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USURY AS PERVERSE MANIFESTATION OF CORRUPTION

Research Report

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“Veles” Human Rights Organisation was registered on 13 February 2014. Before the state registration was made, the organization’s members had acted as an initiative group. The organization has targeted on the struggle against the defective phenomena which are widespread in the society such as corruption and its perverse manifestations - usury, fraud, shadow circulation of financial means gained through corruption, money laundering, and so on, are.

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***Usury is a time laboratory where at present
people sell their future for money.***

Introduction

The phenomenon of usury became popular in post-Soviet Armenia, which is an integral part of corruption; moreover, usury helps to legalise income obtained illegally, which is accompanied by sharp polarization of society, by the property confiscation of the majority of citizens on the one hand, and by unjustified enrichment of a small part of citizens on the other hand. Essentially, usury should be observed structurally, from legal, socio-economic, and moral perspectives. And only then the calamitous essence of usury for the society can be realised. In our research report we have tried to possibly reveal the essence of usury, as well as its role in hindering the normal development of both the society and the economy.

Usury is one of the ancient kinds of man activities. This kind of economic cannibalism had existed long before money was invented, and then it was permanently improved along with the development of civilization and was also transformed to develop mechanisms of economic pressure and seizure of power by applying usury as a tool of financial enslavement.

In human history of thousands of years, in different states, we face the following: moneylenders piled up a huge amount of fortune on the expense of society's deprivation. In its turn, having no other alternative, the deprived and robbed society sought to have it back through the arbitrary expropriation.

Historical Background

The issue of usury has a deep historical past. First moneylenders had started their activities long before money was invented (Hesiod, the Greek poet, wrote about them in about VIII-VII B.C., in fact about 200 years before the creation of drama system in Hellas). The first loans were given and taken back by means of agricultural products.

By saying usury one should understand lending money at interest.

The word "***interest***" is of a Greek origin and means an extra-payment, addition. The concept of the "loan interest" emerged in ancient Babylon. Usury in Babylon was first witnessed in the second half of the third millennium B.C. The consequences of the

concept “**interest**” were hardly perceived in Babylon, but this disease developed and today, in the 21st century, it reached catastrophic extents, which is often called another way - as the world economic crisis. Due to grave socio-economic consequences of usury the concept “**interest**” was prohibited by all religions. Moreover, when making an excursion into the historical domain, we can see that the “**virus**” of usury was the constant companion of human development. Ancient philosophers, such as Aristotle, referred to the importance of such society disease and its serious consequences, as well as of the moral and psychological “**hygiene**”. The latter expressed his concerns in his works that usurers could press on the pulse of the society development. The following words of the philosopher are worthy of attention: “**The most hated sort, and with the greatest reason, is usury, which makes a gain out of money itself, and not from the natural object of it. For money was intended to be used in exchange, but not to increase at interest. And this term interest, which means the birth of money from money, is applied to the breeding of money because the offspring resembles the parent. Wherefore of modes of getting wealth this is the most unnatural**”. For a long time, religions served as straitjackets for the dissemination of usury; devastating consequences and prohibition of usury are mentioned in New and Old Testaments, as well as in Quran. In 325, interest rate transactions were prohibited by the First Council of Nicaea. In 850, the Synod of Paris dismissed all the usurers from church and prohibited their funeral in general civil cemeteries. During the history, the latter were deprived of the right of choice in number of countries. Until 16th century usury had been condemned by 17 popes of the Roman Catholic Church at 28 Ecumenical Councils. In 14th century engagement in usury was prohibited in England, as well as in France.

Mostly Italian marchants of Lombardia were involved in moneylending functions, which became the basis for naming loans for real estates as **Lombardian bargains**.

The concept of the **bank** has an italian origin, too; it comes from the word **banca** which in the Middle Ages meant a table on which Italian marchants put their purses full of money. The word **bankrupt** has the same origin; when one of the merchants abused the other’s confidence, the table at which the deciever was sitting was turned over – i.e. **rotto**, from here we have **banco rotto**.

In 1286, residence of usurers within the Pisa city was prohibited, judges were not permitted to listen to any judicial claim of usurers, and the population of the city was not let to host usurers. Up to the end of the 17th century the church separated the usurers from the citizens in Holland, the entry of usurers into the Cologne Cathedral was

prohibited, etc. Historical examples are endless. All these are not religious provisions and ecclesiastical willfulness, they are explained in the following way: in societies where the interest-related relations are legalised, the powerful get richer at the expense of the weak, in the result the rich become richer and the poor become poorer which gives rise to enmity of socio-economic classes, envy and hatred by the poor towards the rich, and, on the other hand, neglect of the rich towards the poor as a class. Thus, the usury gives birth to class intolerance and hatred. In all countries lending money at interest - usury - is considered to be the demonstration of immorality. Both then and now, this way of earning money is condemned by Christianity and Islam. In medieval Europe, the Catholic Church banned usury. That is why the leaders of banking activities were the Jews, especially because the Jewish religious beliefs prohibited usury only between the Jews, but lending money at interest to other nations was only welcomed, as the Jews considered it as means of enslaving of other nations.

In the Middle Ages, states made efforts to fight usury by limiting high interest rates. Thus: In 1545, in England, an ultimate interest rate was announced 10% annually, which in 1624 was decreased to 8%, and in 1652 – to 6%.

In 1640, in the Netherlands, a maximum 5% annual interest rate was defined.

In 1601, in France, a maximum 6% annual interest rate was defined.

In 1754, in Russia, a maximum 6% annual interest rate was defined.

Uusury was imported into the United States of America by English colonists, and in various states different interest rates were in use. (In 1661, in the state of Michigan it was 8%, in the state of Virginia - 5%, and in Pennsylvania - 6-10%).

We have witnessed a great number of cataclisms in the history of human society resulted from usury. For instance:

- in 1517, M. Luther initiated the church reformation;
- the collapse of the Middle Ages' *florin* (a Middlelevel coin);
- the collapse of the Templars' order;
- the people's uprising against moneylender-eunuchs in China during the kingdom of the Ming Dynasty;
- in Germany, the formation of the Fascist regime in the result of the collapse of Weimar Republic;
- the increase of hyperinflation, etc.

In all times and societies the consequences of the functions of usury mechanism are always the same.

Usury as Reflected in Art

Usury has had its reflections in art, too. It was often criticized in various literary works, in which in most cases the character of a moneylender was depicted as an aged, greedy person, the lifelong goal of which was to own others' property and get more enriched.

Here are some examples of the above described literary characters: in the short story of ***The Portrait*** by N. V. Gogol, the character of the moneylender is, in a sense, a devilish figure. In the novel ***Crime and Punishment*** by F. M. Dostoevsky, the image of an old woman-percentage-bearer is characterized by the insignificance and parasitic nature of existence. A similar description of a moneylender was given in A. S. Pushkin's works while he describes the hell.

