Introduction and Overview of White-Collar Crime

A Systems Perspective

Chapter Highlights

- Why Study White-Collar Crime?
- Researching White-Collar Crime
- Studying White-Collar Crime From a Scientific Perspective
- The Student Role in White-Collar Crime
- Plan for the Book

Not long ago, an employee of a Netherlands-based McDonald’s was fired after she gave a coworker an extra piece of cheese on a hamburger ordered by the coworker. The worker then filed a lawsuit arguing that the firing was unjust. The court eventually decided that the worker should not have been fired for doling out an extra piece of cheese and ordered the restaurant to pay several months in back pay to the worker. In the words of the court, “The dismissal was too severe a measure. It is just a slice of cheese” (“McDonald’s ‘Wrong’ to Fire Worker,” 2010).

This case raises several questions relevant to crime in the workplace. Did the worker commit a crime by breaking the restaurant’s rules? Did the restaurant commit a crime by firing the worker for giving away an extra piece of cheese? Why did the worker give out the extra piece of cheese? Would the case have been handled differently if it occurred in the United States or another country? Have we committed similar acts during the course of our own jobs?
Rule breaking in the workplace is common. Consider the following examples as they were described verbatim in press reports:

- A practicing attorney in Orange County, California, was arrested today on charges that include one count of conspiracy to commit grand theft, and 97 felony counts of grand theft by false pretenses, with sentencing enhancements for white collar crime and excessive taking. (“OC Lawyer Arrested for Defrauding 400 Homeowners,” 2010)

- This conviction is based upon [the denturist’s] conduct involving five Washington State Medicaid clients across three counties for whom she was supposed to have provided dentures and related services to and then billed the program for services she did not render. (Medicaid Fraud Report, 2009, p. 2)

- ***** played a leadership role in the underlying conspiracy, which involved at least 32 residential properties in the greater Phoenix area. The objective of the conspiracy was to recruit unqualified borrowers as straw buyers, submit fraudulent loan applications on their behalf, obtain mortgage loans in excess of the selling price of the property and then take the excess amount of the loans out through escrow in what is known as a “cash back” scheme. (Norman, 2009, “Real Estate Investor Convicted”)

- Dr. ***** pleaded guilty . . . for submitting a false claim to the state’s Medicaid program. ***** specialized in treating drug addiction patients. . . . The charge was based on evidence that he double billed for initial consultations, by collecting the full fee from the patient and also billing Medicaid. ***** was sentenced to pay a $2,000 fine, $1,600 in restitution to Medicaid, and serve 30 days in the county jail. (Medicaid Fraud Report, 2009, p. 14)

- The California Department of Insurance announced that ***** of Huntington Park, Calif., was arrested Dec. 22 and faces one felony count of grand theft after allegedly taking a premium payment and failing to purchase a policy for the victim. (“Huntington Park Insurance Agent Arrested,” 2009)

- Attorney General Abbott announced on August 13 that licensed vocational nurse ***** was indicted on two counts of injury to an elderly person by exploitation. ***** allegedly diverted hydrocodone in April 2008 from four elderly residents of the Good Samaritan Society, Denton Village, for her personal use. (Medicaid Fraud Report, 2009, p. 3)

- A teacher was arrested on suspicion of putting a hit on one of his students. *****, a 10th-grade teacher at Mundy’s Mill High School in Clayton County, is accused of trying to persuade another student to kill a 16-year-old boy. (“Teacher Accused of Putting Hit on Student,” 2009)

Three similarities exist across each of these examples: (1) In terms of time, they were committed during the course of work; (2) in terms of location, they occurred in a work setting; (3) in terms of offender role, the offender was serving as a worker. At the most general level, one might be tempted to refer to these behaviors as workplace offenses. On another level, one could argue that each of these examples helps us to understand what is meant by the concept of white-collar crime.

Edwin Sutherland first introduced the concept of white-collar crime in 1939 during a presentation to the American Sociological Association. A decade later in his now classic book, White Collar Crime, he defined the concept as “crime committed by a person of respectability and high social status in the course of his occupation” (Sutherland, 1949, p. 9). Sutherland was calling attention to the fact that criminal acts were committed by individuals from all social and economic classes. He used the phrase white-collar to emphasize the occupational status assigned to individuals.
In Chapter II, more attention will be given to how white-collar crime is conceptualized. As a brief introduction to the concept, three factors are typically used to distinguish white-collar crimes from other crimes. First, white-collar crimes are committed during the course of one’s job. Second, the offender’s occupational role plays a central feature in the perpetration of the crime. Third, the offender’s occupation is viewed as a legitimate occupation by society (e.g., a drug dealer’s occupation is illegitimate, but a pharmacist’s occupation is legitimate).

Perhaps an example can help to clarify what is meant by crime committed as a part of one’s employment. Believe it or not—some professors have committed crimes. Consider a case in which a psychology professor was charged for hiring actors to pretend that they had participated in his research study as part of an investigation that alleged that the professor had committed scientific fraud. The actors were interviewed by investigators, but they did not realize that the interviews were actual official interviews because the professor held told them the interviews were part of a mock trial he was conducting for his research study (Office of New York State Attorney General, 2010). This would be a white-collar crime—the offender’s employment role was central to the act. Alternatively, consider a case where a criminal justice professor was charged with sexually assaulting students (Elofson, 2010). This would not typically be considered a white-collar crime unless the offender’s employment role was central to the commission of the act.

Distinguishing between white-collar crime and traditional crimes is not meant to suggest that one form of crime is worse than the other. Instead, the intent is to note that different forms of crime exist and that a full understanding of crime, explanations of crime, and responses to crime will not occur unless the differences between these forms of crime are understood.

**Why Study White-Collar Crime?**

Six reasons support the need to study white-collar crime. First, and perhaps foremost, white-collar crime is a serious problem in our society. Estimates provided by the Federal Bureau of Investigation (FBI) routinely suggest that far more is lost to white-collar crimes than to traditional property crimes, such as larceny, robbery, and burglary. Beyond these economic costs, and as will be shown later in this text, white-collar offenses have the potential to cause serious physical and emotional damage to victims.

Second, it is important to recognize that, unlike some offense types, white-collar offenses affect everyone. While a specific street offense might have just one or two victims, white-collar offenses tend to have a large number of victims, and on a certain level, some white-collar offenses are so traumatic that they actually may influence all members of society. For instance, Bernie Madoff’s transgressions duped thousands of individuals and organizations out of billions of dollars. It was not just these individuals, however, who were victims. Members of society who then felt distrust for financial institutions and their employees were also
affected by Madoff’s behaviors. Members of society may also experience what one social scientist calls demoralization costs (Coffee, 1980). In this context, demoralization means that individuals have less faith in societal values, and this reduction in faith may actually create a situation where individuals justify their own future misdeeds based on the illicit behaviors of those white-collar and corporate organizations we have been socialized to trust. As one author team wrote, “Because most white-collar offenses violate trust, they breed distrust” (Moore & Mills, 1990, p. 413).

A third reason it is important to study white-collar offending is that by studying white-collar offending we can learn more about all types of crime. Just as medical researchers might learn more about all forms of diseases by studying one form of disease, so the study of white-collar crime allows criminologists, students, members of the public, and policy makers greater insight into all variations of criminal behavior and types of criminal offenders.

