

ECONOMIC DECEPTIONS OF LARGE COMPANIES TODAY

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Abstract: This article analyzes the economic misconduct of large corporations operating in the current global markets, their main forms, and their impact on the economic system. The study highlights widely spread practices such as financial statement fraud, tax evasion, artificial price manipulation, hidden cartel agreements, use of offshore jurisdictions, market manipulation, and “greenwashing” in marketing. In addition, mechanisms that exacerbate economic misconduct, such as weaknesses in corporate governance, pressure on audit oversight, and concealment of beneficial owners, are also examined.

Keywords: Economic fraud, Financial fraud, Offshore jurisdictions, Tax evasion, Transfer pricing, Market manipulation, Cartel agreements, Audit control, Money laundering, Corporate governance, Greenwashing, Financial confidentiality.

Аннотация: В данной статье анализируются экономические махинации крупных корпораций, работающих на современных глобальных рынках, их основные формы и влияние на экономическую систему. В исследовании рассматриваются широко распространённые практики, такие как фальсификация финансовой отчётности, уклонение от уплаты налогов, искусственное управление ценами, скрытые картельные соглашения, использование офшорных зон, манипулирование рынком и «гринвошинг» в маркетинге. Кроме того, рассматриваются механизмы, усиливающие экономические махинации, такие как слабое корпоративное управление, давление на аудиторский контроль и сокрытие бенефициарных владельцев.

Ключевые слова: Экономические махинации, Финансовое мошенничество, Офшорные зоны, Уклонение от налогов, Трансфертное ценообразование, Манипулирование рынком, Картельные соглашения, Аудиторский контроль, Отмывание денег, Корпоративное управление, Гринвошинг, Финансовая конфиденциальность.

In today's global economy, large companies not only contribute to economic growth through production and service provision, but also often seek to make profits through sophisticated and sometimes fraudulent methods. Economic fraud refers to strategies such as using legal and illegal means to reduce tax payments, manipulate financial statements, or deceive competitors. Large companies often use foreign subsidiaries or offshore companies to reduce their tax liabilities. For example, they redirect profits to countries with low tax rates by setting the price of a product or service artificially low or high. This technique is called "transfer pricing" and is widely used by many multinational corporations. As a result, the state budget is deprived of necessary tax revenues. Some companies may artificially increase their income and expenses to better present their financial situation to investors and the public. For example, they may artificially stabilize the price of their shares by inflating profits or hiding losses. This practice, no matter how legal or ethical, is used as a source of short-term profit for some companies.

Large companies may seek to increase market share by excluding or forcing competitors out of the market. This may be done through cartels, price fixing, or other anticompetitive strategies. As a result, consumers pay more and innovation is slowed down. Technology companies maintain market dominance by limiting competitors through the use of patents, licenses, or exclusive agreements. This sometimes serves not to increase economic efficiency, but to strengthen a monopolistic position. Today, many companies are trying to portray themselves as "socially responsible." Of course, such initiatives have their positive aspects, but sometimes it is simply a matter of image. For example, a company conducts a small environmental campaign, but in reality the greatest damage to the environment comes from that company. Or they actively advertise their charitable work, but the working conditions within the company may not be very good. This situation is called "greenwashing" (creating an environmental image) or "social laundering" (hiding social responsibility).

Large companies influence the market by presenting themselves as socially responsible entities, but this does not always lead to real positive results: BP (British Petroleum), although it promotes "Green Energy" projects, is mainly engaged in the oil and gas business. Nestle and Coca-Cola market small environmental initiatives, but do not solve global environmental problems. As a result, consumers have a wrong impression of the company.

In the study of economic fraud, scientific literature, regulatory legal acts and international analysis are important sources. By analyzing the existing literature on the topic, the main directions, solutions and existing gaps in research conducted in this area are identified. In economic research, in particular, the conceptual approaches of such scientists as Sh. Yuldashev, M. Egamberdiev and Bruno Dallago, Bethany McLean are presented.

During the study, the economic fraud of large corporations was studied in various aspects. In this process, the following main trends and observations were identified: Large companies actively use global structures to reduce tax liabilities. For example: Apple, Google and Amazon direct profits to countries with low tax rates. With the help of complex strategies such as "Double Irish" and "Dutch Sandwich", billions of dollars in taxes are not received by the budget.

