

The Practical Approaches to Addressing Illicit Activities in the Petroleum Sector from the Perspective of Social Governance Community

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Abstract: The management of refined petroleum products, as an indispensable energy resource that directly impacts the harmonious and orderly functioning of the market economy, assumes great significance for national welfare. However, in recent years, due to factors such as economic interests and regulatory loopholes, there has been a surge in illicit activities involving refined petroleum products, including unauthorized gas stations, unapproved oil storage facilities, and mobile refueling operations commonly referred to as “illegal fuel stations”. These illicit practices severely disrupt market trading order and undermine the legitimate rights of consumers, necessitating urgent attention and effective governance. This paper addressed the issue of combating illicit activities in the refined petroleum sector from the standpoint of fostering a social governance community. Through social investigations, case analyses, and behavioral research, this paper presented a profound analysis of the challenges faced in governance efforts. Furthermore, it put forth targeted comprehensive measures, encompassing the enhancement of mechanisms, reinforcement of legislation, and utilization of technological advancements, to augment the effectiveness of combating and preventing illicit activities in the realm of refined petroleum. By providing an overarching framework and valuable insights, this study contributes to the establishment of a multi-party governance model.

Keywords: Chinese-style modernization; social governance community; illicit activities in the refined petroleum sector; practical interventions

1. Introduction

The refined petroleum sector, playing a crucial role in our nation's welfare, significantly influences the healthy functioning of the market economy. However, in recent times, the rise in irregular practices such as unauthorized gas stations, unapproved oil storage facilities, and mobile refueling operations referred to as “illegal fuel stations”, has severely disturbed the order of refined petroleum market transactions and compromised the legitimate rights of consumers. These illicit activities involve the sale of petroleum from various sources, often blended

with chemicals or impurities such as urea, leading to compromised quality that not only pollutes the atmosphere but also impacts the lifespan of vehicles and other machinery. Moreover, the “illegal fuel stations” that occupy farmland or rural dwellings for refueling lack essential environmental facilities, leading to significant damage to soil and the surrounding environment due to leakage during the refueling process. Additionally, the absence of necessary preventive measures during the illicit transport, storage, and sale of refined petroleum poses substantial security and safety risks, endangering public safety and the lives and assets of the masses. Hence, it is imperative to explore strategies to address and combat these illicit activities in the refined petroleum sector, whether through government regulations, societal demands, market interventions, or individual citizens' endeavors.

The current research on combating illicit activities in the refined petroleum sector is rather limited. The few available studies primarily focus on the legal aspects of refining these crimes, such as the improvement of regulations and enforcement measures. [1-3] there are also a few studies that discuss governance perspectives led by government agencies in addressing this issue [4-6]. While the existing research provides valuable insights, it primarily focuses on narrow aspects and overlooks the fundamental principle of people-oriented social governance as a guiding framework. It is imperative to establish a collaborative and shared governance pattern [7] that emphasizes co-construction, co-governance, and benefit-sharing. This involves creating a symbiotic structure [8] that intertwines governing entities and promotes the overall improvement of governance levels. Such an approach would be the key to enhancing efforts aimed at combating illicit activities. In the realm of crime governance, the waning effectiveness of sole entity governance necessitates the establishment of a social governance community tailored to combating such violations. This paper will focus on exploring practical approaches from various dimensions, including legal frameworks, mechanisms, and technological advancements. It aims to provide novel insights for combating illicit activities in the refined petroleum sector

and offer effective pathways for the implementation of governance activities.

2. The Main Characteristics of Illicit Activities in the Refined Petroleum Sector

In recent years, a number of enterprises and individuals, driven by the pursuit of maximizing illicit profits, have taken advantage of regulatory loopholes in the management of refined petroleum operations. This has led to the persistent occurrence of illicit storage, sales, and use of gasoline, diesel, and other refined petroleum products. Through the analysis of related cases, the following characteristics of illicit activities in the refined petroleum sector have emerged:

2.1. Multifaceted Illicit Activities in “Illegal Fuel Stations”, Resembling “Designated Landmines”

According to the *Production Safety Law of the People’s Republic of China*, the sale and operation of refined petroleum products require a hazardous chemicals management license, and production and business units need to appoint dedicated safety production managers. However, “illegal fuel stations” often lack the necessary qualifications and mainly operate as small workshops by individuals or families. Motivated by financial gains, these fuel stations pose significant risks of explosions and fires at various stages, including storage, transportation, and refueling, due to the absence of proper safety measures.

