

## Week 1 – What is White-Collar Crime?

### 1. How Sutherland defined white-collar crime and identify one unusual features of his definition.

#### Sutherland's definition of white collar crime

Sutherland define white collar crime as “A crime committed by a person of respectability and high social status in the course of his occupation”. He went on to note that this definition “excludes many crimes of the upper class, such as most of their cases of murder, adultery, and intoxication, since these are not customarily a part of their occupational procedures.” His definition excluded crimes not committed in the course of one's occupation. He added that the term “white-collar is used here to refer to business managers and executives.” His definition has continues to be a source of debate and controversy. In his later discussion, he added that the white collar criminal is defined as a person with high socio-economic status who violates the laws designed to regulate his occupational activities.”

The offender based approach emphasis as an essential characteristic of white collar crime including the high social status, power and respectability of the actor.

#### Unusual features

From the start, Sutherland's approach to white-collar crime provoked criticism and controversy. The definition focuses on the characteristic of the actor rather than providing description of the prohibiting act.

#### Civil law is included

Sutherland included violation of civil or administration law into his definition. Moreover, the definition specified the location of the act and occurring in the occupation. In Sutherland's view, however, including other types of violations was justified because many civil laws deal with practices that are fundamentally similar to criminal offenses. In addition, many illegal business practices can be sanctioned under either criminal or civil law or both. To exclude offenses that are pursued under civil law arbitrarily limits the range of white-collar

offenses. is limitation is especially important in the context of white-collar crime, because the organizations and individuals who commit these offenses often use their political power and economic resources to avoid criminal prosecutions. As many white-collar crime commentators have noted, it is important to investigate how and under what circumstances business activities are criminalized.

#### Included respectability and high social status in his definition

One major point of contention that arose out of Sutherland's approach is whether the offender's social status should be a defining characteristic of white-collar crime. Sutherland included respectability and high social status in his definition precisely because he wanted to draw attention to the criminality of business groups. He argued that the criminological theories of his day were class biased and incomplete because they equated crime with lower-class individuals and ignored crime by upper-class individuals. In addition, he was morally outraged by what he regarded as the lenient and preferential treatment afforded to business offenders in the criminal justice system.

### 2. How did Herbert Edelhertz define white-collar crime and what is one way that his definition differs from Sutherland's?

An illegal act or series if illegal acts committed by non-physical means and by concealment or guile to obtain money or property, to avoid payment of loss of money or property, or to obtain business or personal advantage. Non-violent property crime committed by non-physical means and by concealment. The definition focus on the action rather on the actor. Edelhertz (1970, pp. 19–20) went on to identify four basic types of white-collar crime:

1. Personal crimes: crimes by persons operating on an individual, ad hoc basis, for personal gain in a nonbusiness context—for example, individual income tax violations and credit card frauds;
2. Abuses of trust: crimes in the course of their occupations by those operating within businesses, government, or other establishments, or in a professional capacity, in violation of their duty of loyalty

and fidelity to employer or client—for example, embezzlement, commercial bribery, and kickbacks;

3. Business crimes: crimes incidental to and in furtherance of business operations, but not the central purpose of such business operations—for example, antitrust violations and food and drug violations;
4. Con games: white-collar crime as a business, or as the central activity of the business—for example, advance fee swindles and home improvement schemes.

Offense based definition looks at the crime on the nature of the illegal act. The differences between the two definitions is that the offense based definition does not look at the social status of the actor, location setting or the social location of the act. Both status and location are free to vary independently of the definition of the offense and can be used as explanatory variables.

3. Discuss why Sutherland's definition of white-collar crime is so highly debated, even today.

Sutherland's definition of a crime is a conduct committed by a person of respectability and high social status in the course of his occupation. The definition referred primarily to business managers and executives while excluding crimes not committed in the course of one's occupation.

There are controversy over Sutherland's definition, including it was not limited to criminal court offenses in part because white-collar criminals had power and position to evade criminal liability and taking social status and respectability into the definition. This means that social status cannot be used to explain or predict white-collar crime and that social status cannot be used to explain variation in the opportunities to engage in white-collar crime. Moreover, it cannot be used to examine how variation in offenders' statuses influence society's reaction to the crime.

