

# Economics of Crime and Financial Delinquency among Children and Adolescents: A Comparative Analysis of Causes and Consequences in Physical and Digital Spaces

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## ABSTRACT

With the expansion of modern technologies and the pervasive influence of digital space in our daily life, financial delinquency among children and adolescents has become a significant social and economic challenge. This phenomenon, occurring in both physical and digital environments, has widespread consequences for individuals, their families, and society. This study used a comparative approach, utilizing data from cases recorded in Tehran Juvenile Court, to examine the underlying factors and consequences of financial delinquency and the economics of crime in these two contexts. The findings revealed that multiple factors—including family economic status, parental supervision weaknesses, behavioral disorders, cultural changes, and broad access to digital tools—can contribute to the occurrence of these offenses. In physical environments, the economic and social impacts primarily affect the family and the adolescent's immediate social surroundings, whereas in the digital space, due to the scale, speed, and anonymity of offenders, the consequences are more complex and, in some cases, cross-border. The results highlighted the necessity for preventive policies, promotion of economic and digital literacy, strong support systems, and improvement of judicial frameworks related to children and adolescents. These insights can assist policymakers and researchers in reducing the financial and social harms associated with juvenile delinquency in the digital era.

## KEYWORDS

Economics of crime, financial delinquency, children and adolescents, physical environment, digital environment, juvenile court.

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## Introduction

Juvenile delinquency has become one of the most significant challenges of modern societies (Najafi Tavana, 2019). The term delinquency refers to the neglect of legal duties or the commission of wrongful acts that do not necessarily constitute a crime. However, it is often used synonymously with crime, particularly in relation to offenses committed by children and adolescents. Considering the sensitivity and emotional fragility of children, labeling them as criminals is inappropriate. Hence, the term delinquent may also refer to individuals who are rebellious or antisocial, even if they have not committed a formal crime (Boshra, 2015). A notable trend in recent years is the rise of financial and economic offenses committed by children and adolescents, both in physical world and in cyberspace.

Economic crimes not only inflict direct financial damage on individuals but also generate destructive consequences for the national economy (Yousefi Maragheh et al., 2013). Some of the most notable examples of such crimes include smuggling of goods and currency, hoarding, usury, bribery and corruption, tax evasion, in addition to money laundering and fraud (Seraj, 2021). It is generally agreed that one of the most prominent characteristics of the contemporary era is the rapid pace of economic, social, and cultural changes. In such a dynamic environment, individuals are compelled to adapt themselves in order to continue their lives. While a considerable portion of society chooses lawful means to cope with economic and social pressures, others—due to financial hardships, lack of social support, weak family supervision, and environmental influences—may resort to unlawful activities (Gilak Hakimabadi et al., 2017).

Children and adolescents are particularly vulnerable in this regard due to their psychological and social characteristics such as curiosity, the need for social acceptance, and limited life experience. With inadequate supervision and insufficient education regarding financial responsibility and ethics, they may develop a tendency toward economic crimes in either real or digital spaces. Cyberspace, in particular, provides an appealing environment for such offenses due to easy accessibility, anonymity, and the availability of opportunities for rapid financial gain.

The consequences of juvenile financial delinquency extend far beyond the direct monetary loss. Long-term consequences include erosion of social trust, increased economic vulnerability of families, and weakness of local and national economic foundations. Moreover, early involvement of children and adolescents in financial crimes may channel their life paths toward persistent social and economic deviance, thereby escalating corrective and judicial costs for society.