Fourth, it is important to study white-collar crime so that effective prevention and intervention systems and policies can be developed. It cannot be assumed that prevention and intervention policies and strategies developed for, and used for, traditional forms of crime are appropriate for responding to offenses committed during the course of one’s occupation. The underlying dynamics of different forms of white-collar crime need to be understood so that response strategies and policies based on those dynamics can be developed.

Fifth, and as will be discussed in more detail below, studying white-collar crime provides important information about potential careers related to white-collar crime. This is not meant to suggest that you can learn how to be a white-collar criminal by studying white-collar crime; rather, a number of occupations exist that are designed to help the criminal and civil justice systems respond to white-collar crimes. These occupations typically require college degrees, and many are more lucrative than traditional criminal justice occupations. To actually enter one of those careers, one would need a keen understanding of white-collar crime. Thus, we study white-collar crime in order to develop the critical thinking skills and base of awareness needed to understand white-collar crime.

Finally, studying white-collar crime allows additional insight into a particular culture and various subcultures. On the one hand, the study of white-collar crime provides an insider’s view of the American workforce and the cultural underpinnings that are the foundation of values driving the activities of the workforce. On the other hand, the study of white-collar crime provides all of us additional insight into specific occupational subcultures with which we have some degree of familiarity—whether accurate or inaccurate. Many individuals assume that a trip to the auto mechanic has the potential to result in unnecessary repairs and outrageous bills. Few, however, assume that trips to the doctor or pharmacist might result in similar outcomes. As will be shown later in this text, however, white-collar crime research shows that misconduct occurs in all occupations. By understanding misconduct in these occupations, we better understand the occupational subcultures where the misconduct occurs.
Several different research strategies are used to study white-collar crime and white-collar criminals. For the most part, these research strategies are similar to those used to study other social problems. The way that these strategies apply to white-collar crime, however, is somewhat different from how they might be applied to research studies of other topics. Strategies that can be used to research white-collar crime include but are not limited to the following:

- Surveys
- Archival research
- Field research
- Experiments
- Case studies

Survey Research and White-Collar Crime

Surveys are perhaps among the more common research strategies used to study white-collar crime. Survey methods include on-site administration surveys, face-to-face interviews, telephone interviews, and mail surveys. Strengths and weaknesses exist for each of these strategies (see Table 1.1). The aim of surveys is to gather information from a group of individuals and use that information to paint a picture of the topic under consideration.

Groups who are surveyed in white-collar crime research studies include criminal justice officials, members of the public, victims of white-collar crime, and white-collar offenders. Each of these groups has the potential to provide important information about various issues related to white-collar crime.

Surveys of criminal justice officials in the white-collar crime literature tend to focus on the strategies used to identify and respond to white-collar offenses, the kinds of offenses encountered by the officials, and the barriers that must be overcome to successfully respond to the cases. One author interviewed probation officers to determine how white-collar offenders were supervised by community corrections officials (Mason, 2007). Another author described a survey of 1,142 fraud examiners conducted by the Association of Certified Fraud Examiners (Holtfreter, 2005). As will be demonstrated later in this text, this research provided important insight about the types of offenders, offenses, and organizations involved in occupational fraud cases.

White-collar crime researchers have also surveyed members of the public to assess attitudes about, and experiences with, white-collar crime. Such research is useful for at least five reasons. First, determining what members of the public think about white-collar crime provides a baseline that helps to paint a picture about a culture at a given moment of time. For example, if surveys of the public show that the public is tolerant of white-collar offending, this would tell us something about the culture at that moment in time. Second, focusing on citizens’ attitudes about white-collar crime provides an indication of the likelihood that individuals might engage in white-collar criminal activity. Third, surveying members of the public potentially allows researchers access to a larger group of white-collar offenders than they might otherwise get, particularly in self-report studies. Fourth, and in a similar way, surveys of members of the public could provide researchers access to a large group of white-collar crime victims. A survey of 400 residents of Tennessee, for example, found that 227 (58%) reported being victimized by fraud in the prior
Researchers have also surveyed white-collar crime victims to increase our understanding about the victimization experiences of this group. In this context, victims could be (1) individuals, (2) businesses and nongovernmental institutions, or (3) “government as a buyer, giver, and protector-gatekeeper” (Edelhertz, 1983, p. 117). One of the issues that arise in such studies is the ability to identify a sample of white-collar crime victims. An early study on appliance “repairman” fraud used a sample of 88 victims of one offender, “Frank Hanks” (not his real name) (Vaughan & Carlo, 1975). Victims were identified through press reports, prosecutors’ files, and public files. Incidentally, the researchers identified 133 victims who had complained about the repairman to various consumer agencies. Through this survey, the researchers were able to identify complaint patterns, provide insight into the victims’ interactions with Hanks, and delineate the experience of victimization. The authors also drew attention to the plight of victims trying to formally resolve the cases. They noted that “pursuing justice became more expensive than being a victim and they [often] dropped the matter” (p. 158).

Another issue that arises when surveying white-collar crime victims is that victims may be reluctant to discuss their experiences. Survey respondents may not trust researchers who ask about fraud victimization, perhaps partly because they are on guard about having been scammed in the first place.

### Table 1.1 Strengths and Weaknesses of Different Survey Methods

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<th>Survey Method</th>
<th>Strengths</th>
<th>Weaknesses</th>
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| On-site administration| • Surveys occur in one setting  
• Large sample is possible  
• Does not take long to gather  
• Convenient | • Difficult to give surveys on site to both offenders and victims  
• No database of white-collar offenders  
• Educational differences make it hard to use the same surveys for everyone  
• Hard for some to recall incidents  
• Gaining entrance and trust of victims hard |
| Face-to-face interviews| • Can watch respondent’s reactions  
• Probing is an option  
• Rapport is easier to develop | • More time consuming  
• More expensive  
• Difficulty in finding participants and place to conduct interviews  
• Trust and rapport are important  
• Must gain access and permission of businesses |
| Telephone interviews  | • Most comprehensive studies have been conducted using telephone interviews.  
• Respondents seem more open answering questions over the phone. | • People without home phones are excluded from the study  
• Some do not answer their phones due to increase in telemarketing. |
| Mail surveys          | • Less costly  
• Able to survey a large number of respondents | • May not fully understand the questions  
• No opportunity to develop rapport  
• Takes time to develop a comprehensive list of residents  
• Certain subjects are excluded from mailing list |
Despite these issues, the need to study white-collar crime victims continues because they have been ignored historically in victimization studies and the victims movement (Moore & Mills, 1990).

Surveys of white-collar offenders are equally difficult to conduct. Sutherland (1941) recognized this as a barrier in white-collar crime research shortly after introducing the concept. White-collar offenders simply do not want to participate in research studies. As noted above, general self-report surveys of members of the public might help to develop samples of white-collar offenders. Other times, researchers have surveyed members of a specific occupational group with the aim of identifying attitudes about white-collar offending among members of that occupational group. Criminologist Dean Dabney, for example, interviewed nurses (1995) and pharmacists (2001) to shed light on the types of crimes occurring in those fields. After he built up rapport over time, participants in his study were willing to open up about crimes in their occupations, particularly crimes committed by their coworkers.