In ***The Divine Comedy*** Dante meets the usurers in the inner ring of the seventh circle of hell, with sacks hung in their necks. It is worth mentioning that the coats of arms on the sacks belonged to rich families living in Dante's era. Moneylender is also a typical character in the well-known ***Gobsek*** by O. Balzac.

Modern World Usury System

***When I get interests, I live at the expense of someone else's future.
The interest rate is working. Remember : either you destroy the time or time
destroys you !- This is the moral choice of the usurer.***

In the 20th century, influenced by some mighty people engaged in usury, the word *usury* changed its meaning. To legalise their operations these people claimed that usury was not the provision of money in interest rate, as the Wikipedia states, but it was lending money in ***“an unreasonably high”*** rate. In fact, such formulation is aimed at concealing the essence of usury thus encouraging the opportunity of deciding in a self-willed way whether the interest rate was low or high; this contradicts the full explanation of the usury as a phenomenon.

The essence of usury cannot really be changed with the notion of ***“high or low”*** rates, like the woman cannot be ***“little or much pregnant”***. In the process of describing and defining usury as a phenomenon suchlike quantitative decisions of sizes of the interest rates are aimed at misguiding people and thus somehow justifying the existence of usury.

In modern society usury is a real evil, and only by correlation of facts we can understand the scales of the danger it causes. To be convincing let us bring some facts:

Currently on average there are only 50 million slaves in India, Pakistan and Bangladesh, who are involved in production processes, and this number makes about 10% of economically active population of the every country. The reasons of enslavement are different but mostly it is usury. There are cases when workers are attached to the production forcibly in case they have not had the opportunity to give entrepreneurs back the sum borrowed in rate; instead for the sum borrowed in interests rate parents are often made to sell their children to employers with the help of intermediary criminal groups thus causing to make their children slaves forever, and with this replenishing almost free labour market and guaranteeing superprofit for **“the owners”**.

Usury is also widespread in developed countries where usurers, in cooperation with criminal elements, finance people in urgent need of money from 10 to 80 monthly rate. In many countries this kind of working style is called a **“shark tank”** - in case the borrowers are not able to pay the money back they have to do all demands of moneylenders, mainly different crimes such as murders, drug trafficking, trafficking, trade in human organs, and so on.

In fact, usury is not only physical enslavement of a man, but it also has various deeper manifestations.

A proof of tragic scales of today's usury may be the following:

The money circulation of the Mafia in Italy in 2004 made about 100 billion euros by various estimations while the money circulation of usury made 13 500 million euros; the circulation of money of arms trade and prostitution business made 4 474 and 5 104 million euros respectively.

What concerns the post-Soviet period, in the 90s, soon after the collapse of the USSR, usury was widely spread in the former Soviet areas, and monthly rates increased from 30-45 to annual rates of 800-1000 percent. This happened due to the convergence of imperfect and corrupted judicial system with the criminal one. Actually, usury came back in much wider scales and much more inhuman conditions. Usurers mainly circulated the money of the criminal world and high-ranking officials. Thus due to usury criminals and robbers became rantiers. It can be stated for sure that the initial accumulation of capital of the post-Soviet nuvorishes was due to usury.

Socio-economic Consequences of Usury

In the sense of social and economic developments of the society usury is a disastrous phenomenon which only brings negative results. Originally, to receive a percent meant to gain profit through no expenses and no work done. Usury is a means that hinders the economic and social progress.

As a phenomenon, usury accelerates money inflation, strengthens and deepens social contrasts. These phenomena are more sharply displayed in weakly developed and extremely corrupt countries. The tool of usury — **money** — is one of the main categories of commodity economy. Money is the universal equivalent, because it allows measuring, determining the “**value**” of all other products. Classical definition of money is that it is a general equivalent and can be exchanged with all other products. Money is something that everyone in the society recognises, accepts as money. The essence of money is that it is considered to be a marketable product, because at any moment money can turn into any product.

Actually, “**money**” historically represents only a means of payment, which is compulsory with its nominal value and turnover and there is no and cannot be any other significance of money. Money has a specific significance: it acts only as a means of payment – as a product gratuitously circulating in a civil circulation, i.e. it may be gifted, provided for borrowing without interest, bequeathed, bailed (***as the bailee shall not have a right to use the property bailed***). In all these cases the intended purpose of money does not disappear, but it vanishes when it is used as a product – is sold, rented at interest, etc. Using money for other purposes contrary to its nature, as a measure of usury, leads to a number of grave socio-economic consequences.

From economic point of view usury is considered to be:

1. a reason for inflation;¹
2. a reason for bankruptcy of economy;
3. a reason for trade supremacy over other economic sectors;²
4. a reason for industrial destruction;

¹ Due to usury the money amount is increased which is not guaranteed by goods, meanwhile the percentage of the borrowed sum is included in the price of the future goods, thus increasing the sum of the latter and promoting cost increasing and inflation rates.

² High rates of usury promote trade and hinder the development of economy, as the organization of the production needs long-term loans in the lowest rates.

5. a reason for deep economic inequality between human beings in Armenia, as well as in any social structure;
6. a reason for labour force inflation;
7. a reason for global economic and social enslavement of citizens by usurers;
8. a phenomenon of exploitation of humans by a human being.

The economics, as well as the law, does not consider money as a product which may be let for rent, as money is only a means of payment as mentioned above.

A reason of global economic and social enslavement of people by moneylenders:

Without elimination of the usury system, the aim of which is the formation of criminal-oligarchic statehood with its complete dystrophy towards common citizens the solution of any social-economic problem becomes impossible.

Usury as a Manifestation of Organised Crimes and Exploitation of Man by Man

One might state that usury is a form of an organised economic crime worldwide and, at the same time, serves an incentive for other crimes. Actually, the usurer misleads the victim and, on that basis, requires not only his/her own money but also the victim's money. This is just the reason why usury is rightfully prohibited by laws of a number of countries.

As a phenomenon of human exploitation usury is prohibited by people also through international law. Thus, *American Convention on Human Rights of 22 November 1969*³ declares:

Article 21. Right to property

1. Everyone has the right to the use and enjoyment of his property. The law may subordinate such use and enjoyment to the interest of society.
2. No one shall be deprived of his property except upon payment of just compensation, for reasons of public utility or social interest, and in the cases and according to the forms established by law.
3. Usury and any other form of exploitation of man by man shall be prohibited by law.