## Literature Review

Economic pressure on households can drive adolescents to seek illicit sources of income. Research shows that macroeconomic conditions, such as economic inequality and limited opportunities, are linked to higher rates of delinquency (Fajnzyblber et al., 2002; Intravia et al., 2021). In the context of financial crime, this often occurs through the

exploitation of minors by family members, who may use their identities and bank accounts to bypass the legal scrutiny (Levi & Reuter, 2006; van der Bruggen & Blokland, 2020). The digital revolution has introduced a new dimension to juvenile delinquency. The anonymity, scalability, and borderless nature of cyberspace reduce perceived risks and increase opportunities for crimes such as fraud and money laundering (Holt & Bossler, 2014; Wall, 2007). Adolescents, as digital natives, often possess the technical skills but lack the cognitive maturity and understanding of legal consequences, making them both perpetrators and victims of cyber-enabled financial crimes (Ngo & Paternoster, 2011; Yar, 2005). These risks are intensified in environments with weak institutional controls and rapid cultural change, which can undermine traditional social norms (Pratt & Cullen, 2005). Family dynamics are crucial in shaping juvenile behavior. Weak parental supervision, economic hardship, and parental involvement in crime are significant predictors of delinquency (Farrington, 2005; Loeber & Stouthamer-Loeber, 1986). Becker's framework (1968) of economics of crime suggests that individuals engage in criminal behavior after evaluating the expected costs and benefits. While this model has been widely applied to adult offenders, its application to juvenile financial delinquency requires careful consideration of developmental and contextual factors (McCord et al., 2001). Scholars in Iran's legal system have also explored this issue. The digital and cyber environment profoundly affects the lives of children and adolescents, often being perceived as an integral part of the family. However, cyberspace can have significant harmful effects and create conditions conducive to delinquent behavior. Given the widespread use of digital technologies, national policies should not only leverage the opportunities provided by cyberspace but also address its risks and threats. In this context, families play a central role in developing preventive policies in cyberspace (Asghari & Gholami, 2024). By establishing appropriate frameworks to manage the opportunities and risks of cyberspace on the one hand, and transforming it into an educational environment on the other hand, it is possible to safeguard the rights and freedoms of children and adolescents while employing community-based prevention strategies to reduce their propensity toward delinquency (Molkoti & Mohseni, 2023). Research shows that educating families and caregivers about cyberspace and its potential consequences, setting clear privacy boundaries for children, and monitoring the use of VPNs across digital devices can effectively prevent juvenile delinquency online. Among all institutions, the family's role in preventing cyber delinquency is more prominent than that of any other organization (Tirgar et al., 2020). Understanding the factors that drive juvenile financial delinquency in both physical and digital environments is essential for developing effective prevention strategies. Economic pressures on households, family dynamics, and the opportunities and risks presented by cyberspace highlight the multifaceted nature of this phenomenon. Integrating the economics of crime framework with insights from digital sociology enables a comprehensive analysis of how adolescents assess costs and benefits when engaging in delinquent behavior. This approach is particularly valuable for comparing

the financial delinquency in traditional and online settings, as it captures both shared and context-specific causes and consequences. By examining these factors comparatively, policymakers and practitioners can design interventions that address the structural, familial, and technological dimensions of juvenile financial crime. However, a significant gap remains in literature regarding how these causative factors operate differently in physical versus digital environments, particularly within specific cultural contexts like Iran. Most existing literature either focuses on Western contexts or examines cyber and physical crimes in isolation. Thus, this study aimed at filling this gap by providing a comparative analysis of the causes and consequences of juvenile financial delinquency across both domains, drawing on empirical case data from Iran.

This research employed a comparative methodology to identify and categorize the financial crimes perpetrated by children and adolescents, with particular emphasis on money laundering and fraud. It examined the economic, social, and cultural factors that influence delinquent behavior in both physical and digital contexts, while also underscoring the consequences of these offenses. The overarching goal was to develop some preventive strategies and policy recommendations aimed at mitigating the economic and social harms associated with juvenile financial delinquency. Given the goal of the study, the following research question was addressed:

What are the key factors contributing to financial delinquency among children and adolescents, and how do its consequences differ between real-world and digital environments?