Other researchers have confronted barriers in their efforts to interview convicted white-collar offenders. This group of offenders experiences a significant amount of stigma, and that stigma may keep them from wanting to talk about their experiences with researchers. One journalist tried contacting 30 different convicted white-collar offenders who had been released from prison in an effort to try to get them to contribute to a story she was writing. She described their resistance to talking with her the following way: “Understandably, most of them told me to get lost. They had done their time and that part of their life was a closed chapter. They had made new lives and did not want to remind anyone of their pasts” (Loane, 2000, “White Collar Criminals Suffer”).

Across each of these survey types, a number of problems potentially call into question the validity and reliability of white-collar crime surveys. First, as one research team has noted, the field of criminology has not yet developed “comprehensive measures . . . that tap into the concepts of white-collar and street crime” (Holtfreter, Van Slyke, Bratton, & Gertz, 2008, p. 57). The lack of comprehensive measures makes it difficult to compare results across studies and generalize findings to various occupational settings. Second, difficulties developing representative samples are inherent within white-collar crime studies. It is particularly difficult to develop a random sample of white-collar crime victims or offenders. Third, questions about white-collar crime on surveys are potentially influenced by other items on the survey, meaning the findings might actually reflect methodological influences as opposed to actual patterns. Fourth, the scarcity of certain types of white-collar crime surveys (like those focusing on offenders) has made it even more difficult to develop and conduct these sorts of studies—if more researchers were able to do these surveys, then others would learn how to follow in their path. Despite these potential problems, surveys are useful tools for empirically assessing various issues related to white-collar offending.

Archival Research and White-Collar Crime

Archival research is also relatively common in the white-collar crime literature. In this context, archival research refers to studies that use some form of record (or archive) as a database in the study (Berg, 2009). Archives commonly used in white-collar crime studies include official case records, pre-sentence reports, media reports, and case descriptions of specific white-collar offenses.

Case records are official records that are housed in an agency that has formal social control duties. One problem that arises with using case records is locating a sample that would include the types of offenders that criminologists would label as white-collar offenders (Wheeler, Weisburd, & Bode, 1988). Still, with a concerted effort, researchers have been able to use case records to develop databases from which a great deal
of valuable information about white-collar crime will flow. Crofts (2003), for example, reviewed 182 case files of larcenies by employees. Of those 182 cases, she found that gambling was a direct cause of the larceny in 36 cases. Of those 36 cases, Crofts found that 27 offenders were responsible for 1,616 charges of larceny by employee. Note that there is absolutely no other way Crofts could have found these findings other than by reviewing case records.

Researchers have also used pre-sentence reports to study different topics related to white-collar crime. **Pre-sentence reports** are developed by probation officers and include a wealth of information about offenders, their life histories, their criminal careers, and the sentences they received. In one of the most cited white-collar crime studies, criminologist Stanton Wheeler and his colleagues (Wheeler, Weisburg, & Bode, 1989) used the pre-sentence reports of convicted white-collar offenders from seven federal judicial circuits to gain insight into the dynamics of offenders, offenses, and sentencing practices. The authors focused on eight offenses: securities fraud, antitrust violations, bribery, tax offenses, bank embezzlement, post and wire fraud, false claims and statements, and credit and lending institution fraud. Their research provided groundbreaking information about how white-collar offenders compared to traditional offenders as well as information about the way offenders are sentenced in federal court. The findings are discussed in more detail in later chapters of this text.

Researchers have also used media reports to study white-collar crime. Using news articles, press reports, and television depictions of white-collar crimes helps researchers (a) demonstrate what kind of information members of the public are likely to receive about white-collar crime and (b) uncover possible patterns guiding white-collar offenses that may not be studied through other means. With regard to studies focusing on what information the public receives about white-collar offenders, criminologist Michael Levi (2006) focused on how financial white-collar crimes were reported in various media outlets. His results suggested that these offenses were portrayed as “infotainment” rather than serious crimes, suggesting that the cases were sensationalized to provide somewhat inaccurate portrayals of the offenses. Another researcher who used newspaper articles to study the portrayal of white-collar crime found that the cases tended to be reported in business or law sections rather than the crime sections of newspapers, suggesting that the behaviors are not real crimes (Stephenson-Burton, 1995).

With regard to the use of press reports to describe patterns surrounding specific forms of white-collar crimes, a recent dissertation by Philip Stinson (2009) focused on 2,119 cases of police misconduct committed by 1,746 police officers that were reported in the national media between 2005 and 2007. In using media reports, Stinson was able to access a larger number of police misconduct cases than he would have been able to access through other methods. His findings provide useful fodder for those interested in generating awareness about police misconduct.

Another archive that may be of use to white-collar crime researchers involves case descriptions of specific white-collar offenses that may be provided by some agencies. In some states, for example, the state bar association publishes misdeeds committed by attorneys. Researchers have used these case descriptions to examine how lawyers are sanctioned in Alabama (Payne & Stevens, 1999) and Virginia (Payne, Time, & Raper, 2005). Some national agencies provide reports of white-collar crimes committed by occupations they are charged with regulating. The National Association of Medicaid Fraud Control Units, for instance, describes cases prosecuted by Medicaid Fraud Control Units in a publication titled *Medicaid Fraud Reports*. This publication has served as a database for studies on crimes by doctors (Payne, 1995), crimes in nursing homes (Payne & Cikovic, 1995), crimes in the home health care field (Payne & Gray, 2001), and theft by employees (Payne & Strasser, 2010). Table 1.2 shows the kinds of information available in the fraud reports for these offense types.
Table 1.2 Types of Information Available in Fraud Reports

<table>
<thead>
<tr>
<th>Type of Crime</th>
<th>Case Description Example</th>
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<tr>
<td>Financial abuse by workers against patients</td>
<td>Attorney General Sorrell announced on October 6 that **********, a former caregiver who provided care to seniors with Alzheimer’s disease, has been sentenced to jail for financial exploitation of a vulnerable adult, fraud, and other crimes of dishonesty. The charges stemmed from her employment as a caregiver at The Arbors, a residential care community dedicated to serving the needs of seniors with Alzheimer’s disease and related memory impairments (Medicaid Fraud Report, 2009, p. 15).</td>
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<td>Physical abuse against patients</td>
<td>Attorney General Abbott announced on August 6 that home living staff member ********** was indicted by a state grand jury for injury to a disabled individual. This case alleges that **********, while employed with D &amp; S Residential, gave a resident a cold shower, shaved him with a loose razor causing multiple scratches on his face, and threw him against a bathroom door causing a bruise on his back (Medicaid Fraud Report, 2009, p. 16).</td>
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<tr>
<td>Fraud by doctors</td>
<td>Attorney General Abbott announced on December 2, 2005 that Dr. **********, a podiatrist, was sentenced by Judge Sam Sparks in United States Federal District Court, Western District of Texas, to serve 24 months incarceration, ordered to pay full restitution, fined $25,000, and ordered to surrender his medical license. . . . ********** was convicted of utilizing unlicensed persons to perform routine foot care and billing Medicare and Medicaid for physician services (Medicaid Fraud Report, 2005, p. 12).</td>
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<tr>
<td>Fraud by pharmacists</td>
<td>Attorney General McMaster announced on April 30 that **********, the owner of Alderman Pharmacy, was convicted on April 30, 2009 of two counts of Filing a False Claim. . . . ********** was sentenced to three years and a $1,000 fine, both suspended (Medicaid Fraud Report, 2005, p. 15).</td>
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<tr>
<td>Corporate offending by medical company</td>
<td>Attorney General Charlie Christ announced on November 18 that ********** was arrested and charged with one count of Organized Fraud and two counts of Criminal Use of Personal Identification Information. ********** was accused of stealing more than $500,000 from the state’s Medicaid program in a scheme that included the fraudulent use of the identities of numerous Medicaid recipients. . . . ********** filed the claims in the names of Medicaid recipients without their knowledge, seeking reimbursement for durable medical equipment that the patients never received and in most cases did not request (Medicaid Fraud Report, 2005, p. 6).</td>
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<td>Drug theft by nurses</td>
<td>Attorney General Abbott announced on May 14 that licensed vocational nurses ********** and ********** were indicted by a state grand jury for obtaining a controlled substance by fraud, a third-degree felony. The two allegedly diverted patient narcotics on February 27, 2008, from Woolridge Nursing Home, where they were employed as LVNs. Both admitted to taking the narcotics (Medicaid Fraud Report, 2009, p. 15).</td>
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With each of these types of archival research, researchers often develop a coding scheme and use that scheme much as they would use a survey instrument. Instead of interviewing an individual, the researcher “asks” the archive a set of questions. Several advantages exist with the use of case records for white-collar crime research (see Payne, 2005). For example, such strategies provide white-collar crime researchers access to a large group of subjects that they would not be able to otherwise access. It would have been impossible, for example, for Stinson to locate and interview more than 1,700 police officers who had been arrested for misconduct. Another benefit is that these strategies allow white-collar crime researchers to explore changes over long periods of time, particularly if the researchers have access to case records that cover an extended
period of time. A third benefit is that the research subject, in this case the white-collar offender or victim described in the case record, will not react to being studied simply because there are no interactions between the researcher and the subject.