4. Why do researchers prefer offense-based definitions of white-collar crime over offender-based definitions?

It is because social status and the location of offense of offender is allowed to be explained or predicted white-collar crime under offender-based definition. Researchers can more easily draw samples of white-collar offenders from official data sources. Moreover, offense based definition result in a much larger number of cases than offender based definition. In the offense based definition, all offenses based on fraud or deception are counted regardless of who commit them or how trivial they are. The number of offenses in offender based definition is much smaller bc occupationally related are counted.

## Week 2 – Who Is the White-Collar Offender?

1. Discuss the Yale study's findings regarding the description of the white-collar criminal and describe the limitations of the study.

- Only studied eight federal offenses (offenses committed by concealment and deception instead of force)
  - securities violations,
  - antitrust violations,
  - bribery,
  - bank embezzlement,
  - mail and wire fraud,
  - tax fraud,
  - false claims and statements, and
  - credit and lending institution fraud.
- From this pool of individuals, the researchers then selected a sample of offenders for criterion offense categories from the seven districts.
- Only included convicted cases. The researchers gathered data from the presentence investigation report (PSI). The PSI is a document prepared by a federal probation officer whenever an offender is convicted in federal court.

government bureaucracies deserve to be condemned because they create burdensome regulations that get in the way of honest people trying to make an honest living.

Appealing to higher loyalties Finally, white-collar offenders can rationalize to themselves that sometimes obedience to the law is not their most important moral obligation. For instance, directors have obligations to their shareholders, employees, and customers. It is more important to make a profit and to stay in business in order to protect people's jobs than it is to obey some obscure and probably misguided government regulation. All of these techniques of neutralization serve the same function. They help make it morally acceptable to offenders to take advantage of white-collar criminal opportunities.

## Week 6 – Part II The Social Distribution of Opportunity: Class, Gender, and Race

### 1. Explain why women are under-represented in white-collar crime.

Women are underrepresented in some statistics for certain types of organizationally based white-collar crimes. The reason that causes this pattern is open to interpretation. There are several possibilities. One interpretation is that because access to occupational and organizational positions is stratified by gender, women have fewer opportunities to engage in certain types of white-collar crime, specifically those types that allow offenders to use the organization as a weapon to deceive and conspire against victims; that is, criminal opportunities could be due to job incumbency. Hence, restricted access explains why it is unusual to find women charged with these types of white-collar crimes.

Restricted access or lack of job incumbency may explain some of the underrepresentation of women in high-level corporate frauds, but it is not the whole story. For example, the proportion of women involved in post-Enron corporate frauds is considerably lower than the proportion of mid- and upper-level management positions held by women. In other words, based on their representation in management positions,

more women should have been involved in these frauds if simple access to opportunity were the deciding factor. Since job incumbency does not seem to be the issue, some other factor or factors must explain the relatively low level of participation of women in these high-level frauds.

Another possible explanation raised is that women have restricted access to the informal networks that are found throughout large organizations. Thus, even though women's formal access to management positions is improving, they may still be discriminated against by men in regard to their inclusion in informal networks of power and, consequently, illegal activity.

### 2. Discuss the reasons why class-advantaged whites may have more opportunities for white-collar crimes than similarly situated minorities.

There are a couple of possible reasons why class-advantaged whites may have more opportunities. First, like women, African-Americans who make it to the top of the corporate hierarchy are exceptional. Similar to women, they may feel that because of their uniqueness, they are subject to additional scrutiny and supervision. Someone is watching every move they make. Hence, for them, the possibility of detection and exposure must be weighted more heavily in their calculations of the costs and benefits of potential white-collar crime opportunities. White managers and executives, on the other hand, do not have to worry as much about being watched because they do not stand out from the crowd. Second, for reasons of race, African-American managers may not have access to as much social capital as white managers.

Like women, they may not be as embedded in informal occupational and organizational networks as whites. Research on occupational mobility in organizations certainly supports this interpretation. Compared with white males, African-American males do not have access to the same networking and sponsorship opportunities that