**W1 Lecture 1 "Introduction and Overview of White Collar Crime"**

* What is white-collar crime?
* Where did this definition come from?
* Why study white-collar crime?

**Studying White-Collar Crime from a Scientific Perspective**

The reading this week provides several examples of white-collar crimes. There are three similarities that exist throughout each example:

1. **Time-committed during the course of work**
2. **Location-occurred in a work setting**
3. **Offender role-the offender was the worker. The offender’s occupation is a legitimate profession**

But what do we mean when we use the term **white-collar crime? At the very basic level, white collar crime was coined by Edwin Sutherland**. Sutherland defines this as a “crime committed by a person of respectability and high social status in the course of his occupation” (as cited in Payne, 2013, p. 9). Sutherland brought to the surface that crime can be committed by all persons, regardless of their socioeconomic status. The phrase white-collar is used to “emphasize the occupational status assigned to individuals” (Payne, 2013, p. 2). Otherwise stated, “the employment is central to the act” (Payne, 2013, p.3).

**Research and White-Collar Crime**

Several different research strategies are used to study white-collar crime and white-collar criminals. Strategies that can be used to research white-collar crime include:

1. **Surveys**
2. **Archival research**
3. **Field research**
4. **Experiments**
5. **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 in your textbook). 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.

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” (as cited in Payne, 2013, p. 117). One of the issues that arise in such studies is the ability to identify a sample of white-collar crime victims.

**Archival Research**

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 (as cited in Payne, 2013). 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 (as cited in Payne, 2013).

**Field Research**

Field research involves strategies where researchers enter a particular setting and gather data through their observations in those settings (as cited in Payne, 2013). 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 work-place. 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) (as cited in Payne, 2013).

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 (as cited in Payne, 2013).

**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.

**Studying White-Collar Crime from a Scientific Perspective**

White-collar crime is said to best described by using a **scientific perspective**. Why is this? Why do we want to use a scientific perspective? We use a scientific perspective because the media sensationalizes white collar crime, but studying white-collar crime from a scientific perspective requires that students understand how the principles of science relate to white-collar crime.

**Relativism**

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. **techno-logical system**
5. **social system**
6. **social services system**
7. **occupational systems**
8. **economic system**
9. **corporate systems**
10. **regulatory system**
11. **civil justice system**
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**
9. **future white-collar crime researchers**

(Payne, 2013, pp. 22-23)

**Chapter One 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” (as cited in Payne, 2013, p. 9). The distinguishing features of white-collar crime are that the crime was committed
  + during work
  + when the offender was in the role of worker
  + as part of the employment duties of the offender
* We study white-collar crime
  + because it is an enormous problem
  + because it affects everyone
  + to learn more about all forms of crime
  + to develop prevention and intervention systems
  + to learn about careers
  + 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.

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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” (as cited in Payne, 2013, 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.

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**W1 Lecture 2 "Understanding White-Collar Crime"**

Content

**White Collar Crime**

**Understanding White-Collar Crime**

**In this lecture, we will examine the following topics:**

**White-collar Crime: An Evolving Concept**

**Modern Conceptualizations of White-collar Crime**

**Extent of White-collar Crime**

**Consequences of White-collar Crime**

**Public Attitudes Toward White-collar Crime**

**Characteristics of White-collar Offenders**

One of the greatest challenges in the study of white-collar crime is how to define it. The term “white-collar criminaloid” was initially used by E.A. Ross. Ross’ focus was on businesses that committed crime, writing the following, “the criminaloid is society’s most dangerous foe, more redoubtable by far than the plain criminal, because he sports the livery of virtue and operates on a titanic scale” (as cited in Payne, 2013, p. 26). Sutherland built upon this theory to what we know today as white-collar crime or the white-collar criminal.