³ <http://www.cidh.org/Basicos/English/Basic3.American%20Convention.htm>

Spread of Usury in Armenia

Usury became widely spread in the Republic of Armenia at the end of 90s of the 20th century. The crash of the Soviet economic system led also to crash of inter-economic relations formed during the Soviet period, as a result whereof the industrial bases, which were rather successful in Armenia, were shattered, and this led to the closure of industrial enterprises and the outflow of a powerful mass of labour force. The blockade of transport roads also contributed to it and all these led to the fact that a large number of citizens of the Republic of Armenia, who were previously engaged in industry, got the key of the street – with a status of unemployed. On the other hand, a number of state officials, who had accumulated great capital due to unearned income yet at Soviet times, practiced usury as a measure to legalise their unearned income and used it as a form of enrichment on their way of legalising their income. After years of impunity, usury now has got more perverse and organised manifestations. Becoming unemployed, losing measures of their survival, the citizens of the Republic of Armenia tried to do trade to survive, which required financial means. During 90s, the bank system was newly being formed in the Republic of Armenia; the concept of “*consumer credit*” was not yet formed. All these provided fertile ground for the creation of an army of usurers in the country. In order to live a part of citizens was trying to find financial means to do trade, and the only opportunity of doing so was to apply to private individuals, who lent money at interest. From the beginning it was aimed at putting an end to the manufacturing and industry in the country, as for those who borrowed money at interest the only way to return the principal sum and the interests was doing trade, because only trade could ensure quick circulation of the borrowed amount, high yield, which is the prerequisite for cases of having borrowed money at interest. From the beginning, the high interest rates of money being lent at interest excluded the fact of investing the given amounts in the production, as in case of production, the return of financial means invested in it and the income thereof could not comply with preconditions of the amounts lent at interest. In 90s, monthly 5-15 % of interest rate was common in Armenia, which, on the one hand, contributed to the unjustified increase in price of imported goods, and this increase, on the other hand, led to unjustified enrichment of a part of the society on the account of impoverishment of the other part of the society. On this fertile ground the former Soviet officials turned into “*mini banks*” and turned from Soviet leeches into post-Soviet society leeches. The phenomenon of usury was always natural for the class, which has never participated in the formation of society has never invested its creative work, but,

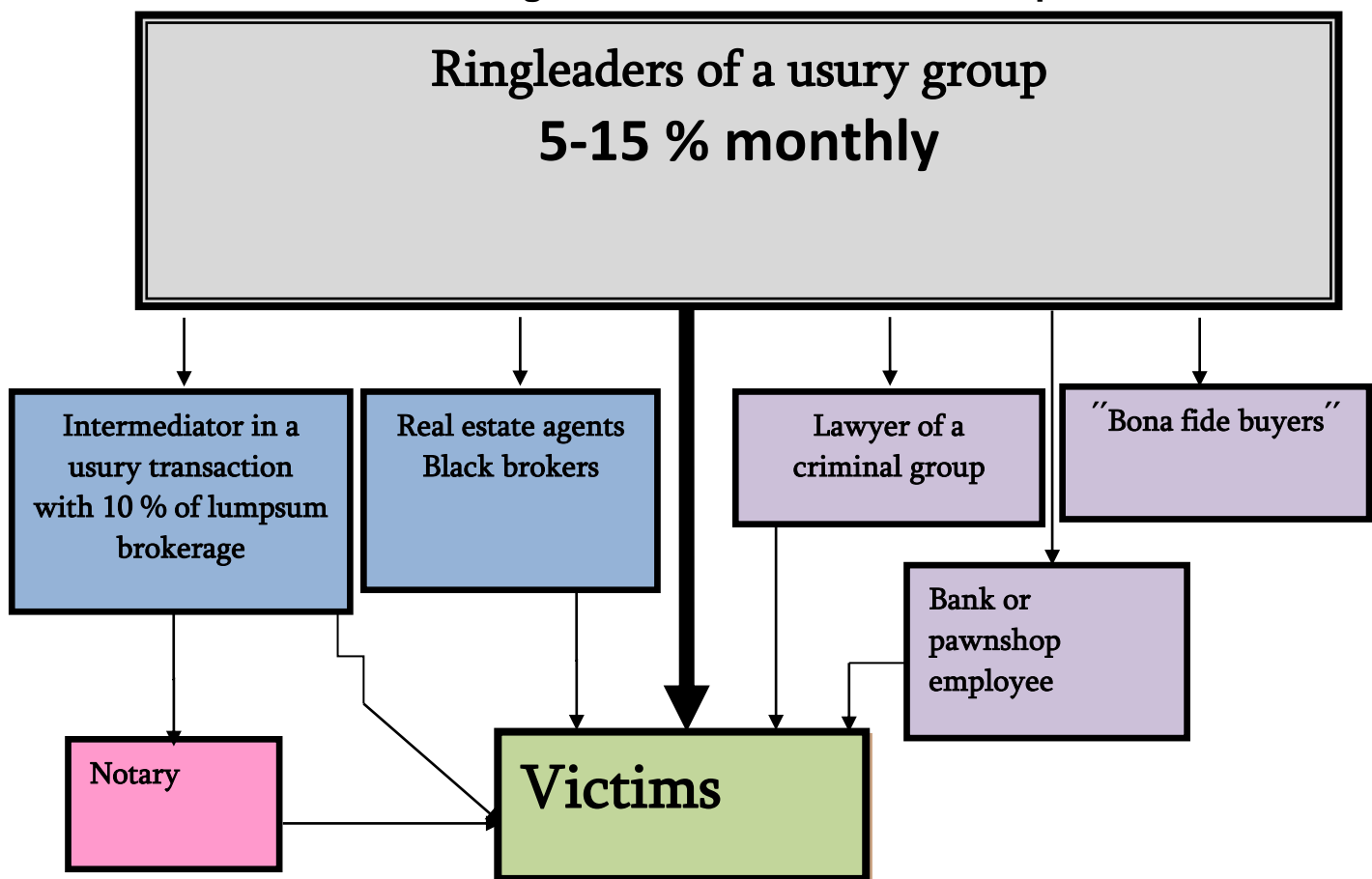
instead, contributed to the socio-economic downfall of the given society towards economic abyss by selling the shadow money it owned. Since the authorities of Armenia have been at odd with the social and economic problems of its citizens, never recommended constructive, financial and social mechanisms for the settlement of these problems, tolerated the officials having robbed and going on to rob their own nation, who had to, somehow, legalise their plunder, in fact, by the state support the most favorable conditions were created in order the usurers' caste could be formed, survived and developed.