## Methodology

The researchers employed a qualitative-analytical approach based on case studies. Several cases of financial and economic offenses committed by children and adolescents in both real and digital environments were collected. These cases included examples of fraud, money laundering, and other economic crimes carried out by juveniles. The data were analyzed using a comparative approach, allowing the causes and consequences of these offenses in physical and digital contexts to be examined and contrasted. The analysis focused on identifying economic, social, and cultural factors influencing juvenile delinquency, as well as the short- and long-term impacts of these behaviors on families, society, and the broader economy. The aim of this research method was to identify patterns and causal relationships between environmental conditions, individual motivations, and the economic and social consequences of juvenile financial delinquency, providing a scientific basis for the development of preventive strategies and policy recommendations. In this study, the examined juvenile financial crime cases are limited to two main categories of money laundering and fraud.

## Findings

This study focused on two prominent examples of financial crimes committed by children and adolescents. The first one is money laundering, which is carried out with

the aim of altering or concealing the illicit origin of assets. Beyond disrupting the economic cycle, it also generates widespread negative consequences for public trust. The second one is fraud, which occurs in both real and digital environments. Due to the diversity of methods employed and the broad scope of its impact on economic and social relations, fraud holds a particularly significant place in this research. Addressing the aforementioned issues provides the opportunity for a deeper examination of the factors driving juveniles toward financial delinquency and for analyzing its short- and long-term consequences.

### **The Commission of Money Laundering Offenses by Juveniles and Adolescents**

Money laundering is recognized as an emerging legal and economic phenomenon. Despite being one of the major challenges in many legal and economic systems, public awareness of this issue remains very limited (Falahnejad, 2017). Money laundering affects the performance of the real economy and the overall economic health of countries. It reduces the productivity of factors of production in the legal market and diverts capital from legitimate activities to illegal ones. Its consequences include currency distortions, increased inflation, and ultimately reduced economic growth (Hatamian et al., 2023).

In Iran, Article 2 of the Anti-Money Laundering Law of the Islamic Republic (as amended on 25/09/2018) provides a comprehensive definition of money laundering, identifying three main categories of conduct that constitute this offense. The law emphasizes that money laundering is a multifaceted crime, encompassing not only the handling and use of illicit proceeds but also the various methods employed to conceal their criminal origin.

First, money laundering arises when an individual acquires, possesses, retains, or uses assets derived from unlawful activities, with the knowledge that such assets are directly obtained through the commission of a crime. This provision emphasizes that criminal liability extends not only to the generation of illicit proceeds but also to knowingly benefiting from them.

Second, the law criminalizes the conversion, exchange, or transfer of funds or assets undertaken with the purpose of concealing or disguising their unlawful origin. In this sense, the legislation targets attempts to legitimize “dirty money” by severing or masking its link to criminal activity, whether such proceeds are obtained directly or indirectly.

Third, money laundering also encompasses the concealment or disguise of the nature, source, location, movement, transfer, or ownership of assets derived from crime. This demonstrates the broad scope of the offense, as even efforts to alter the appearance of illicit wealth—without necessarily moving or transferring it—fall within the legal definition.

With the expansion of cyberspace and the growth of electronic banking, methods of fund transfer have changed, and money laundering has taken on new forms (Vaizi & Jamshidi, 2017). Today, due to the global increase in economic crimes and illegal

activities, money laundering has become one of the most pressing challenges for the international economy, threatening global economic growth and development (Yarifard & Nourian, 2016). Money launderers typically choose regions where anti-money laundering systems are weak or ineffective and they prefer to transfer funds through countries or regions with stable financial systems to reduce the risk of detection.<sup>1</sup> In this study, alongside a general review of money laundering, particular attention was given to the involvement of children and adolescents in this phenomenon. Due to the lack of awareness, economic conditions, and environmental influences, children and adolescents are vulnerable to committing such crimes. Subsequently, the study will refer to specific cases of money laundering committed by children and adolescents to analyze the causes and consequences of these behaviors.

