1

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

The summer of 2020 was one for the history books. A global pandemic ruptured our economy, political turmoil paralyzed lawmaking in the United States, racial tensions escalated in the aftermath of police brutality incidents protested across the world, and an impeached president blamed the news and the democratic party for the state of the country. At the same time, President Donald J. Trump was warning the American public that if Joe Biden were to become president, crime would soar in the United States. Many certainly recognized that the president's claims were political rhetoric designed to encourage his base to continue to support him while trying to scare undecided voters into supporting him. Some even pointed to the irony of the president's comments—after all, crime was increasing by as much as 26% in some urban communities on the president's watch (Lopez, 2020). While this debate about crime unfolded, with the exception of a few criminologists, most were paying very little attention to white-collar crimes because of the extensive political focus on behaviors that have historically been called traditional crimes or street crimes. In other words, most individuals were ignoring those offenses that potentially have the most widespread effect on individuals, communities, and the economy.

Indeed, we could pick any week from that unprecedented summer and highlight a number of criminal offenses that caused harm but which are not typically considered in our discussions

about crime. On June 19th, for example, a Virginia doctor, who once temporarily lost his license for overprescribing drugs, was sentenced to 10 years in prison after an undercover investigation found that the doctor was once again violating the public trust by overprescribing opioids (USDOJ, 2020, June 19). Unfortunately, this time a patient died as a result of the doctor's actions. The following week, the owner of a third-party payment processing company was sentenced to 70 months in prison for stealing millions of dollars from more than 375,000 victims (USDOJ, 2020, June 24); two pharmacy companies agreed to pay $345 million in corporate fines for violation of the Foreign Corrupt Practices Act (USDOJ, 2020, June 25); and a Russian national was sentenced to nine years in prison for operating websites that sold stolen credit card information of cardholders who were subsequently charged for more than $20 million in fraudulent purchases (USDOJ, 2020, June 26).

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 served 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 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 2, 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 with scientific fraud for hiring actors to pretend that they had participated in his research study. The actors were interviewed by investigators, but they did not realize that the interviews were official because the professor had 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 cases where a tenured psychology professor plead no contest to taking photos up his colleague's skirt (Friedman, 2019) and a former journalism professor was arrested and charged with drug offenses and burglary (Sokol, 2020). The latter two cases would not typically be considered white-collar crimes because the offender's employment role was not 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 full understandings 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?

Seven 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 Ponzi scheme 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 behavior. 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.

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 later in this chapter, 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.

Sixth, compared to research on traditional crime, there simply is not enough research being done on white-collar offending. Common reasons cited for this lack of research on the topic have to do with the lack of funding to support white-collar crime studies and the lack of suitable publication outlets for white-collar crime studies. Fortunately, recent changes have begun to address these problems. Regarding funding, the National Institute of Justice (NIJ) has begun to solicit proposals for research on white-collar crime, with specific topics of interest identified. Table 1.1 shows an overview of the 2019 request for proposals and the projects funded that year. Three proposals were collectively awarded $2.4 million, which pales in comparison to the total amount of research funding provided for traditional crimes by NIJ that same year ($213 million). Still, the availability of funding should help to increase white-collar crime studies.

Regarding the lack of suitable publication outlets, white-collar crime scholars Greg Barak and Anne Alvesalo-Kussi recently created the very first scholarly journal focused on white-collar crime. Published by SAGE in association with the American Society of Criminology's Division on White-Collar and Corporate Crime, the *Journal of White-Collar and Corporate Crime* "is aimed at uncovering the interrelations of theoretical and empirical investigation of the crimes of powerfully organized people and institutions while advancing the knowledge of white-collar and corporate crime as well as the practices of social intervention and policy

