professional field 3.8. “Economy” at VUZF University, Department of “Accounting, audit and finance”

**Prepared on the ground of:** Order № 88/05.04.2022 of the rector of VUZF University

**Author:** POLINA DIMITORVA KAVRAKOVA

**Title:** MONEY LAUNDERING IN THE NON-FINANCIAL SECTOR (MECHANISMS. DIAGNOSIS. PREVENTIVE MEASURES.)

## **1. Information regarding the candidate and the presented materials in the procedure**

Polina Dimitrova Kavrakova has been a Ph.D students in the “Accounting, audit and analysis” Doctoral program at the department of “Accounting, audit and finance” at VUZF.

The VUZF Center for research and doctoral education has provided the members of the scientific jury with the following documents: the doctoral thesis (dissertation), the annotation of the dissertation, a Declaration of originality signed by the author, a Reference issued by the National Center for Information and Documentation for the citations of the publications of the candidate, a list of the

publications of the candidate, a Reference for the minimal scientometric indicators for the science level targeted by the author and a Reference for the main scientific contributions in the doctoral thesis.

The doctoral thesis consists of an introduction, an exposition in three chapters, a conclusion, a list of references and 1 appendix. The main text covers 177 pages and contains 2 tables, 7 figures, 1 survey, 3 applications. The used literature covers: a total of 247 sources, of which: 61 Bulgarian literary sources, 20 foreign literary sources, 59 normative sources, 28 sources such as reports, transcripts and others related to the topic and 79 Internet sources.

## **2. General characteristics of the doctoral thesis**

The first chapter examines the nature and mechanisms of money laundering, outlines the stages of the process, explores ways to generate funds through the money laundering process and examines the effects of money laundering for the economy. This part of the thesis clarifies the concept of "money laundering" according to various national and international sources and makes a proposal for an own definition of the author for "money laundering". The three phases of money laundering are analysed - placement, layering and integration, as well as the specifics of money laundering techniques for each of them. The main ways to generate funds through the money laundering process have been studied. Predicate crimes as a means of combating money laundering have been also discussed. It has been clarified how the results of the work of investigation authorities, prosecution authorities and the court affect the prevention of predicate offenses. The tendency to increase the control of this type of acts has been followed and data on the amount of confiscated property in favor of the state have been revealed, which had been provenly acquired with funds from committed crimes. The conclusion is that in the last years there is a tendency of increasing numbers of convictions and amounts of confiscated property, which is a result of the adequate national measures for combating the money laundering process.

The second part of the dissertation examines the development of the legislation for money laundering prevention, the methods and means at EU level and in the national legal system. The chapter also examines the organizational structure and powers of the authorities in charge of controlling the money laundering measures.

It is recommended that money laundering supervisors should rely not only on remote methods, but should also undertake on-the-spot checks, especially when the risk is high. It is also recommended that when carrying out inspections, the control bodies should rely not only on documents presented by the inspected persons, but should also do their own inspection to establish the accuracy of the provided information. The recommendation of FATF addressed to the Member States have been also discussed.

The third chapter of the dissertation offers an analysis of the indicators that non-financial sector entities should apply to diagnose and analyze their customers and the complex inspection as a preventive measure that combines all other preventive

measures. The chapter presents the results of a survey of 252 people on the general public awareness of the measures taken at the national level in the fight against money laundering.

The research topic is contemporary and important within the context of the current challenges for today's world economy. The doctoral thesis stands out with well formulated research questions, research objectives and research tasks, clearly corresponding to the research topic. The literature sources are well selected, both Bulgarian and foreign authors' researches are tracked. No critical remarks concerning the structure, contents, style and technical design of the thesis – they demonstrate an excellent level.

### **3. Evaluation of the research results and research contributions and the importance of the dissertation**

The results of the scientific research and publications of the candidate involve scientific and applied results: analysis, methodologies, evaluations, empirical results, practical conceptions in the above-mentioned main directions of the scientific research of the candidate.

They fulfil the requirements for awarding the doctoral (Ph.D) degree.

The results of the research are clear and precisely formulated and can be used by other researchers, experts, consultants and analysts. The main contributions that could be outlined in this thesis are:

1. The historical follow-up in the development of the legal framework regarding money laundering.

2. A substantiated proposal has been made for the transformation of the National Specialized Administrative Directorate "Financial Intelligence" into an independent body in the state administration, which would lead to improved efficiency of its work.

3. The need to establish in the Member States a harmonized structure of bodies supervising money laundering in order to facilitate interaction between them.

4. Systematization of the actions of a limited number of persons from the non-financial sector to be undertaken by them to identify customers, their owners and their financial channels. Specific indicators and techniques have been proposed to prevent the same groups of non-financial sector individuals from preventing money laundering.

5. The need to develop and adopt a strategy at national level to address public intolerance of money laundering is highlighted.

### **4. Evaluation of the publications**

The 5 publications of the author prove her excellent professional preparation and knowledge regarding the main Bulgarian and foreign authors in the field; application of proper research methods; her ability to formulate adequately motivated conclusions and proper recommendations based on her research.

#### **5. Evaluation on the minimal national requirements**

The materials that have been presented fulfil the minimal national requirements for awarding the doctoral (Ph.D) degree.

#### **6. Critical remarks and recommendations**

No substantial critical remarks to the candidate and his research. I have one recommendation to the candidate – to translate in English (after the end of the procedure for the awarding of the academic degree “Doctor”) and to publish in proper foreign editions his doctoral thesis which is currently written in Bulgarian language and defined in Bulgaria. Thus the research will reach a broader audience.

#### **7. Conclusion**

**The doctoral thesis and the publications presented by the doctoral student POLINA DIMITORVA KAVRAKOVA in the current procedure for awarding the academic degree “Doctor” (Ph.D) announced by VUZF University cover all necessary requirements for the occupation of this academic degree. The publications of the candidate are original and valuable pieces of research, demonstrating the adequate scientific style of their author.**

**All of the abovementioned arguments and facts give me the ground to vote “YES” for the awarding of the academic degree “Doctor” to POLINA DIMITORVA KAVRAKOVA.**

17.05.2022

Sofia

Signature: *С.Бонева*

( *assoc. prof. Svetla Boneva, Ph.D* )