This study examined a case involving money laundering and tax evasion in which the defendant is a woman, registered under the judgment number 140068390010050715. The case pertains to a nine-year-old child, B.S., and exemplifies the illegal exploitation of minors as intermediaries or legal facades for conducting financial crimes. According to a report by the Ministry of Intelligence dated 2019/02/01, between 2014 and 2019, approximately 11.5 billion Iranian Rials were deposited into B.S.'s bank accounts, with nearly equivalent sums subsequently withdrawn. The magnitude of these transactions, relative to the child's age and financial capacity, strongly indicated the misuse of the account for unlawful financial purposes. A detailed analysis of the case revealed that the child lacked the legal and economic capacity to conduct these transactions independently, and the defendant utilized the child's account to carry out commercial and financial operations. From a criminal law perspective, these actions clearly constitute money laundering and tax evasion, as funds derived from illicit activities were transferred through a minor's account and subsequently moved to obscure their origin, effectively reducing the risk of detection and legal accountability for the main perpetrator. From a criminological standpoint, this case illustrated the systematic exploitation of children and adolescents as vulnerable instruments in facilitating illicit financial activities. The child, serving as the account holder, was inadvertently involved in a chain of suspicious transactions without independent knowledge or consent. This underscores the complexity of economic crime and highlights the necessity of analyzing environmental, motivational, and operational factors that enable offenders to exploit vulnerable individuals. Economically, misusing a child's account undermines financial transparency, disrupts legitimate capital flows, and diminishes public trust in the banking system. Transactions disguised as legitimate not only threaten economic stability but also create conditions conducive to the proliferation of similar crimes across society. Furthermore, the case emphasizes the critical need for enhanced regulatory oversight and preventive measures, including parental guidance, institutional monitoring, transaction audits, legal safeguards for accounts held by minors, and educational initiatives for families and financial institutions.

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1. Force, F. A. T. (1999). What is money laundering. *Policy Brief* July 1999.

From social and psychological perspectives, the case demonstrated that minors, due to limited experience and knowledge of legal and financial matters, are particularly susceptible to exploitation. Accordingly, the role of parents, guardians, and regulatory bodies is crucial in mitigating these risks. Preventing the exploitation of vulnerable individuals, particularly in the context of financial crime, is a vital consideration in modern criminal law and criminology.

Ultimately, this case illustrated that money laundering and tax evasion involving minors constitute not merely an economic concern but a complex legal and social challenge. Addressing such crimes requires a multifaceted approach, including coordination among regulatory authorities, strengthening legal protections for minors, and implementing comprehensive educational and preventive programs. An in-depth study of this case allows for the identification of methods, underlying causes, and consequences of using children in economic crimes, thereby providing a robust foundation for developing preventive policies and legal strategies.

### **Fraud and Its Commission by Children and Adolescents**

Fraud occurs in two forms of traditional and electronic (or computer-based). In this section, each type of fraud will be examined separately, and for each category, cases involving its commission by children and adolescents will be analyzed.

#### **1. Conventional Fraud**

The legal element of the crime of traditional fraud is stipulated in Article 1<sup>1</sup> of the Law on Aggravating the Punishment of Perpetrators of Bribery, Embezzlement, and Fraud.

##### **1. Article 1 of the Law on Aggravating the Punishment of Perpetrators of Bribery, Embezzlement, and Fraud**

Anyone who, by means of deceit or fraud, misleads people by claiming the existence of companies, commercial establishments, factories, or fictitious institutions, or by asserting ownership of nonexistent property or powers, or by giving false hopes regarding unreal matters, or by frightening others with fictitious events, or by adopting a false name or title, and thereby acquires money, property, documents, drafts, receipts, clearance certificates, or similar items from others, shall be considered a fraudster. Such a person shall, in addition to returning the property to its rightful owner, be sentenced to imprisonment from one to seven years and fined an amount equivalent to the property obtained.