As with any research strategy, a number of limitations arise when using archives to study white-collar crime. The saying, “you get what you get,” comes to mind. The case files are inflexible, and white-collar crime researchers will not be able to probe as they would with interview strategies. Also, the way that records are coded or saved over time may change, which will create problems when researchers try to study white-collar crimes over longer periods of time. Perhaps the most significant problem that arises is that these cases typically represent only those that have come to the attention of the authorities. In effect, unreported white-collar crimes would not be included in most types of archival research. Common reasons that victims will not report white-collar crimes include (a) a belief that there is not enough evidence; (b) the offense is not seen as that serious; (c) concerns that reporting would be futile; (d) concerns that reporting the victimization could be costly, particularly for businesses that are victims of white-collar crimes; (e) shame; (f) businesses may want to handle it on their own; and (g) realization that it may take more time than it seems worth taking to respond to the case (Crofts, 2003). If nobody reports the white-collar crime, it will not be a part of an official record.

Indeed, Sutherland (1940) recognized decades ago that official statistics (and records) typically exclude many white-collar crimes.

**Field Research**

Field research involves strategies where researchers enter a particular setting and gather data through their observations in those settings (Berg, 2009). In some instances, researchers will share their identity as a researcher with those in the setting, while in other instances, researchers may choose to be anonymous. These strategies can be quite time consuming and are conducted much less frequently than other white-collar crime studies, but they have the potential to offer valuable information about behavior in the workplace. For example, Stannard (1973) entered a nursing home as a janitor and worked there for several months. While the staff knew that he was a researcher, they seemed to forget this over time, and their actions included various types of misconduct (ranging from minor offenses to more serious ones that could have resulted in one resident’s death).

In many white-collar crime studies, field research methods are combined with other research strategies. As an illustration, Croall (1989) conducted court observations as part of a broader study focusing on crimes against consumers. She observed 50 cases and used the time she spent doing those observations to develop rapport with the justice officials involved in handling the cases. Over time, the officials later granted Croall access to their case files. Had she not “put in her time,” so to speak, she probably would have been denied access to the case files.

**Experiments**

Experiments are studies where researchers examine how the presence of one variable (the causal or independent variable) produces an outcome (the effect or dependent variable). The classic experimental design entails using two groups—an experimental group and a control group. Subjects are randomly selected and assigned to one of the groups. Members of the experimental group receive the independent variable (or the treatment) and members of the control group do not. The researcher conducts observations before and
after the independent variable is introduced to the experimental group to determine whether the presence of the independent variable produced observable or significant changes.

Consider a situation where we are interested in whether a certain treatment program would be useful for reintegrating white-collar offenders into the community. The researcher would develop a measurement for assessing white-collar offenders’ reintegration values. As well, a sample of white-collar offenders would be randomly assigned to two groups—an experimental group and a control group. The researcher would ask members of both groups to complete the reintegration values survey. Then, the experimental group would be exposed to the treatment program, and the control group would receive traditional responses. At some point after the treatment has been completed, the researcher would ask members of both groups to complete a similar (or even the same) reintegration values survey. Any differences between the two groups of offenders could then potentially be attributed to the treatment (or independent variable) received by the experimental group.

Because of difficulties in recruiting white-collar individuals to participate in these studies, very few white-collar crime studies have actually used a classic experimental design. Some, however, have used what are called quasi-experimental designs. Quasi-experiments are studies that mimic experimental designs but lack certain elements of the classic experimental design. One author team, for example, compared two similar businesses (health care offices) to determine whether an “ethical work climate” contributed to employee theft (Weber, Kurke, & Pentico, 2003). The two organizations included one in which an internal audit revealed that workers were stealing and one in which an audit did not reveal theft. The authors surveyed workers from both businesses and found that an ethical work climate appeared to influence theft. In this case, the authors did not randomly select the comparison groups, and they did not manipulate the independent variable (ethical work climate). Still, their design mimicked what would be found in an experimental design.

While some criminologists have used quasi-experiments to study white-collar crime issues, the use of experiments in the broader body of white-collar crime research remains rare. This may change in the future, however, as experimental research is becoming much more common in criminology and criminal justice. In 1998, for example, a group of criminologists created the Academy of Experimental Criminology (AEC) to recognize those criminologists who conduct experimental research. Part of AEC’s current mission is to support the Journal of Experimental Criminology, which was created in 2005 as an outlet for promoting experimental research on crime and criminal justice issues. According to the journal’s website, the Journal of Experimental Criminology “focuses on high quality experimental and quasi-experimental research in the development of evidence based crime and justice policy. The journal is committed to the advancement of the science of systematic reviews and experimental methods in criminology and criminal justice” (http://www.springer.com/social+sciences/criminology/journal/11292, “About This Journal”). Incidentally, the current editor of the journal (David Weisburd) has a long history of conducting prominent white-collar crime research studies.

Case Studies

Case studies entail researchers selecting a particular crime, criminal, event, or other phenomena and studying features surrounding the causes and consequences of those phenomena. Typically, the sample size is “one” in case studies. Researchers might use a variety of other research strategies (such as field research, archival research, and interviews) in conducting their case studies. Case studies are relatively frequent in the white-collar crime literature. An early case study was conducted by Frank Cullen and his
colleagues (Cullen, Maakestad, & Cavender, 1987), who focused on what is now known as the Ford Pinto Case. In the mid- to late 1970s, Ford Motor Company had come under intense scrutiny over a series of high profile crashes. Eventually, prosecutor Michael Cosentino filed criminal charges against Ford Motor Company after three teenage girls—Judy, Lin, and Donna Ulrich—driving a Ford Pinto, were killed in an August 1978 collision. The authors chronicled the situational and structural factors that led to Cosentino’s decision to pursue criminal penalties against the large automaker. While the details of this case will be described in more detail later, as Cullen and his coauthors note, this case “signified the social and legal changes that had placed corporations under attack and made them vulnerable to criminal intervention in an unprecedented way” (p. 147).