If the usurers previously acted confidentially, in a disorganised form and alone, then during years they turned into organised groups, which are headed by high-ranking officials. It can be said that a new state is created within the existing state, in order to manage the circulation of shadow money. If we consider the experience of developed countries then we can say that usury is completely vanished, as there exist banks carrying out healthy monetary policy, and the citizens apply to these banks to cover their social and economic needs. As to the Republic of Armenia, a huge number of banks in Armenia perform functions of pawnshops and *“laundries”* and, thus, are engaged in usury by providing credits at rather high interests, putting the citizens into financial slavery. Actually, the banking system in the Republic of Armenia also creates fertile ground for the development of usury on the one hand, and, on the other hand, usury is given impetus to by our legislation, through its inactivity, and the Court of Cassation of the Republic of Armenia, through its case decisions, which are definitely aimed at protecting the uninterrupted spreading of usury and its further development in Armenia. The citizens of the Republic of Armenia meet a barrier in the face of banks, as a result whereof they are being directed to the usurers without understanding that it is the beginning of their end; moreover, in the usurers' groups we considered there are mainly bank employees, who direct the clients having applied to them to the individual usurers based on their personal financial interests, by requiring from the citizens statements of information certifying high incomes not existing in Armenia. To meet their needs or engage in commercial activities, citizens who are in want of additional money have to apply to usurers, as the latter provide *“simplified credits”*, i.e. they do not require additional documents, instead, they are interested only with the property of a citizen. By applying to usurers, the citizens are forced, upon the request of the usurers, to conclude agreements on alienation through fake buy and sell of the property belonging to them under the right of ownership, without having the least notion on the consequences thereof. The low level of legal awareness of our society — lack of legal knowledge —

also plays a great role. When a citizen, who is tired of bank troubles, applies to a usurer, he/she falls into the trap of a usurer; by seeing the usurers' lavish lifestyle and being unaware of his/her rights, a citizen, firstly, doesn't understand what are the grounds of the lavish lifestyle and doesn't think that a person having such a lifestyle may deceive him/her and, secondly, agrees with inhuman and unfavorable conditions the usurer offers to him/her because of the lack of knowledge and the need for money. Thus, being persuaded by the usurer, he/she alienates, through fake buy and sell (*as he/she thinks*), the property (often the only one) belonging to him/her to the usurer or another person recommended by the usurer without understanding, that from that moment on he/she is deprived of the right of ownership over his/her property. In the course of development the usurers' groups turned into an organised system.

Let us try to reflect the process of usury in Armenia schematically.

An Organised Usurer Criminal Group



The given scheme shows that the usurers have distribution of clearly organised work. Given the fact that a citizen who is in want of money firstly applies to the bank, pawnshop, often to real estate agency, the usurers involve employees of these institutes from all the sectors into their groups. By applying to a bank and expecting to receive

money, a citizen fails to ensure the amount of documents required in the banks and is often directed to a usurer by the employee of the bank. In such case the employee of the bank acts as an intermediary with brokerage of the amount of 10% of the money provided by the usurer. Where the citizen does not apply to a bank and visits a pawnshop, there he/she gets informed that pursuant to the Law of the Republic of Armenia ‘**On pawnshops and pawnshop activities**’ (Adopted on 3 December 2003)⁴ his/her own real estate may not be a subject of pledge at a pawnshop and is often directed to a usurer from the pawnshop. In such cases the employee of a pawnshop acts as an intermediary. Where a citizen appears in plain view of a real estate agency having a wish to sell or appraise his/her property, the employee of the usurer — a broker working at a real estate agency — again acts as an intermediary. Thus, a citizen being in need for financial means often appears at risk zone, he/she often falls into the hands of the usurers’ group. In the course of evolution usurers’ organised groups are gradually supplemented also by obedient notaries, as well as judges, police officers, investigators and “**their own**” advocates ensuring their further smooth work. Taking into account our studies in recent years, we would like to mention that the usurers’ groups have been supplemented also by an institute of **bona fide** buyers. For example, when, upon the request of a usurer, a citizen alienates through fake buy and sell agreement his/her property without understanding that from that moment on he/she is deprived of his/her property, then after paying interest rates for months or years he/she understands, at last, that is no more able to pay interests, tries to come to an agreement with the usurer in order the latter permits him/her to sell the property which still de facto belongs to him/her but is de jure registered in the name of the usurer, he/she suddenly finds out that his/her property is already sold to another person or several persons — “**the bona fide buyers of the usurer**”. Definitely, all these claims are satisfied, and citizens get the key of the street, understanding that they have been deceived and became a victim of fraud. There are also cases when the pawnshops take the money of usurers for illegal circulation, ensuring their shadow circulation, avoiding the payment of taxes and by co-operating with usurers gain superprofit.

The above-presented has been proved by our own investigation. We have found out that to gain super profits, to avoid paying taxes, as well as to function in the shadow banking system, some pawn shops borrow from individual moneylenders excessive sums of

⁴ http://www.parliament.am/law_docs/251203HO43eng.pdf

money in low interest rate and then lend them to people as loans in 4-7 percent. In fact, this brings to the following:

1. The pawn shop often acts only as a kind of sign for the shadow circulation of wholesale currency;
2. It becomes a kind of **“laundry”** for monetary means gained in illegal ways;
3. Abusing people’s confidence and making use of the low level of their legal knowledge, the pawn shop makes illegal bargains in advance and uses usury thus violating the requirements of **Article 213 of the Criminal Law of Armenia**⁵ (the Law on Pawnshops and Pawnbrokerage of the Armenia, adopted on December 3, 2003), as well as real estate buy and sell bargains.
4. By means of these schemes, it avoids taxes maliciously and gains super profits.

Usury as a Means of Fraud

Usury is considered as a practice of taking property of other people through fraud by a group of people. Thus, usury groupings lend money in excessive interest rates equal to a part of the real value of the property after they have studied the cost of the own property of the people applied to them. A false buy-sell agreement made in advance is signed as a property mortgage of the property; they take the citizens’ property. Then the borrower has been able to pay back only the high interest rate for the borrowed money for months, thus decreasing for the usurer the value of the very property, in fact, in many cases the latter then owns the property free-in-charge. Moreover, with a prior intention of owning the property of the borrowers, moneylenders do not sign any loan agreement, do not ever mention the interest rates of the sums they have lent, instead they have a false buy-sell agreement with borrowers, in which as a total cost for the property purchase there stands only one total amount which comprises the sum formed of the principal amount and those probable interest rates which should be paid by borrowers within the reliable time period. For instance, if a citizen (let’s say A) borrows \$10.000 USD from a moneylender (let’s say B) in a monthly interest rate of 10 percent, he/she mortgages property of \$20.000 USD duly to the market price for example for a year’s period, thus in the buy-sell agreement there stands the sum of \$22.000 USD as the cost for the property purchase. As in all of the examined cases, A pays the broker of the moneylender the 10

⁵ <http://www.parliament.am/legislation.php?sel=show&ID=1349&lang=eng>

percent of a lump sum of \$10.000 USD, which makes \$1000 USD. Thus, for his/her property, costed \$20.000 USD, the citizen A receives \$9.000 USD at cash, and then he/she pays \$12.000 USD for one year (\$1000 USD - 10 % a month). In fact, the moneylender B owns for free the property of the citizen A in a year, yet A still owes B \$22.000 USD – the amount found in the buy-sell agreement. Thus, it is evident that from the very beginning the usury grouping intentionally creates unfavorable conditions for the citizen well aware that he/she will never be able to pay back his/her own property, or if he/she would somehow do that he/she has to pay both the principal amount of \$10.000 USD and the percent sum of \$12.000 USD – the sum mentioned in the false buy-sell agreement.