If the offender falsely assumes a title, position, or mission on behalf of government organizations, affiliated institutions, state-owned companies, councils, municipalities, revolutionary institutions, or, in general, the three branches of government or the armed forces and other public service institutions, or if the offense is committed through public advertising via mass media such as radio, television, newspapers, magazines, public speeches, or printed or written announcements, or if the offender is an employee of the government, governmental institutions, affiliated organizations, municipalities, or revolutionary institutions assigned to public service, in addition to returning the property to its rightful owner, the offender shall be sentenced to imprisonment from two to ten years, permanent dismissal from public service, and a fine equivalent to the property obtained.

Note 1: In all cases referred to in this Article, where mitigating circumstances are present, the court shall have the discretion, in accordance with the relevant provisions governing sentence reduction, to reduce the offender's penalty solely to the minimum term of imprisonment prescribed herein and to permanent dismissal from public service. Nevertheless, the enforcement of the sentence shall not be subject to suspension.

Note 2: The punishment for an attempt to commit fraud shall, as applicable, be the minimum sentence prescribed for the same offense. If the act itself also constitutes a crime, the person attempting it shall be punished for that crime as well. Government employees who hold the rank of Director General or higher (or equivalent) shall, in addition to other penalties, be permanently dismissed from public service; those in lower ranks shall face temporary dismissal from six months to three years.

This offense falls within the category of crimes against property and ownership and is defined as the unlawful acquisition of another person's property through the use of fraudulent means by the perpetrator. The material element of traditional fraud consists of components whose simultaneous realization is necessary for the commission of the crime. In this sense, traditional fraud is a result-oriented offense, meaning that mere criminal conduct without achieving the intended unlawful result does not suffice for its realization. Accordingly, the concurrent fulfillment of the legal, material, and mental elements is indispensable for establishing this crime ([Alinezhadi & Alinezhadi, 2018](#)).

Regarding the conditions and circumstances necessary for the commission of this offense, several fundamental elements can be identified. First, the means employed by the offender to deceive the victim must be inherently fraudulent. Second, the victim must actually be misled by these means, which presupposes their unawareness of the fraudulent nature of the instruments used. Third, the property obtained must belong to another, as the unlawful transfer of another person's property is central to the offense. Mere deception of the owner is therefore insufficient; the deception must occur through using fraudulent devices. In this regard, employing fraudulent instruments constitutes the essential foundation and core element of traditional fraud.

Beyond direct perpetration, the issue of complicity in traditional fraud is also significant. According to Article 126 of the Islamic Penal Code, anyone who induces, threatens, bribes, or incites another person to commit a crime, or anyone who by scheming, deceiving, or abusing the authority facilitates its commission, or prepares the means for committing the crime, or otherwise assists in its occurrence, is considered as an accomplice. The material element of complicity includes any indirect action such as encouragement, threat, bribery, deceit, misuse of authority, provision of instruments, or facilitation of the crime. In traditional fraud, many individuals, even without direct participation in the main act, play a decisive role through these actions.

Judicial case studies indicated that, in some instances, children and adolescents are involved not as principal offenders but as accomplices in traditional fraud. For example, using a minor's bank account or identity to transfer fraudulently obtained funds, or their apparent participation in deceptive transactions, constitutes a form of accomplice liability. The significance of these cases lies in the fact that children and adolescents, due to their incomplete cognitive development and limited awareness of the legal consequences of their actions, are particularly vulnerable to exploitation by adult offenders. Often, minors, without any independent criminal intent, become instruments in facilitating the crime due to trust, dependence, or inability to discern the true nature of the acts.

Therefore, the study of traditional fraud becomes particularly important when children and adolescents are involved. This group may not only commit the offense directly but also be exploited as instruments in its commission. Accordingly, the following section will examine specific case records concerning the commission or facilitation of traditional fraud by children and adolescents, with the aim of providing a

comprehensive understanding of the legal, social, and criminological dimensions of this phenomenon.