Firstly, it is important to note that legitimate fuel stations are required to adhere to strict safety regulations regarding the distance between storage tanks, as well as the implementation of fire prevention measures. These stations must be located underground whenever possible, away from residential areas, and strictly prohibited from being set up indoors. However, the majority of illegal fuel stations currently operating in the market have rudimentary conditions, lacking proper environmental, fire, and quality inspection approvals. Additionally, many of these stations use second-hand equipment for their operations. Furthermore, some even blatantly set up illegal fuel stations within residential premises, posing significant risks to nearby residents and community safety.

Moreover, the current modus operandi of these illegal fuel stations commonly involves a combination of both “fixed” and “mobile” transactions. They source their supply from small-scale refineries with wholesale qualifications and then distribute the fuel into modified plastic barrels installed in light-duty trucks for sales. This supply method has gained popularity among “unlicensed” operators and clientele, such as the illicit use of construction machinery and forklifts, which further fuels the existence of these illicit fuel points.

2.2. The Utilization of Guerrilla Sales in Mobile Fuel Trucks: Transforming Into “Mobile Bombs”

As indicated by the *Beijing Regulations on the Prevention and Control of Pollution from Motor Vehicles and Non-Road Mobile Machinery*, non-road mobile

machinery such as excavators, bulldozers, rollers, cranes, and levelers are not permitted to operate on public roads without the assistance of corresponding towing vehicles. Given the higher cost of refueling these mentioned machinery at authorized fuel stations, the usage of affordable mobile fuel trucks becomes “a popular choice” due to their “convenient” services such as home delivery, on-demand sales, and credit options.

To reduce costs, illicit operators frequently resort to illicitly modified trucks or vans with no apparent hazardous markings as their mobile fuel vehicles. Without implementing any safety measures, they engage in guerrilla-style illicit sales by contacting potential customers through acquaintances, social media platforms such as WeChat, and other means. It is worth noting that the majority of these illicit mobile fuel trucks are not equipped with qualified drivers or supervisors who have undergone the necessary training as mandated by regulations. As a result, the multifaceted risks associated with mobile fuel trucks have transformed them into highly dangerous “mobile bombs” jeopardizing public safety.

2.3. The “Hidden Risks” of Document Forgery and Unauthorized Operations within the Chemical Transportation Industry

According to Article 44 of the *Regulations on the Safety Management of Hazardous Chemicals*, drivers, crew members, handling supervisors, escorts, declarants, and on-site inspectors of road and waterway transportation enterprises involved in the transportation of hazardous chemicals must undergo assessments by the competent transportation authorities and obtain the relevant qualifications. However, in practice, it has been discovered that some individuals or companies do not possess the necessary qualifications. Instead, they acquire transportation permits and personnel licenses through acquaintances, WeChat contacts, online queries, and other methods from provinces outside their own. In more severe cases, they even directly use purchased forged permits, engaging in transportation and refueling services in violation of regulations, thereby greatly increasing the likelihood of safety risks and accidents.

2.4. Exploiting the Veil of Self-Use Oil for Illicit Sale of Refined Petroleum Products, Leading to a Regulatory Blind Spot

Certain enterprises and individuals take advantage of the pretext of self-use oil, utilizing simplified testing reports issued by non-government recognized testing agencies to apply for recordkeeping with the Emergency Management Bureau’s quality supervision department. Without verifying their qualifications for construction, they directly engage third-party companies to establish storage equipment for refined petroleum products. Following this “carefully orchestrated process”, they store refined petroleum products under the guise of having obtained proper documentation, while clandestinely selling these products under the pretense of self-use. This “deceptive scheme” makes it difficult for

regulatory authorities to capture relevant clues, leading to a regulatory blind spot.