Actual percentage of usury always exceeds that of the public productivity /3-5% annually/ and is piled up in usurers' pockets thus concentrating people's property there.

Usury as a Manifestation of Corruption

We consider usury as an expression of corruption as all the moneylenders of our investigated 100 cases are present or former public officers. If consider the fixed salary rates of state officials in the Republic of Armenia , it is almost impossible to imagine that people who make their living with the help of such wages may have legal incomes of millions of dollars. As employees in the state system, the latter gain profits via corruption which then are multiplied and legalized through usury. This fact should have interested the law enforcement bodies which are called to fight corruption; instead they are busy with protecting interest of usurers. No national investigation body has ever followed up to find out sources of those large amounts of money in more than 20 cases we studied. Had they done, they would possibly have discovered other crimes as well also connected to big sums of money.

Usury as a Means of Money Laundering

As mentioned above, after they have gained money through corruption and other illegal ways, usurers then lend it in high interest rates thus making usury an ideal mechanism for legalizing the sums and gaining superprofit as well. They make false deals with the help of hired people, due to which people's equities are owned and registered finally as usurers' or one of their relatives' names. With this, millions of financial means fraudulently received by officials and criminal elements through obtaining real estates are legalized in a guilty way.

Usury as a Motive Power of Shadow Business

It is for years we have been witnessing the authorities of the Republic of Armenia's so-called struggle against the shadow economy for the aim of bringing into the tax field small and medium-sized enterprises. It is inexplicable why usury is being ignored during this struggle. The government seeks to make enter into the tax field even tutors, shoemakers and whitesmiths - this is commendable; yet it is again inexplicable how could usurers who have \$10-150.000 USD monthly income be left out of sight of the state tax bodies. Let's illustrate this by the following case story: a court hearing related to the criminal case of moneylending in high interest rates by a well-known "*financial pyramid*" and "*generalitet*" has been held recently in the first instance court of general jurisdiction of Kentron (Centre) and Nork-Marash in Yerevan. The judge who was chairing the hearing ignored the testimony of the culprit who witnessed paying \$150.000 USD per month as a percentage rate for the sum lent to him by some former high police officers. Actually, the non-registered circulation of large amounts of money is not considered as a kind of shadow money in our country. And this phenomenon is of a continuous essence. The RA law enforcement agencies justify their self-contained attitude with the fact that it is simply a deal between parties with this nullifying the state's role as a guarantor of citizens' rights protection. This kind of support creates basis for usurers' resistance to justify themselves saying that borrowers are mature people and they apply to them for loans voluntarily, and that it is their choice, so the government is not obliged to get involved in discovering the usury cases through its law enforcement agencies. If it is, then the addicted apply to drug sellers for narcotics by free choice too? Thus the logic of the law enforcement bodies comes to be the following: we should consider the drug selling and circulation as a kind of civil law relations as far as it lies on voluntary principles.

Yet, in both cases there exists a voluntary deal between citizens – illegal, shadow circulation – the first being of money, and the latter of drugs. Also, both sides of the deal function within the field of shadow economy and pursue the aim of super profits. It is necessary to mention that the illegal circulation of money both ruins the bases of the state and economy, and is the first pledge for economic crisis.

Usury as an Illegal Entrepreneurship

Usury is a vivid example of illegal entrepreneurship. The ***Law of the Republic of Armenia on Licensing, adopted on 30 May, 2001***⁶, specifies types of activities subject to licensing and regulates the relations connected to the licensing. Article 43 gives *the list of types of the activities subject to licensing* in the Republic of Armenia. In the list, the banking and financial-credit undertakings are also included (banking, organization of pawnshops, activities of investment funds, etc.). The very law specifies also the licensing principles (*Article 4*) and objectives (*Article 5*).

Thus, *the licensing principles* are as follows:

- (1) protection of the rights, legitimate interests, morals and health of individuals; ensuring the defence and security of the state;
- (2) ensuring a common policy in the field of economic activities in the Republic of Armenia and defining a single uniform list of the types of activities subject to licensing;
- (3) establishment of a uniform procedure and principles of licensing;
- (4) publicity of licensing;
- (5) ensuring the lawfulness of the licensing process;
- (6) simplification of the licensing process and ensuring its transparency;
- (7) establishment of uniform standards and types of liabilities for violations by licensees of the requirements for activities subject to licensing.

The objectives of licensing the performance of certain types of activities are as follows:

- (1) protecting consumers' rights;
- (2) contributing to regulation of developing market relations;
- (3) increasing the quality of goods and services;
- (4) exercising control over those engaged in activities constituting potential sources of increased danger for the life, health and property of individuals, for state and public interests, conservation of nature and cultural heritage.
- 5) Control over entities entitled to engage in the activities subject to licensing, for the aim of providing international safety by the implementation of international commitments undertaken by the Republic of Armenia within the frames of international treaties.⁷

⁶ http://parliament.am/law_docs/270601HO193eng.pdf?lang=eng

⁷ <http://parliament.am/legislation.php?sel=show&ID=3680&lang=arm>

Usury is a kind of activity connected to financial circulation which is realized differently in different cases. It has different manifestations, too. In fact, people engaged in usury are loan lenders. In most cases money lent up in a percentage is provided against property. No matter how and under what conditions usury is implemented, it is considered as a type of activity subject to the Law of the Republic of Armenia on Licensing.

As far as usury is realised through violations of licensing procedures for foreseen activities, the whole set of licensing principles and objectives is violated too. This results in the violation of both citizens' rights and legal interests, and the state defence and security as well; usurers implement their activities out of the state's control and do not bear any responsibilities for law violations; rights of entities who have made a deal with moneylenders are not protected; the development of intrastate market relations suffer greatly.