TABLE 1.1 ■ NIJ Funded Projects from Research and Evaluation on White-Collar Crime: Health Care and Elder Fraud, FY 2019		
Language From Request for Proposals	NIJ is seeking applications for funding research and evaluation projects that will improve our knowledge on how to identify, prevent, and reduce white-collar crime in the United States. There are many types of offenses that may be classified as white-collar crime. This solicitation focuses on three types of white-collar crime: health care fraud, cyber-crime against individuals, and elder fraud. NIJ will support scientifically rigorous research and evaluation projects that will advance our understanding of white-collar crime and effective approaches for identifying, preventing, investigating and prosecuting white-collar crime related to health care fraud, cybercrime against individuals, and elder fraud and financial exploitation. This solicitation supports the U.S. Department of Justice's strategic goals associated with enhancing national security and promoting the rule of law, integrity and good government.	
Project Title	**Funding Info.**	**Published Research Summary**
Using Physician Behavioral Big Data for High Precision Fraud Prediction and Detections	$842,768 University of Maryland, College Park	Using existing data from a variety of public sources, this project will involve constructing a database to identify physician behavioral (illegal behavior, patient complaints and malpractice, disciplinary actions, conspicuous consumption, and life stressors) that predict engagement in health care fraud. Data sources include federal databases on fraud, as well as state and local court records, state medical records, and online review websites. The project will use retrospective matched design that includes a sample of physicians assigned to one of two groups: those who have and have not been excluded from participation in federal health care programs, such as Medicare, due to fraud, from 2015–2019.
Prevention of Financial Abuse Among Elders Affected by Cognitive Decline: A Randomized Controlled Trial in Three Rural Communities	$595,961 Michigan State University	This randomized controlled trial (RCT) will test the efficacy, effectiveness and cost benefit of a financial abuse prevention model for elders living in rural Michigan (MI) who experience cognitive declines. The intervention targets elders, their caregivers, and service professionals providing psychosocial education, case management, and local Financial Abuse Specialist Teams (FAST) to raise awareness, build competence, and provide coaching and consultation to safeguard against and intervene in financial abuse. The researchers have partnered with local aging service agencies in Battle Creek, Manistee, and Marquette. The agencies serve 11 rural counties in the surrounding areas. A total of 106 older adults, 78 family caregivers and 70 service professionals will be enrolled and randomly assigned to intervention groups or control groups across the three sites. Qualitative data collected from community financial abuse prevention caseworkers and participants in the intervention groups will be analyzed to determine program efficacy
Mass Marketing Elder Fraud Intervention	$988,159 Research Triangle Institute	This study will be conducted in collaboration with the U.S. Postal Inspection Service (USPIS), the law enforcement arm of the U.S. Postal Service. The project will involve secondary analysis of USPIS investigatory data; a randomized controlled trial (RCT) to test the efficacy of several variations on a USPIS-mailed intervention for preventing the revictimization of older adults; and a follow-up survey to a subsample of RCT participants. Using 20 years of USPIS investigative data collected from US fraud victims, the researchers will link addresses across three data files, each containing more than 1 million victim records, to gather information about the incidence, frequency, and patterns of repeat victimization. The researchers will also test the use of a mailed intervention in preventing mass marketing fraud revictimization.

Source: Compiled from https://nij.ojp.gov/funding/opportunities/nij-2019-15383

change" (SAGE, n.d.). The journal's launch in 2020 offered, for the first time, an outlet for crime scholars focused solely on white-collar crime. The importance of having a scholarly journal devoted to a specific topic cannot be understated. Besides providing the topic scientific legitimacy, the outlet also provides scholars and students a central publication where they can find recent and high-quality additions to white-collar crime literature.

The seventh and final reason to study white-collar crime is that the research findings will provide 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.

U.S. Government Work

PHOTO 1.1 Many careers exist that target white-collar offending. In this photo, an FDA official examines a dietary supplement to determine if the product is unsafe.

RESEARCHING WHITE-COLLAR CRIME

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 1.2). 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.

TABLE 1.2 ■ Strengths and Weaknesses of Different Survey Methods		
Survey Method	**Strengths**	**Weaknesses**
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 to answering questions over the phone.	• Excludes people without home phones • Many do not answer the phone
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

Source: Adapted from Payne, Brian K. (2005) *Crime and elder abuse: An integrated perspective.* 2nd ed. Springfield, IL: Charles C Thomas.

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 team surveyed 240 judges to generate understanding about judicial sentencing behaviors (Bennett, Levinson, & Hioki, 2017). As will be shown later, the research helped shed some light on the dynamics of sentencing policies within a systems framework.