3. Examining the Challenges in Combating Illicit Activities in Refined Petroleum Products

3.1. Difficulties in Inspection: Concealed Locations of Self-Established Illicit Oil Storage Facilities

According to the *Technical Specifications for Management of Refined Petroleum Product Storage Enterprises*, the site of a refined oil storage facility should meet requirements for water, electricity, and drainage necessary for production, fire safety, and daily activities. Additionally, the location of the oil storage facility should comply with regulations regarding the safe distance from residential areas, industrial enterprises, transportation routes, and other pertinent conditions. However, in practice, perpetrators of illicit activities often choose concealed locations in peri-urban areas, along national and provincial highways, and in rural residential areas to store illicit petroleum products. They partially bury oil tanks underground and place them within vacant rural houses or in the exposed areas of abandoned factory compounds, often obstructed by buildings. By doing so, they not only evade aerial satellite surveillance but also elude joint law enforcement efforts by relevant authorities. The “deeply concealed” illicit oil storage facilities present significant challenges for daily patrols and investigative operations conducted by law enforcement agencies.

3.2. Difficulties in Crackdown: Gap Existing in the Alignment of Relevant Laws and Regulations

In the current practice of combating illicit activities in refined petroleum products, significant obstacles are encountered due to “gaps” in the alignment of relevant laws and regulations, hindering the efforts to crackdown on such cases effectively.

3.2.1. Inconsistent Logic in Regulatory Laws Leading to Ambiguity in Accountability

In order to implement the “delegating administrative powers, enhancing regulation, and optimizing services” reform requirements for the management of petroleum products circulation, the Ministry of Commerce abolished the *Measures for the Administration of the Refined Oil Market* on July 1, 2020. Subsequently, on September 21, the *State Council issued the Decision of the State Council on Cancelling and Delegating a Batch of Administrative Approval Items* (G.F. [2020] No. 13). Within the list of administrative approval items that were delegated approval authority by the State Council, the approval authority for the qualification of retail operations for refined oil was transferred from provincial-level commerce departments to departments designated by municipal people’s government. Although the *Measures for the Administration of the Refined Oil Market* have been abolished, according to State Council Decree No. 412, G.B.F. [2019] No. 42, G.F. [2020] No. 13, as well as notifications and subsequent guiding opinions issued by the Ministry of Commerce, it is explicitly stated that the

state still implements licensing management for the retail operations of refined oil. This means that enterprises engaging in such activities must still comply with requirements related to safety, environmental protection, fire safety, quality, taxation, transportation, meteorology, and measurement, and obtain the “Certificate of Approval for Refined Oil Retail Operations” before engaging in business activities.

The abolition of the *Regulations on the Management of Refined Oil Markets* has created inconsistencies and posed significant limitations in effectively cracking down on illicit activities and regulating illicit operations in the retailing of refined petroleum products. Despite the retention of the qualifications for retailing refined oil, it is essential to carry out routine investigations and enforcement against illicit activities conducted without the necessary business licenses. According to Article 5 of the *Regulations on Investigating and Dealing with Unlicensed Operations*, operators engaging in business activities without obtaining the required licenses shall be subject to investigation and punishment by the departments designated by laws, regulations, and decisions of the State Council. In cases where no specific department is identified by laws, regulations, or decisions of the State Council, the departments designated by provincial, autonomous regional, and municipal people’s governments shall be responsible for the investigation and punishment. However, this provision does not clearly designate the primary supervisory department responsible for monitoring unlicensed activities in the illicit retailing of refined oil. To prevent regulatory vacuum, provincial, autonomous regional, and municipal people’s governments generally follow the principle of “the individual responsible for approval is also tasked with oversight, while the person in charge assumes the role of management and supervision” to determine the primary supervisory department. Therefore, the Department of Commerce, as the authority responsible for the approval of retailing refined oil qualifications, should be responsible for the supervision and punishment of illicit activities in the retailing of refined oil. However, due to the transfer of the enforcement department of the Department of Commerce to the Market Supervision Department, the Department of Commerce no longer possesses the authority to enforce penalties. Consequently, due to the gaps in the legal regulations, there is a lack of clarity in identifying the responsible entity for monitoring and punishing unauthorized retailing of refined oil, severely hindering effective regulation and punishment of such illicit activities.