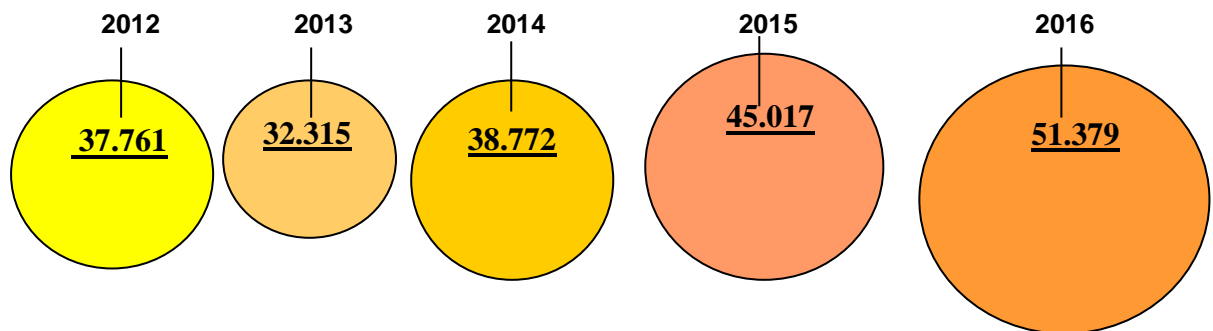
Usury as a Motive Power for Emigration

In fact, usury becomes one of the main causes for emigration, as Armenian citizens get deprived of one of the fundamental rights – a right to property, defined by the RA Constitution among the state guarantees; they are expropriated by fakers and usurers' groupings which are going unpunished in the country; there is no use in applying to the court for restoration of their violated rights - they certainly face coalitions involving fakers, usurers, state officials, judges, law enforcement officers, etc. Desperate and impoverished, to make ends meet, people take the path of emigration. The expropriation of the society in fast rates causes a sharp increase in poverty. According to the statistical data, the poverty rate in Armenia is 35%. By this indicator our country is three times ahead of Azerbaijan where the poverty rate is only 11%.

This year our organization has carried out a number of verbal inquiries among emigrants we met at the airport. We have summed up that of 10 families 7 ones abandon their motherland because of expropriation and legal injustice. Consequently if remains unpunished, usury as a means of the RA citizens' impoverishment becomes a stimulating means for emigration.

In 2015, the 25% - about 937 thousand people born in Armenia lived outside the country. Armenia is in the 4th place in the world after Bosnia and Herzegovina, Albania and Jamaica. The overwhelming majority of migrants from Armenia, about 56%, have found

home in the Russian Federation. European countries account for 15% of migrants, the USA and Canada, 9.5%, and 19.5% share other countries.



Usury as a Motive for Serious Crimes

Usury possesses a criminogenic nature – it really gives birth to a number of serious crimes. We have revealed a lot of cases of outrages by criminal supporters of usurers towards money borrowers **not able to pay back on time** the percentage sum, and which have remained unpunished by the law enforcement bodies so far. Let's bring an example. Ms. Mariam Boyadgyan, and some other inhabitants of Gyumri, applied to us telling that a certain Melada Sargsyan (a well-known moneylender in the town of Gyumri who lends money in the monthly interest rate of 15%), has been browbeating her **“preys”** on behalf of **Andranik Soghojan**, a criminal authority known as **“Zap”**. What is more, once she was present and witnessed an incident when people who were late with the payment of the rates to Melada were tortured. She also witnessed how once Melada announced that a certain young man was being taken to **“Zap's cellar”** to threaten because he had been late with paying the rates. Not only are moneylenders supported by criminal authorities; it is more lamentable that for supporting the latter violent crimes by officials from the circles of both laws enforcement agencies and judges are committed. There are also cases of the so-called **“razborki”** (showdowns) for the aim of making the borrower pay the money back.

The reason for all these is one: the indifferent and self-contained, and moreover, their criminal and interested attitude of law representatives towards these kinds of profitable crimes and the full lack of the Rule of Law in our country.

The reason for all this is one: the indifferent and self-contained, moreover criminal, interested attitude of law representatives towards profitable crimes and absolute lack of

the rule of law in our country. In fact, besides the law enforcement system, permitted by the same law enforcement system, usurers are sponsored by the criminal world.

The conjugation of the law enforcement, as well as the judicial system and the criminal world, creates a fertile land for unfailed and unpunished activities by usurers. Citizens are often frightened and keep silence, realizing that raising the issue can endanger their own and their families' security on the one hand due to the criminal world, and on the other hand, due to the judicial system that serves the same criminal world. There are a few cases, when after announcing some names in our organization, certain threats have been made, even by means of weapons or even with their use, to force the citizen to refuse our further legal support. From the perspective of our beneficiaries' security we do not publicise names of former and present officials.

Usury-related Judicial Practice in Armenia

Article 213 of the Criminal Code of Armenia states as follows:

Article 213. Usury.

1. Usury is loaning money or property at an interest rate more than twice exceeding the one of the Central Bank of the Republic of Armenia, as well as making deals with individuals on extremely unfavorable conditions of which the other party took advantage, is punished with a fine in the amount of 300-500 minimal salaries or with imprisonment for up to 2 years.

2. The same act,

1) as a result of which the aggrieved found oneself in a dire financial situation,

2) committed as profession,

3) committed using the minor age of the aggrieved or retarded mental development,

is punished with a fine in the amount of 400-600 minimal salaries, or with imprisonment for up to 4 years.

A set of essential changes have been made in the RA judicial and legal practices on usury for the recent years.

Related to usury corpus delicti a new position was formed and a number of issues were raised in 2011 by V. Rshtuny, being then the judge of the Court of General Jurisdiction of Ajapnyak and Davtashen administrative districts of the city of Yerevan, and the present chairman of the RA Criminal Court of Appeal. Within his proceeding of the investigated

criminal case he passed a decision on suspending the proceeding of the case and to apply to the Constitutional Court of Armenia applying for litigation of the constitutionality of Article 213 of the Criminal Code of Armenia.

The judge raised some issues the most crucial of which was that civil-legal liability for alternative acts of usury based on civil law contracts and foreseen by Articles 305 and 313 of the Civil Code of Armenia already foreseen by Article 213 of the Criminal Code of the Republic of Armenia.

Based on the application on considering the correspondence of Article 213 of the Criminal Code to the Constitution submitted by the Court of General Jurisdiction of Ajapnyak and Davtashen administrative districts, by the decision made in the result of investigating **Case No. ՄՂՈ-947⁸**, the **RA Constitutional Court** concluded that **criminal and civil liabilities for specific acts' simultaneously defining norms have different subject matters and that with their help the legislative body solves different problems – definition of civil liabilities does not exclude definition of liabilities for a criminally punishable act. In any case, a person who has made a bargain which does not correspond to the requirements of law and other legal acts can and should know that not only civil but also criminal liabilities are defined for that very act.**

Thus, the RA Constitutional Court's position put a certain amount of lucidity between regulations of civil and criminal branches related to usury cases and it also highlighted the importance of both civil and criminal liability measures.

Yet, almost during the same period of time, on 24 February, 2011, by the criminal case of No. ԵԿԴ/0176/01/09 and on 8 June, 2012, by the criminal case of No. ԵԿԴ/0102/01/11, the Criminal Court of Appeal of Armenia made decisions conditioned by positions put forward in them the crimes examination practice foreseen by Article 213 of the RA Criminal Code underwent essential changes.