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 five years (Mason & Benson, 1996). Fifth, surveys of the public could provide policy makers with information they can use to develop policies and laws designed to prevent 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" (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" (Vaughan & Carlo, 1975, p. 158).

Another issue that arises in surveys of 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 (Mason & Benson, 1996), or they may be embarrassed to talk about their victimization (Jansen & Leukfeldt, 2018). 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). One recent avenue of white-collar crime victimization research has explored whether white-collar crime victims should be eligible to participate in victim compensation programs, which have typically focused primarily on victims of street crimes (Galvin, Loughran, Simpson, & Cohen, 2018).

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 specific occupational groups. 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. More recently, a research team interviewed 17 convicted white-collar offenders to better understand the impact that the conviction had

PHOTO 1.2 Interviews can provide important insight into white-collar criminal behavior. While white-collar professionals might be open to doing interviews, it is very difficult to convince white-collar offenders to be interviewed.

on the offenders (Button, Shepherd, & Blackbourn, 2018). Pointing out that interviewing white-collar offenders "pose[s] significant access challenges to the researcher," this research team developed their sample by including those who had been out of the justice system for a number of years, which possibly reduced any stigma effects that may have kept subjects from participating.

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. In an effort to get offender contributions to a story she was writing, one journalist tried contacting 30 different convicted white-collar offenders who had been released from prison. 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).

Alluding to difficulties of finding white-collar criminals willing to be interviewed and the fact that criminologists tend to spend more of their time studying street crime, one criminologist began an article with this simple observation: "Criminology gazes down" (Oleson, 2018, p. 45). He partly attributes this gazing down to the ease of studying traditional criminals in comparison to white-collar offenders, but he also draws attention to research dynamics in these studies. While researchers have a higher class status and economic advantage over subjects in street crime studies (which some presumably use to assert power in interviews), they have no educational or class power when interviewing white-collar offenders.

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, presentence 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. Matt Greife, for example, used court records and other publicly available information to create a database providing information about 169 environmental crime cases. His efforts showed that environmental crime court records could be analyzed through a quantitative framework (Greife & Maume, 2020a) and that certain companies experience negative collateral sanctions after being fined for environmental offending (Greife & Maume, 2020b). Note that there is absolutely no other way Greife could have found these findings other than by reviewing case records.

Researchers have also used presentence reports to study different topics related to white-collar crime. **Presentence 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, Weisburd, Waring, & Bode, 1988) used the presentence 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 ground-breaking 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. This ground-breaking study was replicated roughly three decades later by Galvin and Simpson (2019). Focusing on the same offenses committed by a group of more than 16,000 federally convicted offenders, the authors of the more recent study found that offenders pleading guilty to white-collar crime did not receive "discounts" in terms of their sentence lengths.

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 series of studies by Philip Stinson have explored various dynamics associated with police sexual misconduct (Stinson, Brewer, Mathna, Liederbach, & Englebrecht, 2015), family violence by police officers (Stinson & Leiderbach, 2013), crimes by female police officers (Stinson, Todak, & Dodge, 2015), arrests in police corruption cases (Stinson, Liederbach, Lab, & Brewer, 2016), and police crime and violence in general (Stinson, 2009, 2020). 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, 2012).

As digital publishing has grown, the information that is made available has also changed. The U.S. Health and Human Services Office of Inspector General now provides updated information on specific health care fraud and abuse cases addressed by federal and state officials in annual reports published on the agency's website. The information can be culled for a number of different types of studies. Table 1.3 provides a summary of the kinds of information that would be available from the agency.