3.2.2. The Operational Model of “Wholesale without a License, Retail with a License” in the Refined Oil Industry Providing a “Shield” for Unscrupulous Individuals

Under the operational model of “wholesale without a license, retail with a license” in the refined oil industry, illicit operators often exploit the opportunity to engage in illicit retail activities by obtaining genuine transportation licenses and purchasing refined oil from refineries in

other provinces or regions. They then quickly disperse the products for sale to illegal fuel stations without the necessary retail licenses, all while presenting valid transportation documents to bypass inspections. By taking advantage of the notion that “wholesale does not require a license”, these individuals seamlessly blend illicit retail activities within legitimate wholesale operations, effectively obfuscating their actions and making enforcement efforts more challenging.

3.3 Difficulties in Real-Time Supervision: Lack of Regulatory Oversight Due to Data Barriers

Due to disparities in the prices of refined oil across different provinces and cities, most of the illicitly sold refined oil originates from regions with lower prices. However, the registration and licensing of personnel and vehicles involved in the interprovincial transportation of refined oil are universally applicable nationwide. Yet, despite the “nationwide acceptance” of transportation permits, important data such as vehicle information, personnel information, and GPS tracking for the transportation of refined oil has not been effectively shared nationwide. This contradiction, caused by data barriers, leads to a situation where relevant local authorities, responsible for regulatory oversight, are unable to maintain real-time awareness of transportation activities and thus fail to fulfill their responsibilities, “reluctantly allowing” illicit activities to persist.

3.4 Difficulties in Ongoing Governance: the Logical Inertia of Campaign-Style Rectification

The supervision and management of refined oil involve multiple departments, including local governments, public security, emergency management, market supervision, commerce, transportation, development and reform commissions, self-discipline commissions, ecological environment, housing and urban-rural development commissions, urban management committees, tax authorities, and meteorological departments. Most of these departments adopt a centralized, coordinated approach to accelerate the operation of the hierarchical organization in the process of combating refined oil-related illicit activities, thereby achieving rapid governance results. However, this campaign-style governance model, heavily reliant on vertical pressure and bureaucratic authority, poses concerns of diminishing effectiveness due to the regular decline of pressure exertion and the strategic or even ritualistic nature of mobilization and response [9]. As a result, despite joint crackdowns and special operations, there is a resurgence of illicit activities in the refined oil sector, indicating a lack of sustained governance impact. The long-standing logical inertia of campaign-style rectification has made governance efforts against refined oil-related crimes prone to rebounds, making it difficult to establish a sustainable and effective governance pattern.

4. The Path of Practice in Combating and Preventing Refined Oil Criminal Offenses Based on a Social Governance Community

The multidimensional challenges in combating and preventing criminal offenses related to refined oil underscore the insufficiency of relying solely on the efforts of the public security organs to eradicate the “illness”. Therefore, as a response to this reality and to better safeguard the order of refined oil operations, the construction and sustainable operation of a social governance community have become the preferred choice. Specifically, it involves deconstructing the issue from four perspectives: governance at the source, crackdowns, publicity, and prevention, in order to completely dismantle the social conditions that harbor refined oil criminal offenses.

4.1 Strengthening Governance at the Source of Illicit Offenses, Forming Complementary Governance among Stakeholders

The illicit activities of “illegal fuel stations” and mobile refueling vehicles pose serious threats to the safety of people’s lives and property. It is necessary to resolutely eradicate “illegal fuel stations” and confiscate and destroy facilities such as mobile refueling vehicles. In particular, strengthening governance at the source requires tougher regulation of the oil supply chain to prevent refined oil from flowing into illicit refueling stations from the very beginning. Therefore, relevant departments must focus on industries such as construction, hazardous chemicals management, as well as key areas like self-built houses in villages, urban-rural transition zones, and national and provincial roads. They should intensify inspection and supervision efforts, actively uncover clues related to illicit activities involving refined oil, and promptly intervene and handle them to nip the problem in the bud and prevent it from growing into a catastrophe.