Different criminologists and social scientists have also studied the role of white-collar and corporate crime in the U.S. savings and loan crisis, which occurred in the 1980s and 1990s. Perhaps the most comprehensive case study of this crisis was conducted by criminologists Kitty Calavita, Henry Pontell, and Robert Tillmann (1997). The research team, through a grant funded by the National Institute of Justice, explored those criminogenic factors contributing to the collapse of the savings and loan institutions in the late 1980s and 1990s. The authors relied on public records, congressional testimony, media reports, and interviews with key informants to demonstrate how white-collar offending contributed to a significant proportion of the bank failures. While Calavita and her colleagues focused on the crisis from a national perspective, other researchers used a more specific case study approach to consider specific instances where a bank failed. One author team, for example, conducted a case study on the Columbia Savings and Loan Association of Beverly Hills (Glasberg & Skidmore, 1998b). Using congressional testimony, interviews, and media reports, their research drew attention to the way that structural changes in the economic policies (deregulation and federal deposit insurance policies) promoted individual greed.

Case studies are advantageous in that they allow criminologists an insider’s view of specific white-collar and corporate crimes. As well, these studies have provided a great deal of insight into the dynamics, causes, and consequences of various types of white-collar crimes. In many ways, because case studies use multiple strategies to gather data, the potential strengths of those strategies (e.g., nonreactivity for archival research, etc.) exist with case studies. At the same time, though, the same disadvantages that arise with these other strategies also manifest themselves in case studies. In addition, it is important to note that case studies can take an enormous amount of time to complete.

Studying White-Collar Crime From a Scientific Perspective

Almost everyone has heard about crimes committed by individuals in the workplace or by white-collar offenders. In recent times, a great deal of media attention has focused on infamous white-collar offenders, such as Bernie Madoff, Martha Stewart, and Ken Lay. The reality is, however, that these media depictions—while providing a glimpse into the lives and experiences of a select few high profile white-collar offenders—provide a superficial, and somewhat confusing, introduction to white-collar crime. To fully understand white-collar crime, it is best to approach the topic from a scientific perspective.

Studying white-collar crime from a scientific perspective requires that students understand how the principles of science relate to white-collar crime. In 1970, Robert Bierstedt described how various principles of science were related to the study of human behavior. Fitzgerald and Cox (1994) used these same principles to demonstrate how social research methods adhered to traditional principles of science. Taking this a
Introduction and Overview of White-Collar Crime

Step further, one can use these principles as a framework for understanding why, and how, the principles of science relate to the study of white-collar crime. The principles include these qualities:

- Objectivity
- Parsimony
- Determinism
- Skepticism
- Relativism

Objectivity and White-Collar Crime

Objectivity as a principle of science suggests that researchers must be value-free in doing their research. The importance of objectivity is tied to the research findings. Researchers who allow their values to influence the research process will be more apt to have findings that are value laden rather than objective.

With regard to white-collar crime, the challenge is to approach the behaviors and the offenders objectively. In many cases, white-collar offenders are vilified and portrayed as evil actors who have done great harm to society. While the harm they create is clearly significant, demonizing white-collar offenders and white-collar offenses runs the risk of (a) ignoring actual causes of white-collar crime, (b) relying on ineffective intervention strategies, (c) failing to develop appropriate prevention strategies, and (d) making it virtually impossible for convicted white-collar offenders to reintegrate into society.

Consider that many individuals attribute the causes of white-collar crime to greed on the part of the offender. Intuitively, it makes sense that individuals who already seem to be making a good living are greedy if they commit crime in order to further their economic interests. However, as Benson and Moore (1992) note, “self-reports from white-collar offenders suggest that they often are motivated not so much by greed as by a desire to merely hang on to what they already had” (p. 267). Inadequately identifying the causes of behavior will make it more difficult to respond appropriately to these cases.

Furthermore, in promoting understanding about the criminal justice system’s response to white-collar offenders, it cannot be automatically assumed that the justice system is doing a bad job or treating these offenders more leniently than other offenders. An objective approach requires an open mind in assessing the ties between white-collar crime and the criminal justice system. As will be seen later, for example, several studies show that convicted white-collar offenders are more likely than other convicted offenders to be sentenced to jail, albeit for shorter periods of time (Payne, 2003b). The lack of an objective approach might force some to automatically assume that white-collar offenders are treated more leniently than conventional offenders. This is problematic because a lack of objectivity may create faulty assumptions about the criminal justice system’s handling of white-collar crime cases, which in turn could reduce the actual deterrent power of the efforts of criminal justice practices.

On another level, some criminologists have argued that a lack of objectivity among criminologists has resulted in some researchers overextending the concept of white-collar crime. According to V. Ruggiero (2007),

given the increasing variety of white-collar criminal offenses being committed, and the avalanche of crime committed by states and other powerful actors, scholars are faced with a fuzzy analytical framework, with the result that some may be tempted to describe as crime everything they, understandably, find disturbing. . . . The word nasty is not synonymous with criminal, and
the concept of crime may be useless if it is indiscriminately applied to anything objectionable by whoever uses the term. (p. 174)

In terms of objectivity and the study of white-collar crime, researchers should not define white-collar crimes simply as those things that are “nasty” or as behaviors that offend them. Instead, white-collar crime must be objectively defined, measured, researched, and explained.

**Parsimony and White-Collar Crime**

The principle of **parsimony** suggests that researchers and scientists keep their levels of explanation as simple as possible. For explanations and theories to be of use to scientists, practitioners, and the public, it is imperative that the explanations be reduced to as few variables as possible and explained in simple terms. In explaining white-collar crime, for instance, explanations must be described as simply as possible. One issue that arises, however, is that many white-collar crimes are, in fact, very complex in nature and design. As will be shown later in this text, this complexity often creates obstacles for criminal justice officials responding to these cases.

While many types of white-collar crimes may be complex and it may be difficult to explain the causes of these offenses in simple terms, this does not mean that the offenses cannot be understood through relatively simple explanations. Consider fraud by physicians, misconduct by lawyers, or misdeeds by stockbrokers. One does not need to be a doctor, attorney, or financial investor to understand the nature of these offenses, ways to respond to these offenses, or the underlying dynamics contributing to these behaviors. By understanding relatively simple descriptions of these behaviors, readers will be able to recognize parallels between the offenses and will develop a foundation from which they can begin to expand their understanding of white-collar crime.

**Determinism and White-Collar Crime**

**Determinism** means that behavior is caused or influenced by preceding events or factors. With regard to crimes in the workplace, a great deal of research has focused on trying to explain (or “determine”) why these offenses occur. Understanding the causes of white-collar crime is important because such information would help in developing both prevention and intervention strategies. In terms of prevention, if researchers are able to isolate certain factors that seem to contribute to white-collar misconduct, then policy makers and practitioners can use that information to develop policies and implement practices that would reduce the amount of crime in the workplace. Consider a study on student cheating that finds that the cheating is the result of the nature of the assignments given. With this information, professors could redo the assignment so that cheating is more difficult and less likely.