In this regard, a case with registration number 140068920003466672 involves the defendant S. A, a 16-year-old adolescent, who was charged with accomplice liability in traditional fraud. The case details indicated that the defendant experienced parental separation at the age of eight and subsequently lived with her father. Moreover, the father was identified as the principal perpetrator of the fraud in the same case.

Examination of the case revealed that the father's behavior involved irrational and disproportionate interventions that were inconsistent with the adolescent's emotional capacities. Considering that the father exploited the child economically and psychologically and failed to fulfill his parental responsibilities adequately, the court, invoking the Legal Framework for the Protection of Children and Adolescents (2019), recommended preventive measures.

In 2019, the court directed the adolescent to attend psychological counseling sessions at a reputable center. The primary objective of these interventions was to provide foundational parenting guidance, instill appropriate life attitudes, and prevent future criminal conduct. Analysis of the case further identified several contributing factors to the minor's involvement in the crime:

- Parental neglect and inattention to the child's emotional and developmental needs;
- Failure of the guardian to provide appropriate support and guidance in legal and social matters;
- Economic exploitation of the adolescent by the parent, including use of the child's accounts and identity to facilitate fraudulent activities;
- Misalignment of parental behavior with the adolescent's age and emotional capacities, leading to vulnerability.

In light of these findings, the court, citing multiple provisions of the Law on the Protection of Children and Adolescents (2019), including Articles 1 (b, p, t, th, dh), 2, 3 (a, zh), 5 (a, b, th, j), 29, 30, 36, and 47, mandated the submission of reports and legal follow-up through the competent criminal authorities. These legal measures aimed to prevent recidivism, protect the child's rights, ensure psychological and social security, and create conditions for behavioral corrections.

This case exemplified the interplay between familial and environmental factors and juvenile delinquency. Criminological studies indicated that children and adolescents who are deprived of parental support or subjected to economic and social exploitation are particularly vulnerable to being used as accomplices or instruments in the commission of adult crimes. Therefore, alongside legal action against the principal offender, attention to parental roles, provision of psychological interventions, and educational support for adolescents are essential for effective prevention of juvenile delinquency.

## 2. Computer Fraud

Computer fraud represents a prominent category of offenses arising from the misuse of information technology. Information technology, as a transformative phenomenon of the contemporary era, has induced profound structural and functional changes across social, economic, and cultural domains (Khoramabadi, 2007). The proliferation of computers and the rapid diffusion of communication technologies have facilitated opportunities for cybercriminal activities, enabling individuals to engage in illicit conduct without the necessity of advanced programming skills or sophisticated technical creativity. Consequently, cyberspace functions as a readily accessible medium for the commission of such offenses (Rostami, 2019). The nature of cybercrimes is inherently linked to the expansion of information technology and the onset of the information age, wherein computers may serve as the instrument, target, or subject of criminal conduct. These offenses are typically categorized into two major groups: The first group encompasses traditional cybercrimes with established legal definitions, including computer forgery, computer fraud, and computer espionage, wherein the computer primarily functions as a tool for executing criminal behavior. The second group comprises emerging cybercrimes, which are defined by the specific modalities of information technology usage, such as unauthorized access, system and data disruption, and dissemination of cyber pornography (Afshar, 2018). Across both categories, the legal subject of the crime involves the property and financial information of others, individual and public security, public morality, and personal reputation. Computer fraud, in particular, is defined as the unauthorized acquisition of funds, property, benefits, or services with financial advantage for oneself or others, executed through acts such as inserting, modifying, deleting, creating, or disabling data, or disrupting digital systems (Molavi & Taji, 2021). The accessibility of digital technologies and the ubiquitous nature of cyberspace have increasingly exposed children and adolescents to cybercriminal activities. Due to their limited cognitive and legal awareness, coupled with susceptibility to peer or adult influence, minors may become direct participants or unwitting instruments in the execution of computer fraud. Judicial case analyses revealed that adolescents are often utilized as operational tools by adult offenders, highlighting the necessity for targeted criminological investigation, preventive strategies, and educational interventions.