To address cases involving illicit offenses related to refined oil, the public security authorities must enhance pre-case operation and shift away from a passive approach. It is crucial to immediately coordinate with relevant departments in key areas and key enterprises to gather information through various channels such as 110, 12345, new media, the internet, and public reports. In cases of exceptional significance, a multi-department consultation mechanism should be promptly activated, and in-depth investigation should be swiftly conducted. This includes scrutinizing the financial accounts, social relationships, vehicle information, personnel organizational structure, and the locations involved with individuals implicated in the case. Throughout the case handling process, it is imperative to delve into the root causes of the offenses and rigorously crack down on the masterminds, operators, transporters, sources of refined oil, individuals involved in illicit vehicle modifications, refueling personnel, and those providing covert protection behind the scenes. It is also essential to immediately initiate measures to investigate and seize illicit proceeds, freezing the funds of those engaged in illicit activities.

For significant criminal cases, especially those involving hidden industry practices or causing substantial harm and significant social impact, it is crucial to maintain a firm grip on the case or leads, concentrate superior forces, and overcome difficult challenges.

As a collective effort in the governance of illicit offenses involving refined oil, while the public security authorities are vigorously cracking down on these crimes, it is crucial for relevant administrative departments to resonate with a shared understanding. This entails adopting a complementary governance path that focuses on “severe penalties” to increase the cost of engaging in illicit activities. By raising penalty amounts, revoking relevant qualifications, and imposing industry access restrictions at different levels, from multiple perspectives and angles, the post-criminalization punishment should be intensified. This approach aims to raise the cost of involvement in illicit activities related to refined oil, effectively deter perpetrators' sense of impunity, and propel the crackdown efforts to a deeper and more substantial level.

While cracking down on and rectifying illicit offenses involving refined oil, it is essential to acknowledge the potential issue of supply and demand imbalance. For instance, in the construction process at construction sites where large-scale machinery is required, the transportation and fueling costs for such machinery are relatively high. Consequently, some individuals and businesses, driven by the desire to reduce costs, may choose to purchase refined oil from unauthorized sources. To address this practical challenge, the governance community should not only focus on enforcement and rectification measures but also adopt a holistic approach. On one hand, local governments can play a coordinating role by facilitating communication between major state-owned enterprises such as Sinopec and CNPC, as well as smaller enterprises like CNOOC and individuals operating legitimate refueling stations. These entities can be encouraged, through policy incentives or financial support, to equip themselves with certified mobile refueling vehicles and prioritize fuel distribution based on the principle of proximity. On the other hand, exploring the possibility of collaborative utilization of explosion-proof refueling facilities among qualified enterprises within the region can be attempted. This can pave the way for an innovative “shared refueling model” that integrates independent fuel storage and refueling capabilities. By allowing users to select refueling options based on their travel routes, this approach aims to minimize both financial and time costs.

To effectively address the issue of illicit offenses involving refined oil, it is crucial to involve individual citizens as active participants in the governance process. This necessitates the encouragement of citizens to step out of their “private spheres ” and evolve into individuals who willingly engage in governance actions. Motivating such voluntary behavior can be achieved through various media platforms, both online and offline, which can be utilized to conduct comprehensive awareness campaigns. These campaigns should aim to

educate the public about the dangers of illicit operations involving refined oil and emphasize the importance of “safe production of refined oil” for businesses. Additionally, advocating for consumers to refuse purchasing illicitly sold refined oil is essential. In this regard, it is recommended to organize legal education lectures and distribute informative materials in order to promote a firm understanding of the concept of safe production among businesses and the general public. Furthermore, it is vital to establish accessible channels for reporting offenses, along with corresponding incentives, in order to mobilize the masses to expose and denounce illicit activities such as the existence of “illegal fuel stations”. By fostering a favorable environment that encourages active public participation in the fight against illicit operations involving refined oil, we can collectively create a society-wide commitment to safeguarding social security.