TABLE 1.3 ■ Types of Information About Health Care Crimes Provided Online	
Crime Type	**Case Information Example**
Patient Abuse	Attorney General Ashley Moody today announced the arrest of an individual who allegedly abused a mentally disabled adult. Following an investigation by the Attorney General's Medicaid Fraud Control Unit, the Orange County Sheriff's Office today arrested ++++++ on one count of aggravated abuse of a mentally disabled person. The investigation found that +++++, a former employee at the LaMirada group home in Winter Springs, maliciously punished a mentally disabled adult under +++++'s care. (November 19, 2019, Florida case).
Prescription Fraud	Two women pleaded guilty yesterday for their respective roles in helping run a "pill mill," which led to the fraudulent dispensing of thousands of prescription opioid pills. According to court documents and statements made in court,++++++, 41, of Haymarket, was the office manager, and ++++++, 29, of Leesburg, was a medical assistant at an addiction/pain treatment clinic and an OB/GYN practice ("The Medical Practices"), which both operated in the same location in Northern Virginia. (March 23)
Durable Medical Equipment Fraud	Florida man who operated a durable medical equipment company has been charged for his alleged participation in a Medicare kickback and telemedicine fraud scheme.+++++++++++, 48, of Belleair Beach, Fla., the operator of Wilmington Island Medical Inc., which does business as WI Medical Inc., a Georgia company, is accused of conspiring to pay kickbacks for "leads." (May 13. 2020)
Home Health Fraud	From 2015 to 2018, +++++++ certified patients for home health services without any knowledge of their medical condition or homebound status. +++++++++ paid ++++++ approximately $6,200 in exchange for signing these fraudulent Medicare home health certifications and plans of care. +++++ also fraudulently signed a fellow physician's name on these certifications and plans of care without that physician's authorization, permission or knowledge. (May 14, 2020)
Medical Transportation Fraud	+++++++ age 30, was sentenced today to 18 months in prison, to be followed by 3 years of supervised release, and ordered to pay $50,000 in restitution, for committing fraud and paying bribes in connection with Medicaid-funded transportation. From 2015 through May 2018, +++++ worked for and helped operate Ti Taxi Inc. ("Ti Taxi"), and worked for other Medicaid-funded transportation companies, all based in Essex County, New York. (April 17, 2020)
Telemedicine Fraud	A Georgia woman who operated a telemedicine network through two companies has been charged for her alleged participation in an ever-growing healthcare and telemedicine fraud scheme. ++++++, the operator of Royal Physician Network, LLC and Envision It Perfect, LLC, both Georgia companies, is accused of conspiring to pay medical providers, like physicians and nurse practitioners, in exchange for obtaining orders for durable medical equipment (DME) that would then be sold to DME providers and, ultimately, billed to Medicare.

Source: Compiled from https://oig.hhs.gov/fraud/enforcement/criminal/index.asp

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 enable 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.

Finally, the widespread availability of archival data provides criminologists numerous opportunities for white-collar crime students. Table 1.4 highlights 15 such data archives.

TABLE 1.4 ■ White-Collar Crime Data Sources	
Crime Type	**Website Where Data Can Be Accessed**
Crimes Against Consumers	https://www.ftc.gov/enforcement/data-visualizations
Health Care Crimes	https://oig.hhs.gov/fraud/enforcement/
Nursing Home Violations	https://projects.propublica.org/nursing-homes/
Drug Diversion Cases Against Doctors	https://www.deadiversion.usdoj.gov/crim_admin_actions/index.html https://apps2.deadiversion.usdoj.gov/CasesAgainstDoctors/spring/main?execution=e1s1
Police Brutality	https://github.com/themarshallproject/doj14141#the-department-of-justices-14141-civil-rights-investigations
Judicial Misconduct Cases	https://cjp.ca.gov/
Education Investigations	https://www2.ed.gov/about/offices/list/oig/newsroom.html
Research Misconduct Cases	https://ori.hhs.gov/content/case_summary
SEC Investigations	https://www.sec.gov/litigation/litreleases.shtml
Cybercrimes	https://www.justice.gov/criminal-ccips/ccips-press-releases-2020
Data Breaches	https://privacyrights.org/data-breaches
Corporate Violations	https://www.goodjobsfirst.org/violation-tracker
Corporate Crime Prosecution Registry	http://lib.law.virginia.edu/Garrett/corporate-prosecution-registry/browse/browse.html
Environmental Crime	https://www.epa.gov/enforcement/environmental-crimes-case-bulletin
Unsafe Products	https://www.cpsc.gov/Data

As with any research strategy, a number of limitations arise when researchers use 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. In addition, there is no central repository for most types of white-collar crime (Reinhart, 2019). The absence of a central database makes it that much more difficult to find available data. 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. Recognizing the lack of similar types of studies, some white-collar crime criminologists have called for more field-based qualitative research to better understand the processes and mechanisms leading to criminal behavior and how underlying cultural and technological variables shape white-collar misconduct (Jordanoska & Schoultz, 2020).