Sutherland’s theory, however, was not without criticism. While he may have received praise for his expansion of defining criminal activity, he was criticized for the following:

**Conceptual ambiguity—Sutherland’s definition was “vague and loose.”**

**Empirical ambiguity—Sutherland’s concept did not or minimally reflected reality and those defined as “white-collar criminals were in fact, middle class”**

**Methodological ambiguity—One definition was used to define white-collar crime however, research focused on all offenses not just those committed by the upper class.**

**Legal ambiguity—White-collar crimes should be narrowly defined to include those behaviors that are criminally illegal. Some even take it a step further and suggest that white-collar criminals are those individuals convicted of white-collar crimes (suggesting that if one were not caught for a white-collar crime one actually committed, then one would not be a white-collar criminal).**

**Policy ambiguity**

In response to this criticism, Sutherland stated the following:

“**The purpose of the concept of white-collar crime is to call attention to a vast area of criminal behavior which is generally overlooked as criminal behavior**, which is seldom brought within the score of the theories of criminal behavior, and which, when included, call for modifications in the usual theories of criminal behavior. (as cited in Payne, 2013, p. 28).

In the 1950s and 1960s, two criminologists, Marshall Clinard and Richard Quinney published Criminal Behavior Systems, asserting that white-collar crime can be separated into two categories; **1) corporate crime and 2) occupational** crime. In other words, crimes committed to benefit a corporation (crimes for) versus crimes committed to benefit the employee/offender (crimes against).

**Modern Conceptualizations of White-Collar Crime**

White-collar crime has taken many definitions to include violations (see pages 30-31 of your text for definitions):

**Natural law**

**Criminal law**

**Civil law**

**Regulatory laws**

**Workplace deviance—might be wrong but may not be illegal by the criminal, civil, or regulatory definition**.

Another way to define these behaviors is to consider white-collar crime as research definitions. When researchers study and gather data about white-collar crime, they must operationalize or define white-collar crime in a way that allows them to reliably and validly measure the behavior. In 2006, Kane and Wall defined white-collar crime as “illegal or unethical acts that violate fiduciary responsibility or public trust for personal or organizational gain” (as cited in Payne, 2013, p. 1). Using this definition as their foundation, these researchers were able to conduct a study that measured the characteristics of white-collar crime, its consequences, and contributing factors. Note that had they chosen a different definition, their results might have been different. The way that we define phenomena will influence the observations we make about those phenomena.

Another way to define these behaviors is to consider white-collar crime as official government definitions. Government agencies and employees of those agencies will have definitions of white-collar crime that may or may not parallel the way others define white-collar crime. The Federal Bureau of Investigation (FBI), for example, has used an offense-based perspective to define white-collar crime as part of its Uniform Crime Reporting Program. The FBI defines white-collar crime as “those illegal acts which are characterized by deceit, concealment, or violation of trust and which are not dependent upon the application or threat of physical force or violence. Individuals and organizations commit these acts to obtain money, property, or services to avoid payment or loss of money or services; or to secure personal or business advantage” (U. S. Department of Justice, 1989, p. 3; as cited in Barnett, n. d.).

As you can see, there are several definitions of white-collar crime and how these definitions should be applied to measure criminal activity. The next topic we will discuss is the extent of white-collar crime. In other words, how far-reaching is this criminal activity.

**Extent of White-Collar Crime**

Two factors make white-collar crime difficult to measure**. First, the victims do not report the crime(s) for various reasons**. They may be ashamed, lack confidence in the legal system, and/or refuse to believe they were victims. Companies may refuse to report the criminal activity out of fear of negative publicity. **The second reason is how we define what white-collar crime really is.**

That said, how do we capture this information that may otherwise, not get reported? We capture information three ways:

**by government agencies**

**victimization surveys**

**research studies focusing on specific types of white-collar crime**

Consequences of White-Collar Crime

The consequences can be characterized as:

**Individual economic losses-the losses that individual victims or business experience due to white-collar crimes.**

**Societal economic losses-the total amount of losses incurred by society from white-collar crime.**

**Emotional consequences-experienced by victims of white-collar crime and by all members of society exposed to this misconduct. These emotional consequences include stress from victimization, violation of trust, and damage to public morale.**