4.2 Bridging Legislative “Gaps” and Providing Agreements for Collaborative Governance

The essence of public governance theory, as revealed by the renowned British control theory expert William Ashby’s “Law of Requisite Variety”, lies in the necessity to adapt to the complexity of the governed system when seeking paths to address complex social public issues [10]. In the context of governing illicit offenses related to refined oil, the intricate nature of the operation necessitates the establishment of a multi-actor, multi-centered system that fosters collaborative synergy among various entities, including information chains, institutional chains, and legal chains. In the current context of China’s modernization, the governance system for illicit offenses related to refined oil places particular emphasis on the primacy of the rule of law. The government, by enhancing legislative regulations, aims to bridge the existing gaps in rights, responsibilities, and operational effectiveness among different actors. This initiative aims to create an open, transparent, and standardized contractual environment, which serves as an explicit foundation for fostering mutual trust and reciprocal relationships within the governance community.

At the highest level of legislative design, both the central and local governments should integrate government forces, social forces [11], and individual forces with diverse resource endowments into a cohesive community, ensuring the utmost efficacy in governing illicit offenses related to refined oil. This integrated community embodies the principles of effective collaborative governance and rational division of labor, meticulously established for the purpose of guaranteeing superior governance outcomes. A transformative shift is demanded in the approach towards governing illicit offenses related to refined oil. Instead of solely relying on indiscriminate and stringent regulatory measures, a proactive approach is required. By advancing the construction of relevant legal regulations, the focus must shift from blind expansion of regulatory scope towards precise and flexible enforcement aligned with the

principles of harm analysis and critical control points. This shift will establish a self-adaptive and logically coherent traceability process among relevant stakeholders, unleashing the maximum effectiveness of regulatory authority [12].

4.3 Integrating Intelligent Tools to Overcome Shared Barriers among Members of the Governance Community

Within the current domain of combating illicit offenses in the refined oil sector, there exists a significant barrier to information sharing among the governance community. This barrier is characterized by an asymmetry in the management of information between members of the community, as well as a lack of willingness and efficiency in sharing and circulating data.

Considering the sensitivity and privacy of the data held by the government in the domain of combating illicit offenses in the refined oil industry, the concept of data openness and sharing goes beyond simply making information publicly available. It necessitates the design of a rigorous and reasonable operating mechanism to safeguard the orderliness and standardization of the data sharing process [13]. Moreover, the government should provide more platforms and tools for data information exchange, offering better technological support for collaborative governance and sharing. By establishing consensus on the release of basic information, recording itineraries, tracing sources, and updating data, the level of data sharing and response speed within the governance context of combating illicit offenses in the refined oil industry can be enhanced. This evolution has the potential to transform into a mature data-sharing or seamlessly integrated governance community, fostering explicit and implicit trust between the government and society [14].

In order to address information asymmetry among various stakeholders involved in the refined oil industry, a comprehensive tracking and multiple effective supervision mechanism needs to be established. This involves establishing databases and implementing models for cross-referencing and screening abnormal data, specifically focusing on tracking the routes of transportation vehicles. To achieve this, electronic data entry and recording of information related to the origin, transportation vehicles and personnel, and destination of refined oil transportation vehicles, as well as trucks, container trucks, and vans entering inspection stations, should be implemented. This data will be accumulated to create a dedicated "Refined Oil Transportation Database", which will be integrated in real-time with the public security command center platform at the district level. Utilizing the traffic management, input verification, and surveillance camera systems within the district, the trajectories of transportation vehicles will be tracked and compared. Any deviations from the initially recorded trajectories exceeding the predetermined threshold will be promptly detected, triggering timely warnings and labeling the vehicles as "high priority for attention". This will form a database of transportation vehicles under high priority for attention, providing a foundation of data and information for continuous monitoring of suspicious

activities. Through the application of intelligent technology, the effectiveness of combating illicit activities in the refined oil industry will be significantly enhanced, transitioning from post-crime crackdowns to proactive risk prevention measures.