In the decision of the criminal case on Lia Avetisyan No. ԵԿԴ/0176/01/09⁹, the Court of Appeal addressed the issue of provision of uniform application of Article 178 of the Criminal Code, but the substantiations of the decisions made by that case, by the part

⁸ <http://www.concourt.am/english/decisions/common/resume/947.pdf>

⁹ <http://www.arlis.am/DocumentView.aspx?DocID=68940>

of intervention by the state to citizens' bargains, are widely used during investigation of usury related cases too.

By this decision the Court of Appeal came to the following conclusion: the state is not obliged to consider reestablishment of the right to property or other rights of citizens made deals by disregarding requirements of acting civil law within the sphere of public interest, and to make public spending for the aim of implementing criminal-legal advocacy of the above-mentioned private interest. Private interest advocacy, as a rule, should be implemented within the sphere of the private right through civil-legal and civil-judicial measures.

The position of the Court of Appeal on the criminal case on Knarik Petrosyan No. ԵԿՂ/0102/01/11¹⁰ was again based on the logic that the state is not obliged to consider reestablishment of the right to property or other rights of citizens made deals by disregarding requirements of acting civil law within the sphere of public interest and to make public spending for advocacy; involvement of public-legal set of tools should be made in case it is substantiated that in the specific case there exists a remarkably great public interest.

The above-spoken position of the Court of Appeal is also based on the following: in many cases, as the initiator of signing a loan agreement through a violation of the percentage size a supposed victim of usury himself acts who later on, in fact, is given the opportunity of violating his own rights if he appears in an unfavorable condition, for instance he is not able or does not want to implement the committed liabilities.

The institution of proceedings against many cases of usury based on positions put forward in the above-mentioned decisions of the RA Court of Appeal has been declined, and many of the instituted criminal cases are being quashed reasoning that the legal relationship between the moneylender and the borrower bears civil-legal essence; it does not exist in the field of public interest, so the state is not necessarily make public spending to realize criminal-legal advocacy of the mentioned private interests. Particularly decisions made on criminal case No. 68113514 (relating to the family of the Kirakosyans living in Gyumri), and that of No. 13127214 (relating to Zina Melikyan) are worth mentioning.

In fact these decisions of the RA Court of Appeal have resulted in uncertainty between regulations of the civil and criminal branches connected to usury cases. In its turn, no matter accented by the RA Constitutional Court in decision No. ՄԴՆ-947, the importance

¹⁰ <http://www.advocates.am/resources/advocates//img/decision/c7a30184a9ec8729fa74f334ac4b0d2d.pdf>

of both civil and criminal liability measurements has not found any application in the legally applicable practice.

During the years of 2011-2016, on the bases of Article 213 of the RA Criminal Code, the analysis of statistical findings on crimes recorded by the Police of Armenia was done and it showed that all the indicators to usury cases have considerably been decreased for years. Besides, the considerable number of cases was quashed on not exculpatory bases. Those are cases on the basis of quashing which the above-presented propositions of decisions have been put forward by the Court of Appeal, and thus investigations on these cases are not implemented.

Advocates more often related to criminal cases and corpus delicti foreseen by Article 213 of the RA Criminal Code are convinced that suchlike policy towards crime examination by the state may result in decriminalization of the action. The condition that usury cases are distinguished by a high level of latency and that they are very difficult type of crimes to reveal can have some importance and proposition for the above presented. This in its turn makes it difficult to investigate and disclose usury related cases.

In any case, decriminalize the evil named “usury” cannot be justified by any propositions, as it finally brings to violations of a number of essential and important rights, namely, it has been ruining human destinies and families in Armenia, contributing to immigration, etc. Consequently, those rights the protection of which Article 213 of the Criminal Code is aimed at, have to be protected today; therefore, serious and consistent struggle against the policy of usury decriminalization is a must.

In 2011 - 186 cases of crimes were registered, 136 criminal cases were initiated, of which 99 were quashed, and in 50 cases decisions to refuse the initiation of the criminal cases were made.

In 2012 - 158 cases of crime were registered, 120 criminal cases were initiated, of which 107 were quashed, and in 38 cases decisions to refuse the initiation of the criminal cases were made.

In 2013 - 74 cases of crime were registered, 54 criminal cases were initiated, of which 40 were quashed, and in 20 cases decisions to refuse the initiation of the criminal cases were made.

In 2014 - 68 cases of crime were registered, 58 criminal cases were initiated, of which 47 were quashed, and in 10 cases decisions to refuse the initiation of the criminal cases were made.

In 2015 - 55 cases of crimes were registered, 48 criminal cases were initiated, of which 51 were quashed, and in 7 decisions to refuse the initiation of the criminal cases were made.

In 2016 - 10 months - 28 cases of crimes were registered, 24 criminal cases were initiated, of which 34 were quashed, and in 4 decisions to refuse the initiation of the criminal cases were made.

Conclusion

In any case, the decriminalization of evil of “usury” can not be justified by any reason, since eventually it leads to a number of important and crucial law violations, in particular, it destroys human destinies, lives, families, promotes emigration, etc. Consequently, those rights that are protected by Article 213 of the Criminal Code of Armenia, even today are in need of protection, and therefore a serious and consistent struggle is needed against the policy of decriminalization of usury.

The decriminalization of usury clearly results from the interests of usurers of high positions within the society and high-ranking government officials, as well as representatives of the criminal world. Decriminalization of the article on usury will lead to arbitrariness, impunity and further financial enslavement and oppression of citizens. Efforts to decriminalize are aimed at excluding the upper margin of interest rates of the money lent that can lead to uncontrolled consequences, that is, usurers can lend money at any rate, up to 800% per annum (we have similar precedents in Russia). At the same time, decriminalization of the article on usury will lead to derogation of the role of the state and to further insecurity of citizens. In fact, it is necessary to fight not to decriminalize the article on usury but for the application of the article.

The law does not work. And this is the case when tens of thousands of families are under the yoke of usurers.

As it is seen from the Police of Armenia’s statistics¹¹ on cases of crimes envisaged by Article 213 of the Criminal Code of Armenia, the number of reports received at the police has sharply been decreasing from year to year, conditioned with the fact that no proper examinations were carried out on the basis of complaints submitted in previous years. This is evidenced by the fact that the number of cases sent to the courts is a small percentage of complaints received at the police.

¹¹ See Annex 1 and Annex 2

The number of citizens applying to the “Veles” human rights defender NGO is increasing; this is because they do not receive proper protection by the state bodies thus they expect to get support by the civil society.

Over the years, conditioned with such working manner of the law enforcement bodies, citizens' confidence in the police has been diminished, and citizens, having learnt about the inconsistent attitude of the police, have begun to raise their voices about usury cases in fewer cases.