Indicator / Information	Value / Description
Tax revenue (corporate and personal) that countries lose each year	~ US \$492 billion / year
Corporate taxes lost each year due to "profit shifting" are not paid by individuals, but by large companies.	~ US \$348 billion (2021)
Corporate profits "shifted" in 2017 (global)	\$850+ billion
"Tax haven" (soliq past bo'lgan mamlakatlarga) yo'naltirilgan global foyda — umumiy korporativ daromad ichida ulushi (2022)	6% of global corporate revenue
"Profits Shifted Offshore" and the Tax Revenue Lost Because of It (2020)	Estimated loss of tax revenue due to tax havens of ~US\$200 billion

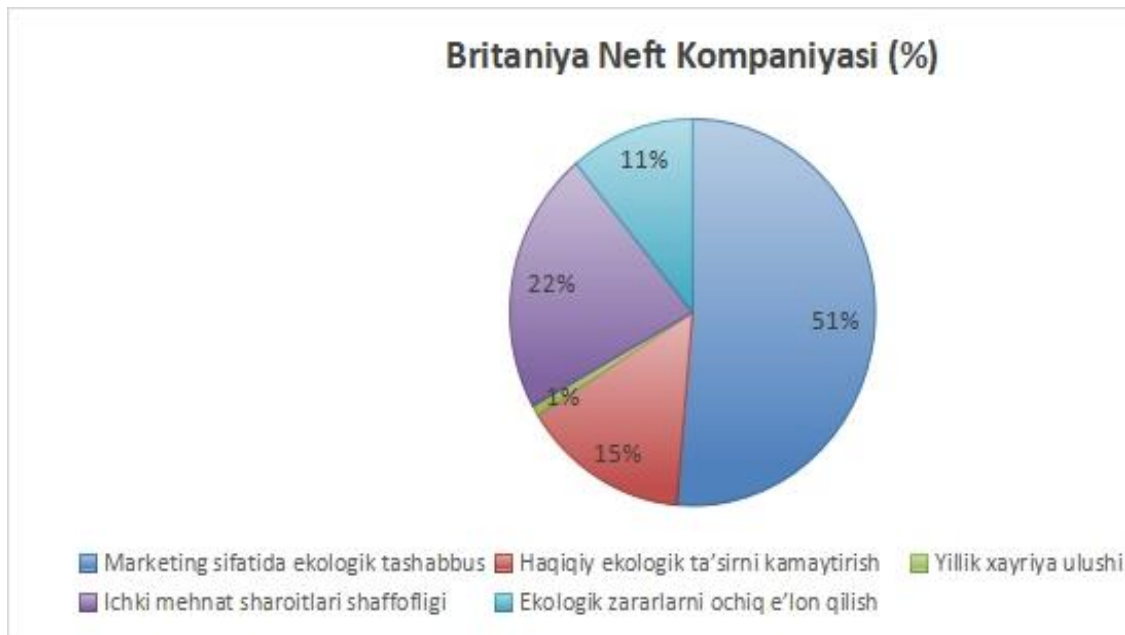
This situation seriously damages government budgets, especially in developing countries. It also increases economic inequality, as small and medium-sized businesses find it difficult to compete with large corporations. By embellishing financial indicators, companies

increase their credibility with investors and the public in the short term. Example: Enron hid its debts using off-balance sheet methods, which led to a financial fiasco. Wirecard announced in 2020 that 2 billion euros of funds had “disappeared”.

Company / Event	What is the fraud / offbalance method?	Number/amount/Key statistical indicator	Result / Impact
Enron	Special purpose vehicles (SPV/SPE) — hiding debts and liabilities from the balance sheet; forecasted using the marktomarket (MTM) method.	Contingent liabilities expressed through SPVs: total ~ US \$2.1 billion	Bankruptcy in 2001: stock price dropped from ~\$90.75 to \$0.26; shareholders
Wirecard	The fact that the "cash balances/assets" shown as existing in the financial statements do not actually exist - the assets on the balance sheet are fake/non-existent.	€1.9 billion (~US\$2.1 billion) of “lost” cash — about 25% of the company’s balance sheet	At the end of 2020, the company declared bankruptcy; the former CEO was arrested; the stock price fell sharply.