4.4 Mobilizing Favorable Factors from All Sides to Construct a New Model of Pluralistic Co-Governance

In line with the development of the market economy, there has been a fundamental shift in the concept of market regulation in various sectors. Different regions have actively explored comprehensive law enforcement approaches and reforms to the market regulatory system, accumulating valuable prior experiences to facilitate the country's deepening reform of the market regulatory system and effective top-level design. Similar proactive measures should be taken to address the issue of illicit refined oil, with the focus being on constructing a governance model based on the concept of "co-presence". In practical implementation, it is essential to consider a governance model led by local governments, with the involvement of multiple departments and various social forces, ensuring their respective responsibilities and coordinated cooperation. This will ultimately foster a virtuous pattern of collaborative governance within the community. For instance, the environmental protection department should be responsible for investigating and cracking down on illicit use of oil recovery devices, as well as any violations regarding excessive emissions of oil and gas. The urban planning department should verify the land status of "illegal fuel stations", identify any illicit occupation of arable land or forest land, and address suspicions of land degradation caused by unauthorized land use changes. The commerce administration department should closely scrutinize the qualifications of refined oil operations within the region, raise entry barriers, and prevent individuals intending to engage in illicit refined oil activities from entering the market. The transportation department should strengthen inspections and crackdowns on illicitly modified vehicles. Market regulatory agencies should fulfill their responsibilities in regulating illegal fuel stations, ensuring the quality of refined oil, verifying business licenses, and confirming inspection certificates for fuel dispensers. The emergency management bureau should supervise and enforce safety regulations for refined oil based on the *Production Safety Law of the People's Republic of China*. The transportation committee should monitor and verify electronic waybills, transportation vehicles, and personnel involved in hazardous goods transportation, taking prompt action against the use of counterfeit documents or unlicensed transportation. Local governments should oversee and inspect the safety production status of enterprises within their jurisdiction in accordance with the *Production Safety Law of the People's Republic of China*, while also assisting relevant departments or authorized bodies in the supervision and management of safety production and the investigation and rectification of hidden safety hazards. The village committees should coordinate with local police stations to regularly inspect

and supervise key areas such as idle houses and vacant factories in rural areas, proactively identifying and rectifying any unauthorized subleasing in violation of regulations. In particular, individuals suspected of engaging in illicit activities related to refined oil should be promptly investigated, cleared, and punished.

In conclusion, the model of pluralistic governance relies on each stakeholder leveraging their respective regulatory advantages while also necessitating coordination and arrangement of multiple interests. This coordination requires the establishment of communication and consultation mechanisms between regulatory bodies and diverse stakeholders. The public security organs and the people's procuratorates should establish sound and long-term collaborative mechanisms with commerce, emergency management, market supervision, and transportation management, among others. This includes designating lead departments and liaison personnel, continuously improving the two-way connection of cases, regular reporting on case progress, and joint meetings, among other working systems. By relying on these mechanisms to strengthen interdepartmental coordination, the precise transmission of regulatory tasks between departments can be achieved, facilitating two-way interaction and transfer of relevant case clues. This will foster a new model of multi-stakeholder collaboration, governance, and sharing, promoting a virtuous and interactive ecosystem, and effectively addressing both the symptoms and root causes.

5. Conclusions

The construction of a social governance community serves as a crucial foundation for the "improvement of the social governance system". When applied to the context of illicit activities in the refined petroleum sector, deepening the concept of social governance community construction becomes an important basis for transforming regulatory systems and patterns. It represents the inevitable path to achieving the well-ordered and righteous management of the petroleum business environment, fostering a better market order. The ongoing process of China's unique modernization necessitates the continuous enhancement of regulatory mechanisms in various sectors, fostering a collaborative approach to regulation while integrating the empowering capabilities of modern information technologies such as big data and artificial intelligence. This approach aims to connect every aspect of governance for combating illicit activities in the petroleum sector and ultimately realizes

the vision of "departmental regulation, industry self-discipline, and public supervision" in a harmonious manner.

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