For the aim of raising the society's awareness we have made a social animation video clip entitled “Usury as a means of money laundering”.¹²

¹² <https://www.youtube.com/watch?v=0eEoa9Jb9p4>

Crimes including initiated criminal ones, recorded duly to Article 213 of the Criminal Code of the Republic of Armenia during the years of 2011-2016

	Received for accounting in the current year	Remained in accounting in the current year	From which with materials	In total in the proceedings	Initiated criminal cases included										Suspended:	from which by #FO 31/1/1	Transferred to the next reporting period	Sent to mil. or removed from other		
					Sent to the court	Quashed not fairly	Quashed by #FO 35/1/6	Quashed by #FO 35/1/10	Quashed by #FO 35/1/12	Quashed by #FO 35/1/13	Quashed on fair grounds									
											In total	from which by #FO 35/1/1	from which by #FO 35/1/2	from which by #FO 35/1/3						
2011	Total in Armenia	197	186	50	219	29	86	10	0	0	23	13	1	11	0	4	0	34	3	
	Total in Yerevan	146	137	25	166	20	72	9	0	0	18	11	0	10	0	3	0	32	3	
	Aragatsotn marz	2	2	1	2	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
	Ararat marz	25	24	13	25	0	10	1	0	0	4	1	1	0	0	0	0	0	1	0
	Armavir marz	4	3	2	4	1	0	0	0	0	0	1	0	1	0	0	0	0	0	0
	Gegharkunik marz	3	3	2	3	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
	Lori marz	8	8	2	9	5	2	0	0	0	0	0	0	0	0	0	0	0	0	0
	Kotayk marz	2	2	0	3	1	2	0	0	0	1	0	0	0	0	0	0	0	0	0
	Shirak marz	2	2	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Syunik marz	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Vayots Dzor marz	5	5	3	5	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Tavush marz	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total in Armenia	185	158	38	220	48	69	7	1	0	36	38	3	34	0	5	0	21	1	
	Total in Yerevan	146	122	22	179	45	60	3	1	0	36	34	2	32	0	5	0	12	1	
Aragatsotn marz	0	0	0	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	
Ararat marz	13	11	5	14	1	4	3	0	0	0	3	1	1	0	0	0	1	0		
Armavir marz	6	6	4	6	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	
Gegharkunik marz	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Lori marz	7	7	0	7	1	0	0	0	0	0	0	0	0	0	0	0	0	6	0	
Kotayk marz	5	4	3	5	0	1	0	0	0	0	1	0	1	0	0	0	0	0	0	
Shirak marz	3	3	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Syunik marz	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Vayots Dzor marz	3	3	0	3	1	2	0	0	0	0	0	0	0	0	0	0	0	0	0	
Tavush marz	2	2	1	2	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total in Armenia	84	74	20	105	12	22	5	3	1	1	18	1	17	0	2	0	31	0		
Total in Yerevan	55	47	11	67	7	11	2	2	0	1	11	1	10	0	2	0	25	0		
Aragatsotn marz	3	3	0	3	2	1	1	0	0	0	0	0	0	0	0	0	0	0		
Ararat marz	2	2	1	3	0	1	0	1	0	1	0	1	0	0	0	0	0	0		
Armavir marz	3	3	1	5	1	1	0	0	0	0	0	0	0	0	0	0	0	2	0	
Gegharkunik marz	1	1	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	
Lori marz	8	7	2	14	2	3	0	0	1	0	5	0	5	0	0	0	0	2	0	
Kotayk marz	7	6	4	7	0	0	0	0	0	0	1	0	1	0	0	0	0	2	0	
Shirak marz	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Syunik marz	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Vayots Dzor marz	4	4	0	4	0	4	2	0	0	0	0	0	0	0	0	0	0	0	0	
Tavush marz	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total in Armenia	83	68	10	115	10	43	9	0	0	5	28	1	27	0	6	1	15	3		
Total in Yerevan	50	43	1	76	7	35	8	0	0	5	18	0	18	0	6	1	7	2		
Aragatsotn marz	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ararat marz	8	7	5	8	0	0	0	0	0	0	1	1	0	0	0	0	0	2	0	
Armavir marz	10	9	1	12	1	6	0	0	0	0	2	0	2	0	0	0	0	2	0	
Gegharkunik marz	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Lori marz	4	1	0	6	1	1	1	0	0	0	4	0	4	0	0	0	0	0	0	
Kotayk marz	3	2	2	5	1	0	0	0	0	0	1	0	1	0	0	0	0	0	1	
Shirak marz	7	5	0	7	0	1	0	0	0	0	2	0	2	0	0	0	0	4	0	
Syunik marz	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Vayots Dzor marz	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Tavush marz	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total in Armenia	79	55	7	96	14	16	6	0	0	0	35	2	33	0	0	0	24	0		
Total in Yerevan	45	31	1	54	13	9	5	0	0	0	18	0	18	0	0	0	13	0		
Aragatsotn marz	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Ararat marz	6	5	1	8	0	2	0	0	0	0	3	1	2	0	0	0	2	0		
Armavir marz	5	4	0	7	0	0	0	0	0	0	3	0	3	0	0	0	4	0		
Gegharkunik marz	2	2	1	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0		
Lori marz	7	6	3	7	0	0	0	0	0	0	1	0	1	0	0	0	3	0		
Kotayk marz	3	2	0	3	0	2	1	0	0	0	1	0	1	0	0	0	0	0		
Shirak marz	8	2	0	12	0	1	0	0	0	0	9	1	8	0	0	0	2	0		
Syunik marz	2	2	0	2	0	2	0	0	0	0	0	0	0	0	0	0	0	0		
Vayots Dzor marz	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Tavush marz	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total in Armenia	40	28	4	64	3	10	3	2	0	1	24	1	23	0	1	0	21	1		
Total in Yerevan	24	16	1	37	0	6	2	0	0	1	12	0	12	0	1	0	16	1		
Aragatsotn marz	1	0	0	1	0	0	0	0	0	0	1	0	1	0	0	0	0	0		
Ararat marz	6	5	0	8	1	2	0	1	0	0	2	0	2	0	0	0	3	0		
Armavir marz	1	1	0	5	2	0	0	0	0	0	3	0	3	0	0	0	0	0		
Gegharkunik marz	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Lori marz	3	2	2	6	0	1	1	0	0	0	3	1	2	0	0	0	0	0		
Kotayk marz	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Shirak marz	3	2	1	5	0	0	0	0	0	0	3	0	3	0	0	0	1	0		
Syunik marz	1	1	0	1	0	1	0	1	0	0	0	0	0	0	0	0	0	0		
Vayots Dzor marz	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Tavush marz	1	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0		

Annex 2

	2011	2012	2013	2014	2015	2016	In total
Report on crimes	186	158	74	68	55	28	569
Rejected	50	38	20	10	7	4	129
Initiated criminal cases	136	120	54	58	48	24	440
Quashed criminal cases	99	107	40	47	51	34	378