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.

An experiment in the Netherlands compared the way that car mechanics sell goods to consumers (students) in different scenarios. The experiment found that mechanics frequently provided more services than were necessary, presumably because "experts often face strong incentives for providing 'safe solutions'" (Beck, Kerschbamer, Qiu, & Sutter, 2014). This study demonstrates that experiments can, in fact, be done on topics related to white-collar crime. Of course, the use of students as consumers limited the generalizability of the findings.

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 founding 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 especially useful for corporate crime studies, which were historically published as news reports by muckrakers (Dodge, 2020). Other criminologists have added that white-collar crime case studies are most effective when they contextualize the impact of organizational, social, and cultural factors on decision making in the specific white-collar crime being studied (Griffin & Spillane, 2016). A case study on one organization, for example, might yield different results than a case study elsewhere because of cultural differences in those organizations. Tying organizational frames, social context, and cultural perspectives into case studies arguably helps to delineate the precise mechanism at force in shaping white-collar and corporate behaviors (Griffin & Spillane, 2016). Consider, for example, if one were to do a case study on the 2010 BP oil spill (discussed later in this text). To fully understand the oil spill, researchers must consider the organizational dynamics promoting behavior at BP as well as the broader cultural and social factors that influenced the behavior of the company and the justice system in its response to the disaster.

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 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. Researchers who violate this principle may create significant damage to the scientific endeavor.

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 advisor 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: Figuring out what makes individuals "choose" to commit white-collar offenses means that 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 requestion 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 requestion how and why crime is committed in that occupation. We cannot assume that because the occupation is "trustworthy" that 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 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 misbehavior 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 (1978) **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 relating to 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.
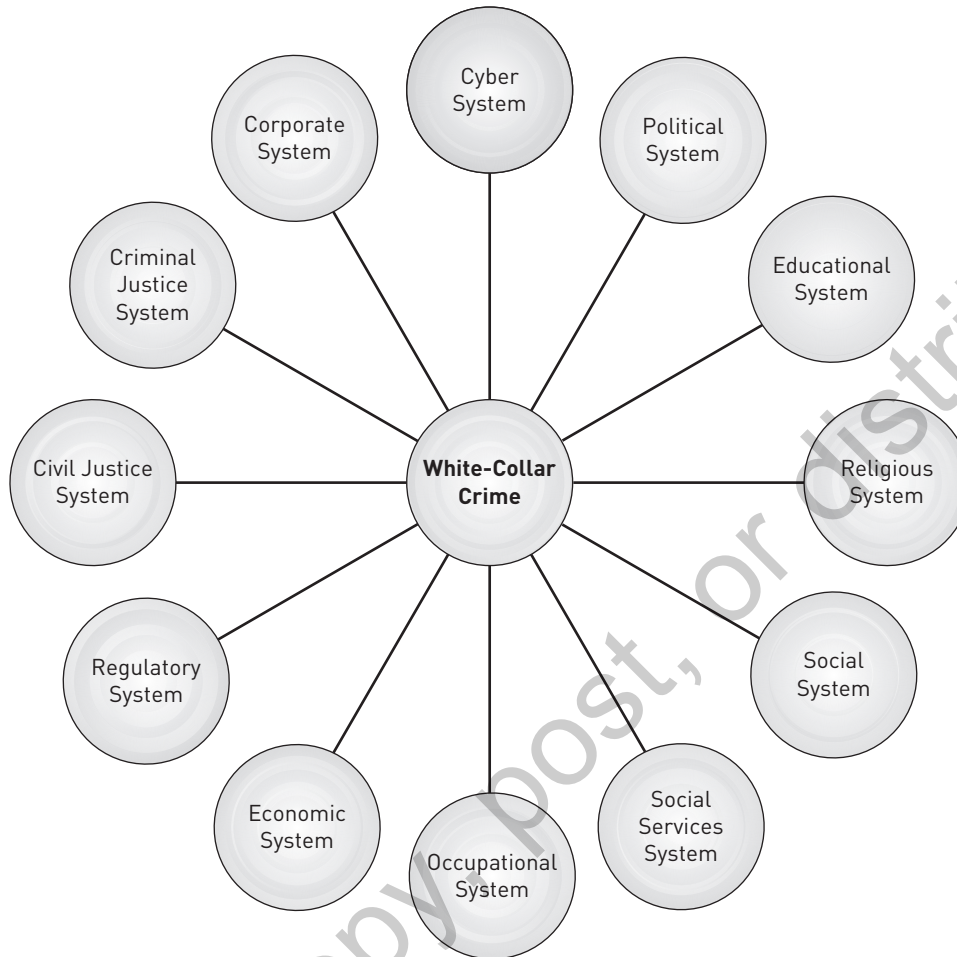