Understanding the causes of white-collar crime also helps to develop appropriate intervention strategies. If, for example, a study shows that certain types of white-collar offenses are caused by a lack of formal oversight, then strategies could be developed that provide for such oversight. One study, for example, found that patient abuse in nursing homes was at least partially attributed to the fact that workers were often alone with nursing home residents (Payne & Cikovic, 1995). To address this, the authors recommended that workers be required to work in teams with more vulnerable patients and video cameras be added where feasible.

To some, the principle of determinism is in contrast to the idea of free will, or rational decision making. However, it is not necessary, at least in this context, to separate the two phenomena. Whether individuals
support deterministic ideals or free-will ideals, with white-collar offenses it seems safe to suggest that understanding why these offenses occur is informative and useful. For those adhering to deterministic ideals, explaining the source of workplace misconduct helps to develop appropriate response systems. For those adhering to free-will ideals, the same can be said: By figuring out what makes individuals “choose” to commit white-collar offenses, strategies can be developed that would influence the offender’s decision making. In other words, choices are caused by, and can be controlled by, external factors. Put another way, by understanding why individuals commit crime in the workplace, officials are in a better position to know how to respond to those crimes.

Skepticism and White-Collar Crime

Skepticism simply means that social scientists must question and re-question their findings. We must never accept our conclusions as facts! Applying this notion to the study of white-collar crime is fairly straightforward and simple. On the one hand, it is imperative that we continue to question past research on white-collar crime in an effort to develop and conduct future white-collar crime studies. On the other hand, in following this principle, some may find it difficult to think differently about the occupations covered in this book. Put simply, crime and deviance occur in all occupations.

Sociologist Emile Durkheim noted that deviance occurs in all cultures and subcultures. He used the example of a “society of saints” to illustrate this point. Even a group of nuns or priests would have someone committing deviant behavior. So, as readers, when we think of any occupation, we must question and re-question how and why crime is committed in that occupation. We cannot assume that because the occupation is “trustworthy” crime does not occur in that occupation. Doing so would provide an inaccurate and incomplete picture of white-collar crime.

Relativism and White-Collar Crime

Relativism means that all things are related. If all things are related, then, this principle implies that changes in one area will lead to changes in other areas. A simple example helps to highlight this principle. Think of a time when you are driving your car, listening to your favorite Lady Gaga, Eminem, or Taylor Swift song with the music turned up loudly, and you suddenly smell something that makes you think that your engine is failing. What's the first thing you do? For many of us, the first thing we do is turn the music down so we smell better. Think about that—we do not smell with our ears; we smell with our noses. But we turn the music down because it helps us to smell. Changes in one area (smelling) lead to changes in other areas (hearing).

White-collar crime is related to the ideal of relativism in three ways: (1) how white-collar crime is defined, (2) the nature of white-collar crime, and (3) how the criminal justice system responds to white-collar crime. First, the notion of white-collar is a relative concept in and of itself. What makes someone a white-collar worker? Is it the clothes worn to work? Are your professors “white-collar” workers? Do they all wear “white collars” to work? Are you a white-collar worker? Will you ever be a white-collar worker? In using the concept of white-collar to describe these offense types, Sutherland was highlighting the importance of status. However, the very concept of status is relative in nature. What is high status to one individual might actually be low status to another person. What one group defines as a white-collar occupation may be different from what another group defines as white-collar. A basic understanding of white-collar crime requires an appreciation for the relative nature of status and occupations.
Second, the principle of relativism also highlights the need to recognize how changes in society have resulted in changes in white-collar offending. Throughout history, as society changed and workplace structures changed, the nature of, and types of, workplace offenses changed. Describing this pattern from a historical review of the 1800s, one author team commented:

During this time period, large scale changes within the business environment brought new opportunities for acts of workplace taking, particularly those associated with “respectable” echelons of staff hierarchies. Such acts were labeled as illegitimate and criminalized. . . . The representation of fraud and embezzlement as activities that were criminal was bolstered through a reconceptualization of the nature of property rights and, in particular, the relationship between staff and the property worked with. (Locker & Godfrey, 2006, p. 977)

In effect, changes in the occupational arena create new opportunities for, and strategies for, white-collar crime. In our modern society, note that globalization has created worldwide opportunities for white-collar offending (Johnstone, 1999). As an example of the way that changes in society result in changes in behavior that may hit home with some students, “studies by the Center for Academic Integrity show a decline in traditional peeking over someone’s shoulder cheating, but a steady increase in Internet plagiarism” (Zernike, 2003). Changes in society resulted in changes in the way some students cheat.

Third, the notion of relativism relates to white-collar crime in considering how the criminal justice system responds to white-collar crimes and the interactions between the criminal justice system and other societal systems. John Van Gigch’s applied general systems theory helps to illustrate this point. Van Gigch noted that society is made up of a number of different types of systems and that these systems operate independently, and in conjunction with, other systems (see Figure 1.1). At a minimum, systems that are related to white-collar crime include those shown in Figure 1.1.

At the most basic level, the political system is involved in defining laws and regulations defining all forms of crime, including white-collar crimes. Three levels of the political system include local, state, and federal systems of government. Each of these levels plays a role in defining various white-collar offenses, detecting offenders, adjudicating cases, and punishing offenders. On a separate level, one chapter of this book will focus on crimes committed in the political system. Note also that the political system plays a central role in developing and implementing policies designed to prevent and respond to white-collar crime. Throughout this text, significant attention is given to the interplay among white-collar crime policies, the occurrence of white-collar crimes, and the actions of various systems assigned the tasks of preventing and responding to white-collar crime.

The educational system relates to white-collar crime inasmuch as white-collar careers typically come out of this system. From preschool through higher education, one can see that the educational system prepares individuals for their future careers and lives. Some research has focused on how the educational system
might promote certain forms of white-collar offending, with students potentially learning why committing crimes is part of their training (Keenan, Brown, Pontell, & Geis, 1985). At the same time, the educational system provides opportunities to increase understanding about white-collar crime through college coursework and advanced training for criminal justice professionals. As with the political system, white-collar crimes occur in the educational system.
The **religious system** relates to white-collar crime (and other crimes) in that this system has been seen as providing institutions that have the potential to prevent misconduct. Many studies have focused on the ties between religion and crime, and while few have focused on how religion relates to white-collar crime, the underlying assumption is that religion has the potential to prevent these behaviors or, at least, provide a setting where definitions of appropriate and inappropriate misconduct can be developed. Interestingly, white-collar crime pioneer Edwin Sutherland’s father “was a religious fundamentalist who believed in strict adherence to the Baptist faith” (Martin, Mutchnick, & Austin, 1990, p. 140). While Sutherland eventually parted ways with his father’s church, it has been noted that “a prominent and overt expression of his moralistic side appears in *White Collar Crime* (1949) where Sutherland calls for something other than a strict legal definition of acceptable behavior” (Martin et al., 1990, p. 141). As an aside, in the same way that crime is found in the political and educational systems, white-collar offenses also occur in the religious system.

The **technological system** has evolved greatly over the past few decades. This system is related to white-collar crime in at least two distinct ways. First, and as was noted earlier, changes in the technological system have led to changes in the way that some white-collar offenders commit their crimes. Second, the technological system has provided additional tools that government officials can use in their pursuit of identifying and responding to white-collar crimes.

The **social system** represents a setting where individuals have various needs fulfilled and learn how to do certain things, as well as reasons for doing those behaviors. In terms of white-collar crime, some individuals may learn how to commit white-collar offenses, and why to commit those offenses, as part of the social systems in which they exist. Research, for example, shows that nurses learn from their peers how to rationalize their workplace misdeeds (Dabney, 1995).