**Physical harm—may also result from white-collar crime victimization. Sometimes, physical harm may be a direct result of the white-collar offense. For example, cases of physical or sexual patient abuse will result in physical harm for victims. Other times, experiencing financial harm can lead to physical problems.**

“Positive” consequences

Public Attitudes Toward White-Collar Crime

What does the public think? There are varying attitudes toward white-collar crime. Some common themes in the research conducted were:

**supported criminal sanctions for white-collar offenders**

**viewed white-collar crimes as having greater moral and economic costs than street crimes**

**did not define the offenses as violent**

**They also found that perceptions of the seriousness of white-collar crime increased more than any other offense type in the 1970s and that physically harmful offenses were viewed as the most serious forms of white-collar crime**.

Characteristics of White-Collar Offenders

Comparing records of street offenders and white-collar offenders, Benson and Moore (1992) concluded: “Those who commit even run-of-the-mill, garden-variety, white-collar offenses can, as a group, be clearly distinguished from those who commit ordinary street offenses” (p. 43-44). In one of the most comprehensive white-collar crime studies, Wheeler and his colleagues (1988, p. 43-44) found that **white-collar offenders were more likely than conventional offenders to**

**have a college education**

**be white males**

**be older**

**have a job**

**commit fewer offenses**

**start their criminal careers later in life**

**Focusing on the interactions between offender characteristics and offense characteristics, the same research demonstrated that white-collar crime was more likely than street crime to involve the following:**

**National or international scope**

**Involve a large number of victims**

**Have organizations as victims**

**Follow demonstrated patterns**

**Be committed for more than a year**

**Be committed in groups**

**Chapter Two Summary**

Sutherland (1949) defined white-collar crime as “crime committed by a person of respectability and high social status in the course of his occupation” (as cited in Payne, 2013).

Criticism of the concept centered on

conceptual ambiguity

empirical ambiguity

methodological ambiguity

legal ambiguity

policy ambiguity

Corporate crime and occupational crime are viewed as “the two principal or ‘pure’ forms of white-collar crime.”

Criminologists and social scientists offer various ways to define white-collar crime. These variations tend to overlap with one another and include the following:

white-collar crime as moral or ethical violations

white-collar crime as social harm

white-collar crime as violations of criminal law

white-collar crime as violations of civil law

white-collar crime as violations of regulatory laws

white-collar crime as workplace deviance

white-collar crime as definitions socially constructed by businesses

white-collar crime as research definitions

white-collar crime as official government definitions

white-collar crime as violations of trust

white-collar crime as occupational crimes

white-collar crime as violations occurring in occupational systems

Determining the extent of white-collar crime is no simple task. Two factors make it particularly difficult to accurately determine how often white-collar crimes occur: unreported crimes and conceptual ambiguity.

With regard to official statistics and white-collar crime, the FBI’s Uniform Crime Reports (UCR) and National Incident Based Reporting System (NIBRS) provide at least a starting point from which we can begin to question how often certain forms of white-collar crime occur.

The consequences of white-collar crime can be characterized as

individual economic losses

societal economic losses

emotional consequences

physical harm

“positive” consequences

Research on white-collar crime attitudes, however, is important for empirical, cultural, and policy-driven reasons.

Because white-collar offenses are viewed as equally serious as street crimes, there may be a tendency among some to view white-collar criminals as similar to street criminals (Payne, 2003b). Such an assumption is misguided and represents an inaccurate portrait of “the white-collar criminal.”

Wheeler and his colleagues (1988) found that white-collar offenders were more likely than conventional offenders to

have a college education

be white males

be older

have a job

commit fewer offenses

start their criminal careers later in life

be Jewish

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The consequences of white-collar crime can be characterized as (1) individual economic losses, (2) societal economic losses, (3) emotional consequences, (4) physical harm, and (5) “positive” consequences.

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Wheeler and his colleagues (1988) found that white-collar offenders were more likely than conventional offenders to (1) have a college education, ( 2) be white males, (3) be older, (4) have a job, (5) commit fewer offenses, (6) start their criminal careers later in life, and (7) be Jewish. (Payne, 2013, pp. 44-45).