Unsplash, Stefan Kunze.

PHOTO 1.3 Crime occurs in all societal systems, even the religious system. You will read more about offenses in colleges and universities in Chapter 7.

FIGURE 1.1 ■ The Systems Perspective

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, just as crime is found in the political and educational systems, so do white-collar offenses occur in the religious system.

The **technological or cyber 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 society 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."

Because broader societal changes have created different types of careers, work settings, employees, employers, and industries, new varieties of white-collar crime potentially requiring new strategies for addressing them have surfaced (Hochstetler & Mackey, 2016). For example, the evolution of white-collar cybercrime, discussed in Chapter 9 represents an offense variety that has changed dramatically in recent years. 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 present, 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 victims, (4) current offenders, (5) future victims, (6) future offenders, (7) future crime fighters, (8) future policy makers, (9) current research subjects, 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. Consider, for example, how landlords have been accused of taking advantage of college students. As an illustration, here is how one student described landlords providing housing in her community:

> They have very little regard for the safety and health of their tenants. For example, most buildings were painted many years go with lead paint (which can be expected from buildings from the 1800 to 1900's), which poses a serious health risk to tenants. The floors in these buildings appear to be in their original condition, as they bend and bow when someone jumps or even just stands on them. The exterior of many of these rented out buildings are in rough shape with visibly old siding and chipping paint. (Geisler, 2020).

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 2. 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? 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! One student proudly boasted how stealing stereos from his place of business was helping to pay his tuition, and another shared a rather innovative (albeit criminal) way he made extra money working in a hotel. More details on the latter example are provided in Chapter 3.

Third, students may also be current victims of white-collar crime. In Chapter 7, we will look at the way 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. Or, they may be targets of cybercrime. See this chapter's White-Collar Crime in the News for a recent press release showing how video conferences similar to those used in online teaching could be hacked.

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 7. 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.

WHITE-COLLAR CRIME IN THE NEWS
ZOOM AND CYBERCRIME

The following is a press release from April 17, 2020 from the Eastern District of Pennsylvania.

PHILADELPHIA—United States Attorney William M. McSwain warned the community today about the potential for hackers to invade and disrupt videoconference meetings that are taking place as Americans use video-teleconferencing (VTC) platforms to conduct online meetings during the coronavirus pandemic.

"In the weeks following the coronavirus outbreak, videoconferencing platforms have become a part of daily living, used in a variety of ways—from conducting online classes, to hosting extended family gatherings, to holding large corporate meetings," said U.S. Attorney McSwain. "Unfortunately, we have also seen an uptick in video hacking, where cyber actors hijack VTC meetings and cause a variety of harms, from showing inappropriate images to making death threats. Hackers beware: this behavior is not funny in any way and will not be tolerated."

As individuals continue to engage in online learning and social and business meetings during the pandemic, law enforcement recommends exercising due diligence and caution and encourages users to take the following steps to mitigate videoconferencing threats:

- **Do not make the meetings or classrooms public**. Videoconferencing platforms have options under "settings" to make meetings private by requiring participants to enter a meeting password, follow a link to a meeting, or wait in a virtual "waiting room." These are all features that allow the host to limit public access and control admission of guests.

- **Do not share a meeting link publicly**. Do not use publicly accessible social media platforms to share your meeting link with participants. Provide the link directly to specific people.

- **Manage screen-sharing options**. Most VTC platforms have screen-sharing capability so that participants can see a host's presentations, a feature often used in online classroom settings. Change the screen-sharing setting to "Host-Only" so that participants cannot share their screens.