The **social services system** includes numerous agencies involved in providing services to members of the public. In some cases, the services they provide might be in direct response to white-collar crime victimization. For example, individuals who lose their life savings to fraudulent investors may need to seek assistance from the social service system to deal with their victimization. As with the other systems, white-collar crimes could be committed by workers in the social services system.

The **occupational system** is, for the purposes of this discussion, that system where the bulk of professions are found. This system is composed of other systems, which at the broadest level can be characterized as lower-class and upper-class occupational systems. Within the lower-class and upper-class occupational systems, specific subsystems exist. White-collar offenses are found in each of these subsystems. As outlined in this text, these subsystems include the legal system, the health care system, the higher education system, the religious system, the technological system, the housing system, the insurance system, and the **economic system**.

The **economic system** represents the system that drives our economy. This system is influenced by, and has an influence on, each of the other types of systems. In recent times, problems in the economic system have had far-reaching and serious effects on countries across the world. Many of the white-collar crimes discussed in this text originate in the economic system.

The **corporate system** includes the businesses and corporations that carry out business activity as part of our capitalist system. These corporations strive to make profits and grow in strength and numbers. Various types of white-collar crimes have been uncovered in the corporate system. As well, the corporate system is sometimes given the power to regulate itself.

The **regulatory system** describes those local, state, and federal agencies that have been charged with regulating various businesses. This system is different from the criminal and civil justice systems in many different ways. For example, the formal source of rules comes from administrative regulations in
the regulatory system. As well, the rights of offenders, corporations, and victims are different in the three
types of systems (e.g., offenders have one set of rights in the criminal justice system, another set of rights
in the civil justice system, and another set of rights in the regulatory system). Procedures and guidelines
used to process the cases also vary in the three types of systems.

The civil justice system represents that system of justice where individuals (plaintiffs) seek recourse
for offenses by way of a civil lawsuit. The accused (defendant) could be an individual or a company. In cases
of white-collar crime, for example, it is common for lawsuits to be filed by victims in order to recover their
losses. Note that the victim, in many cases, may actually be an individual, company, or governmental agency.

The criminal justice system is that system of justice where violations of the criminal law are handled.
The criminal law is the branch of law dealing with crimes against the state. Like each of these systems, our
criminal justice system is composed of various subsystems: the police, courts, and corrections. On one level,
the criminal justice system operates independently from other agencies when white-collar offenses are
investigated, prosecuted, and sentenced. On another level, it is imperative to note that the system’s responses
to white-collar crimes, and behaviors of actors in the criminal justice system, are influenced by changes in
other societal systems. Changes in the technological system (brought about by advances in the educational
system) led to the development of the Internet. The Internet, in turn, created new ways for criminals to
offend. These new strategies, then, meant that the criminal justice system had to alter its practices. As soci-
ety changes, criminal justice and other systems of formal control are forced to change how they respond to
white-collar offenses (Edelhertz, 1983). As one author put it several years ago, “an emerging area of difficulty
is the challenge of devising powers of investigation that are responsive to the needs of enforcement in a
modern corporate society” (Fisse, 1991, p. 7). Two decades later, this same challenge remains “an emerging
area of difficulty.”

A full understanding of white-collar crime requires an understanding of (a) the changing nature of
crime occurring in various systems; (b) how the criminal justice, civil justice, and regulatory systems
respond to white-collar crimes; and (c) how interactions between the systems influence criminal behavior
as well as response systems. To promote broad insight into white-collar crime, this text relies on the systems
perspective to guide the discussion about white-collar crime. In doing so, it argues that students (a part of
the educational system) have a significant role in white-collar crime.

The Student Role in White-Collar Crime

Some readers may have given very little thought to their role in white-collar crime. In reading this text,
students are encouraged to think about how white-collar crime relates to their lives—their past, their cur-
rent lives, and their future. In effect, students have at least 10 potential roles in white-collar crime. These
roles include (1) past victims, (2) past offenders, (3) current offenders, (4) current victims, (5) future
offenders, (6) future victims, (7) future crime fighters, (8) future policy makers, (9) current research sub-
jects, and (10) future white-collar crime researchers.

First, most students have been victimized by white-collar crimes in the past, though many likely may
not have realized they were victimized at the time. From being overcharged for services to being a victim of
corporate misconduct, students—like the rest of society—are not immune from victimization by white-
collar or corporate offenders.

Second, some students may have actually been past offenders, particularly if broader definitions of
occupational offending are used. These definitions will be addressed in Chapter II. For now, several questions
could be asked to determine whether students have broken the rules in their past jobs. Did they take breaks for too long? Did they give away company food or merchandise? Did they skip work and lie to their boss about the reason? Did they, as in the example in the beginning of this chapter, give someone an extra piece of cheese? One of the exercises I use in my white-collar crime classes is to have students write about occupational offenses they have committed in past jobs. Very few of my students ever had a problem identifying past misdeeds. Some even described actions that would have resulted in felony convictions had they been caught for their transgressions!

Third, another role that students may have in white-collar crime is that some may be current victims of white-collar crime. In Chapter IX, attention will be given to the way that colleges and universities sometimes break rules in recruiting students and providing financial aid. (Some have even argued that ineffective instruction by college professors victimizes students, but that can be saved for another text.) Students might also be victims of white-collar and corporate misconduct in their roles as consumers of various goods and services that extend beyond the college boundaries.

Fourth, some students can also be seen as current occupational offenders if they are violating the rules of their jobs or the rules set by their educational institution. This will be discussed in more detail in Chapter VI. At this point, it is sufficient to suggest that college students can be seen as “pre-white-collar” professionals. In this context, then, some misdeeds that college students commit could technically be seen as versions of white-collar offending.

Fifth, some college students may have the role of future white-collar offenders. Note that most white-collar offenders have at least some college education. While most readers of this text will not (it is hoped) go on to careers of white-collar offending, the fact remains that some college graduates eventually graduate into these criminal careers.

Sixth, all college students will be future victims of white-collar and corporate misconduct at least on some level. There is no reason to expect that these offenses will end. Because the consequences of white-collar offenses are so far reaching, none of us will be completely immune from future misdeeds—though we may not always know when we have been victimized.

Seventh, some college students will also have a future role as white-collar crime fighters or white-collar criminal defense lawyers. At first blush, a career battling white-collar offenders may not seem as exhilarating as other law enforcement careers. However, nothing could be further from the truth. A major focus of this text will be on how the criminal justice system and criminal justice professionals respond to white-collar offenses. In addressing the mechanics of the response to these offenses, it is hoped that readers will see just how important, and exciting, these careers are. From going undercover in a doctor’s office to sifting through complex computer programs, the search for misconduct and clues of wrongdoing can far outweigh more mundane or routine criminal justice practices.

Eighth, some college students will go on to employment positions where they will play a role in developing and implementing various crime policies. As future policy makers, college students will be better prepared to develop policies addressing white-collar crime if they have a full understanding of the dynamics of white-collar crime, the causes of the behavior, and the most effective response systems. Without an understanding of these issues, future (and current) policy makers run the risk of relying on crime prevention policies and strategies that might work for traditional forms of crime but not necessarily for white-collar crimes.