In light of these concerns, in what follows, we have focused on empirical case studies involving children and adolescents in computer fraud, examining patterns of involvement, operational methods, and contributory factors, while also addressing the broader legal and criminological implications of juvenile engagement in cybercrime. These case-based analyses aimed at informing policy design, strengthening legal safeguards, and enhancing preventive frameworks for mitigating youth participation in computer-related offenses.

In this context, a notable case involved a ten-year-old child, Mr. A.S., registered under case number 140168920003258010, who was charged with computer fraud totaling 145 million Rials. The court records indicated that the child was below fifteen years of

age at the time of the offense. The evaluation of his actions was conducted in accordance with Article 741<sup>1</sup> of the Computer Crimes Law (2009), as well as Articles 37, 38, and 88 (clauses a, p, and t).

Although neither the child nor his legal guardian appeared at the scheduled hearing, despite proper notice, the court confirmed that the child's behavior was inconsistent with the law. Taking into account the minor's age, emotional immaturity, the defense attorney's submissions, and the court advisor's recommendations, the court applied a mitigated approach. The child was placed under supervised rehabilitation and social reintegration programs, along with formal commitments and guidance provided to the parents to ensure effective oversight.

Regarding the private dimension of the offense, the minor was ordered to compensate the private complainant with 145 million Rials. The court noted that parental actions—specifically, the opening of a bank account for the child—were incongruent with the child's cognitive and emotional development. Pursuant to the Law on the Protection of Children and Adolescents (2019), the parent was required to attend psychological counseling sessions at a certified center, aimed at improving parenting skills and fostering proper guidance to prevent future offenses.

From a criminological perspective, this case highlighted that children, particularly at a young age, are vulnerable to involvement in cybercrimes due to limited understanding of legal and social consequences, dependence on adults, and susceptibility to external influence. Frequently, parents or guardians may unintentionally contribute to conditions enabling juvenile involvement in illegal activities, whether through neglect or inadequate supervision. This underscored the importance of addressing familial, social, and educational factors, implementing preventive measures, and providing structured rehabilitation programs to ensure effective reintegration and reduce the risk of recidivism among minors engaged in computer-related offenses.

In one of the significant cases related to computer fraud, a juvenile identified as A.R., aged 15, under case number 140168390007345247, was prosecuted on charges of complicity in computer fraud. The accusation stemmed from the use of a bank account opened in his name, which was allegedly exploited in financial transactions connected to fraudulent activities. The complainant argued that the account had been instrumental in the commission of the offense and sought to attribute liability to the juvenile.

However, upon close examination of the case file and the surrounding circumstances, the court reached several key conclusions. First, given the defendant's young age, he did not have independent authority to manage or withdraw funds from the account. The evidence demonstrated that this authority rested with his mother, as his legal guardian. Accordingly, direct attribution of the fraudulent acts to the child lacked sufficient legal foundation.

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1. Article 741 of the Islamic Penal Code (Amended 2024/06/20):

Anyone who unlawfully uses computer or telecommunication systems to acquire funds, property, benefits, services, or financial privileges for themselves or others by committing acts such as entering, modifying, deleting, creating, or suspending data, or disrupting the system, shall, in addition to returning the property to its rightful owner, be sentenced to imprisonment from one to five years, a fine ranging from 165,000,000 to 825,000,000 Rials, or both

Second, the proceedings revealed that the juvenile was primarily a victim of exploitation by adult offenders rather than an intentional participant in the offense. His immaturity, lack of awareness of banking procedures, and limited cognitive and legal understanding due to the age placed him in a vulnerable position, effectively turning him into a tool for the schemes of others. From a criminological standpoint, this case reflected a broader phenomenon whereby children and adolescents can be manipulated or instrumentalized by experienced offenders in the commission of cybercrimes.