- **Download updates.** Ensure that users are using the updated version of remote access/meeting applications, as many VTC platforms have built in additional security measures in their latest updates.

- **Familiarize yourself with the VTC platform's capability to remove intruders and lock meetings.** Most VTC platforms have ways for hosts to remove participants and prevent them from re-joining and to lock meetings once all participants have joined. Consult with your employer's IT professionals for more information about these features.

Reprinted from US Department of Justice.

Source: https://www.justice.gov/usao-edpa/pr/united-states-attorney-mcswain-fbi-warn-potential-videoconferencing-hacking-during

Fifth, 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.

Sixth, 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.

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. A recent study found that less than 7% of all studies published in 15 top criminal justice journals between 2001 and 2010 were focused on white-collar crime (McGurrin, Jarrell, Jahn, & Cochrane, 2013). The discipline is counting on you to change this!

Ninth, some college students will also assume the role of research subjects. It is particularly useful to study students as white-collar crime subjects because, presumably, many will be entering white-collar careers after graduating (Watt, 2012). 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, Fell, & Wilson, 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

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PHOTO 1.4 While many careers exist to respond to white-collar crime, most of those careers require employees to have a college degree. It is equally important that college students have an understanding of white-collar crime so they are better able to enter those careers.

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 80 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:

2. Understanding White-Collar Crime: Definitions, Extent, and Consequences

3. Crime in Sales-Related Occupations: A Systems Perspective

4. Crime in the Health Care System

5. Crime in Systems of Social Control: White-Collar Crime in Criminal Justice, Military, and Religious Systems

6. Crime in the Political System

7. Crime in the Educational System

8. Crime in the Economic System

9. Crime in the Cyber System

10. Crime by the Corporate System

11. Environmental Crime

12. Explaining White-Collar Crime

13. Policing White-Collar Crime

14. Judicial Proceedings and White-Collar Crime

15. The Corrections Subsystem and 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, presentence 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 requestion everything. For students of white-collar crime, this means that we must question and requestion 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 10 potential roles in white-collar crime. These roles include (1) past victims, (2) past offenders, (3) current victims, (4) current offenders, (5) future victims, (6) future offenders, (7) future crime fighters, (8) future policy makers (9) current research subjects, and (10) future white-collar crime researchers.

Key Terms

Applied general systems theory   18

Archival research   8

Case records   8

Case studies   13

Civil justice system   20

Corporate system   20

Criminal justice system   20

Determinism   16

Economic system   20

Educational system   18

Experimental group   12

Experiments   12

Field research   12

Media reports   9

Objectivity   15

Occupational system   20

Parsimony   16

Political system   18

Presentence reports   9

Quasi-experimental designs   13

Regulatory system   20

Relativism   17

Religious system   19

Skepticism   17

Social services system   20

Social system   20

Technological System   19

White-collar crime victims   7

Discussion Questions

1. The following items are examples of misdeeds committed by celebrities. Read each of them, and classify them according to whether the acts are white-collar crimes, traditional crimes, or, to borrow Ruggiero's concept, just "nasty."

   a. In 2008, 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 June 2020, rapper Trick Daddy was arrested on drunk driving and drug charges.

   c. Cardi B threw her shoe at Nicki Minaj at the 2018 New York Fashion Week, and a fight broke out.

   d. "Real Housewife" Teresa Giudice was sentenced to prison after she and her husband were convicted of bankruptcy and mortgage fraud.

   e. Kanye West interrupted the MTV music awards in 2009 while Taylor Swift was giving an acceptance speech.

   f. In January 2009, Dane Cook's manager, Darrly J. McCauley, was charged with embezzling $10 million from Cook. McCauley is Cook's half-brother.

   g. Actor Zac Efron told a reporter that he had stolen costumes from movie sets after filming ended. 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. Actor Bill Cosby was convicted in 2018 of sexually assaulting numerous women by

using a sedative and taking advantage of them.

i. Suge Knight was convicted and sentenced to prison in 2018 after running over a man with his truck and killing him.

j. Martha Stewart was convicted of perjury in 2004 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 current role in white-collar crime? What will your future role in white-collar crime be?