Ninth, some college students will also assume the role of research subjects. Many researchers have used college student samples to generate understanding about white-collar offending. One researcher used a sample of college students to learn about the kinds of crimes committed in fast-food restaurants (O’Connor, 1991).
Another research team surveyed students to learn about digital piracy and illegal downloading (Higgins, et al., 2006). The same research team surveyed college students to test the ability of criminological theories to explain different forms of occupational misconduct. Another study of 784 undergraduate students found that the way items are sequenced in questionnaires influences attitudes about white-collar crime (Evans & Scott, 1984). The simple fact of the matter is that criminology and criminal justice scholars have a great deal to learn from students, just as students have a great deal to learn from their professors! Indeed, many of the studies cited in this book will come from studies involving college students on some level.

Tenth, as you read about the studies discussed in this text, one thing to bear in mind is that the authors of these studies and articles were students themselves in the not-so-distant past (well, maybe the more distant past for some of us). Edwin Sutherland, once a college student at Grand Island College, went on to create the study of white-collar crime. His students, his students’ students, and their students have created a field of study that has significantly evolved over the past 70 years. Thus, the tenth role that students have in white-collar crime is that the discipline of criminology and criminal justice is counting on some of you to take the torch and become future white-collar crime researchers. This text provides a foundation for understanding white-collar crime. It is hoped that this foundation will spark your interest so that you will want to learn more about this important criminological issue and one day go on to help generate future empirical and scientific awareness about white-collar crime.

Plan for the Book

This text uses the systems perspective as a guide for understanding white-collar crime. Each chapter provides readers an introduction to topics related to white-collar crime. The text is divided into the following chapters:

- Understanding White-Collar Crime
- Crimes by Workers in Sales-Oriented Occupations
- Crimes in the Health Care System
- Crimes in Social Control Systems
- Crimes in the Educational System
- Crimes in the Economic and Technological Systems
- Crimes in the Housing System
- Corporate Crime: Crimes Against Workers and Consumers by Private Corporations
- Crimes Against the Environmental System
- Explaining White-Collar Crime
Throughout each chapter, both criminological and criminal justice themes are covered. White-collar crime has been addressed with little or no attention given to white-collar criminal justice. Pulling together criminological and theoretically driven issues with criminal justice–oriented discussions will help to provide a full picture of white-collar crime and the responses to white-collar crime.

SUMMARY

- According to Edwin Sutherland, white-collar crime is “crime committed by a person of respectability and high social status in the course of his occupation” (1949, p. 9). The distinguishing features of white-collar crime are that the crime was committed (a) during work, (b) when the offender was in the role of worker, and (c) as part of the employment duties of the offender.
- We study white-collar crime (a) because it is an enormous problem, (b) because it affects everyone, (c) to learn more about all forms of crime, (d) to develop prevention and intervention systems, (e) to learn about careers, and (f) to learn about subcultures.
- Survey research with white-collar offenders tends to include surveys of offenders, victims, criminal justice officials, and members of the public.
- Archival research on white-collar offenders includes reviews of case records, pre-sentence reports, media reports, and case descriptions of specific white-collar offenses.
- Field research involves situations where researchers enter a particular setting to study phenomena. While relatively rare in the white-collar crime literature, these studies provide direct insight into issues related to the behaviors of offenders, criminal justice officials, and other members of society.
- Experiments involve studies where researchers assess the influence of a particular variable on an experimental group (which receives the “treatment” or the variable) and a control group (which does not receive the treatment or the variable). It is expected that white-collar crime experiments will increase in the future as experimental criminology grows as a research strategy.
- Case studies entail researchers selecting a particular crime, criminal, event, or other phenomenon and studying features surrounding the causes and consequences of those phenomena.
- It is important that those studying white-collar crime be objective in conducting research on the topic. As well, readers are encouraged to keep an open mind about the topic to help as they critically assess issues related to white-collar crime and the study of the topic.
- Researchers are encouraged to keep their explanations as simple as possible. For white-collar crime researchers, this means that one does not need to understand everything about a career in order to understand issues related to crime in that career.
- The aim of many white-collar crime studies is to explain why white-collar crime occurs. Determinism suggests that behavior can be explained. Explaining why white-collar crimes occur enables development of appropriate prevention and intervention remedies.
- Skepticism as a principle of science means that scientists question and re-question everything. For students of white-collar crime, this means that we must question and re-question all of our assumptions about various careers and recognize that crime occurs in all careers.
Relativism means that all things are related. From a systems perspective, this means that all societal systems are influenced by and have an influence on white-collar crime. Those systems considered in this chapter included the (1) political-governmental system, (2) educational system, (3) religious system, (4) technological system, (5) social system, (6) social services system, (7) occupational systems, (8) economic system, (9) corporate systems, (10) regulatory system, (11) civil justice system, and (12) criminal justice system.

Students have at least eight potential roles in white-collar crime. These roles include (1) past victims, (2) past offenders, (3) current offenders, (4) current victims, (5) future offenders, (6) future victims, (7) future crime fighters, (8) current research subjects, and (9) future white-collar crime researchers.

**KEY TERMS**

- Applied general systems theory
- Archival research
- Case records
- Case studies
- Civil justice system
- Corporate system
- Criminal justice system
- Determinism
- Economic system
- Experimental group
- Experiments
- Field research
- Media reports
- Objectivity
- Occupational system
- Parsimony
- Political system
- Pre-sentence reports
- Quasi-experimental designs
- Regulatory system
- Relativism
- Skepticism
- Social services system
- Social system
- Technological System
- White-collar crime victims

**DISCUSSION QUESTIONS**

1. Below are examples of misdeeds committed by celebrities. Read each of them and classify them according to whether the acts are crimes or, to borrow Ruggiero’s concept, just “nasty.” Also, identify those actions that you think are white-collar crimes and those that would be traditional crimes.

   a. Former boy-band manager Lou Pearlman (former manager of ‘N Sync and Backstreet Boys) was convicted of defrauding more than $300 million from investors as part of a Ponzi scheme.
   b. In January 2010, Mark McGwire admitted using steroids while he was a professional baseball player.
   c. In January 2009, crooner Chris Brown was arrested and accused of assaulting his then-girlfriend Rhianna.
   d. Lil’ Kim was convicted of perjury after it was found that she lied during the course of a criminal investigation.
   e. Kanye West interrupted the MTV music awards while Taylor Swift was giving an acceptance speech.
   f. In January 2009, Dane Cook’s manager was charged with embezzling $10 million from Cook. The manager, Darryl J. McCauley, was Cook’s half brother.
   g. Actor Zac Efron told a reporter that he has stolen costumes from movie sets after the filming was completed. He said: “I think I stole some of the stuff. Always, on the last day, they try and get it out of
your trailer really quick. Always steal some of your wardrobe. You never know what you’re going to need” (Hasegawa, 2010).

h. Actress Winona Ryder was arrested for shoplifting in 2001.

i. Hugh Grant was arrested for having sexual relations with a prostitute.

j. Martha Stewart was convicted of perjury after it was found that she lied to investigators about some of her stock purchases.

2. Why does it matter how you classify these behaviors?

3. How are the behaviors you labeled white-collar crime different from those you labeled as traditional crimes?

4. Why do we study white-collar crime?

5. What is your role in white-collar crime?

WEB RESOURCES

Fraud Watchers: http://www.fraudwatchers.org/


U.S. Department of the Treasury: http://www.treasury.gov/Pages/default.aspx