Third, the court emphasized the mental element (*mens rea*) of the offense, namely both general and specific intent. It was found that the accused lacked the requisite knowledge and deliberate intention to commit the crime. The evidence clearly suggested that the juvenile had no meaningful awareness of the unlawful nature of the actions associated with his account.

Consequently, the presiding judge, invoking Article 37 of the Constitution of the Islamic Republic of Iran, which enshrines the presumption of innocence, issued a judgment of acquittal. The court underscored that criminal liability must be established through concrete and irrefutable evidence, and that the mere existence of a bank account in the child's name was insufficient to prove criminal participation in the absence of proof of intent and volition.

In conclusion, this case exemplified a progressive judicial approach toward children and adolescents entangled in cybercrime. By acquitting the juvenile, the court reinforced the fundamental principles of criminal law, such as legality and personal responsibility, while simultaneously adopting protective and preventive perspectives. This decision can serve as a valuable precedent for strengthening juvenile criminal justice and for advancing policies aimed at safeguarding minors from becoming unwitting participants in cyber-related offenses. Beyond its judicial significance, this ruling carries considerable implications in the fields of criminology and juvenile justice. It reaffirmed the principle of individual criminal responsibility and highlighted the necessity of careful evaluation in cases involving minors. Furthermore, it underscored the crucial role of parents and legal guardians in monitoring and supervising children, since negligence or mismanagement can expose minors to criminal exploitation without their knowledge or consent.

## Discussion and Conclusion

This study, through a comparative analysis of financial delinquency among children and adolescents in both physical and digital environments, demonstrated that this phenomenon is not merely the result of individual motives or temporary circumstances. Rather, it is deeply rooted in broader economic, social, cultural, and familial structures. The findings revealed that economic pressures and declining household income, weak parental supervision, rapid socio-cultural transformations, and widespread and unregulated access to digital technologies collectively create fertile ground for juvenile involvement in financial offenses.

On the one hand, in physical environment, juvenile financial delinquency tends to remain limited in scope, primarily affecting the family unit and the adolescent's immediate social network. On the other hand, in cyberspace, due to its transnational, anonymous, and rapid nature, the consequences are far more complex and often extend beyond national borders. This fundamental distinction underscores the necessity of designing prevention strategies that are context-sensitive and environment-specific—an aspect that is currently underdeveloped in domestic policy-making.

The analysis of judicial cases further revealed that children and adolescents are often not independent offenders, but rather tools or victims exploited by adults in the cycle of financial crimes. The misuse of their bank accounts, the manipulation of their legal identities, and disregard for their limited cognitive and psychological capacities expose minors to systemic economic exploitation. From this perspective, juvenile financial delinquency cannot be reduced to a “criminal issue” alone; it constitutes a form of socio-economic exploitation with profound ethical and social implications.

At the macro level, the escalation of juvenile financial delinquency undermines social capital, erodes public trust in economic and judicial institutions, exacerbates monitoring and correctional costs, and fuels instability in economic systems. Furthermore, the early involvement of adolescents in financial crimes increases the likelihood of continued delinquent trajectories into adulthood, thereby reinforcing cycles of social inequality and economic disparity.

Accordingly, a comprehensive and multidimensional approach is essential for addressing this issue. Policy recommendations derived from this research include:

- Integrating financial and digital literacy education into both formal and informal curricula;
- Enhancing parental awareness and parenting skills to enable more effective supervision of children's financial behaviors;
- Revising banking regulations to impose stricter safeguards on accounts opened under the names of minors;
- Developing protective and rehabilitative mechanisms within the judicial system as alternatives to punitive measures;
- Promoting regional and international cooperation in monitoring and preventing cross-border financial crimes in cyberspace.

In conclusion, the findings of this study suggested that juvenile financial delinquency is a multidimensional and interdisciplinary challenge. Addressing it requires coordinated efforts across educational, economic, judicial, and cultural institutions. Neglecting such an approach would not only exacerbate short-term economic costs but also endanger the long-term social and human development of future generations.

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