Such practices damage the company's reputation in the long run and undermine trust in financial markets. Large companies restrict competitors in various ways to maintain market dominance: By temporarily lowering prices to force competitors out of the market. By blocking smaller companies through exclusive agreements and patents. By artificially increasing market share to strengthen their monopoly position. Analysis: As a result, consumer choice decreases, prices increase, and innovation slows down. At the same time, the growth of small and medium-sized businesses may be limited. IT companies analyze user data and make strategic decisions: Facebook (Meta) and Tik Tok make money by selling your user profile to advertisers. Startups are deprived of the opportunity to compete through patents and codes. Analysis: In this way, companies maintain market dominance, but consumer personal data is at risk and competition decreases. Large companies create an image by portraying themselves as socially responsible. BP (British Petroleum) and Nestle promote environmental initiatives, but do not effectively address global environmental problems. Charitable work and social projects are used as marketing tools, but the company does not disclose internal working conditions or practical harm.

The study highlights widespread practices such as financial reporting fraud, tax evasion, artificial price manipulation, hidden cartel agreements, the use of offshore jurisdictions, market manipulation and marketing greenwashing. International cooperation: control tax optimization and offshore transactions. Social responsibility: companies must direct their activities to real social and environmental benefit.



This situation is called “greenwashing” or “social washing” (i.e., when a company or organization presents itself as “environmentally friendly”, “green” or “sustainable” through advertising and PR, even if it is not actually environmentally friendly), and the consumer gets a false impression. Types of economic fraud have been identified and annual data is being reported. As a result of the study, the main types of economic fraud found in the activities of large companies have been identified: Tax optimization: redirecting income to countries with low tax rates through offshore companies. Manipulation of financial statements: artificial management of income and expenses, hiding debts. Restriction of competition and pursuit of monopoly: controlling the market through price reductions, exclusive agreements, patents. Technological fraud: using user data in strategic decisions, limiting startups with the help of patents and codes. Using social responsibility as a marketing tool: improving the company's image through “greenwashing” and “social washing”. Economic and social consequences. State budget: reduced tax revenues limit the ability to finance state social programs and infrastructure. Competition: monopolistic positions and restrictions on competitors lead to higher prices and slower innovation. Consumer rights: reduced choice, information security is at risk.

Investor confidence: financial manipulation and fraudulent reporting undermine investor confidence, negatively affecting market stability. Corporate strategies and their long-term impact Economic fraud increases company profits in the short term, strengthens market position. In the long term, such strategies damage the company's reputation and reduce public trust. Recommendations and solutions. Strengthen the regulatory system: control monopolies and practices that restrict competition. Transparent financial reporting: strengthen auditing and internal control.

This study provides extensive information on various economic tricks and fraud methods that large corporations currently use. The analysis shows that many multinational companies use various strategies to increase their profits or avoid paying taxes. For example, practices such as the use of offshore territories, transferring profits to low-tax countries through transfer pricing, manipulating financial statements, artificially changing market prices or limiting competitors are widespread. Although such actions may seem beneficial to companies at first glance, they

actually cause significant harm to the economy, state budgets, the competitive environment and consumers. Tax evasion reduces the budget of states. This leads to a lack of funds for social services, infrastructure projects and other necessary expenses for the population. Market manipulation and cartel agreements lead to increased prices, reduced consumer choice and a slowdown in innovation.

It has been found that technology companies also use various tricks to maintain their dominance in the markets. They force small startups to enter the market through patents or exclusive agreements. They use personal data for their own benefit. This threatens not only competition, but also data security. One of the important aspects of the study was the “greenwashing” and “social washing” practices carried out by corporations to present themselves as socially responsible or environmentally friendly companies. Although a company may advertise small environmental or charitable projects externally, in reality it may cause significant damage to the environment or create poor conditions for employees in its internal processes. This creates a false impression among consumers. In short, economic fraud poses a great threat to the global economic system. Reducing it will be possible not only through the joint efforts of states, but also through the joint efforts of companies, international organizations and society.

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