

Objectives

after completing this lesson, you will be able to



- » Be aware of the **complexity of the causes and cures** for white-collar crime;
- » Understand that controlling *white-collar crime is one of our most important challenges*; and
- » Discuss the ***political, institutional, and societal changes*** that are required in order to control white-collar crime.

For this lesson, please read:

- » Rosoff, Pontell and Tillman, *White-collar Crime*:

- **Chapter 13. Conclusions**

- » Pontell and Shichor, *Contemporary Issues in Crime and Criminal Justice*:

- **Short, "Technology, Risk Analysis and the Challenge of Social Control"**
- **Grabosky, "The System of Corporate Crime Control"**

We have covered a lot in our relatively brief journey through the world of

white-collar crime.

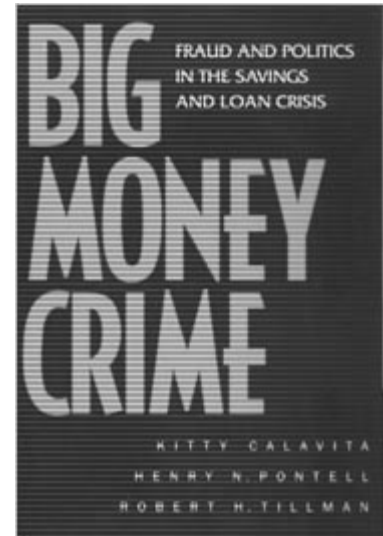
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As with most crimes, the causes and cures for this phenomenon are not simply stated. On the contrary:

They are quite complex.

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In addition, ***white-collar crime*** in many instances appears to negate many common explanations of crime. It often flies in the face of common sense and our usual expectations.





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In other words, when we see successful business enterprises and persons engaging in acts that clearly would jeopardize that success, our first reaction may be disbelief. But this happens time and again, which makes the field of white-collar crime that much more interesting to many who study it. And it also illustrates the fact that causes and cures are complex.

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Professional violations may require more policing from within such groups, while widespread financial scandals clearly have more to do with regulatory structures and laws. **The culture of greed that sometimes dominates the social landscape can also influence behaviors in a number of ways, not the least of which is to help individuals neutralize formal social rules and norms that would otherwise provide effective controls on their behavior.**

These cultural values in themselves, however, do not address structural issues that
» exist among individuals and within the context of societies, institutions, and organizations.

*In examining specific forms of **white-collar crime**, one must consider these elements, sometimes in combination. Some theoretical perspectives may be more salient than others, depending upon the case and the type of crime.*

The causes of **white-collar crime** can thus be examined at individual, societal, institutional, and organizational levels, as we have seen throughout the course.

*** As noted in the readings, the concept of sociopathic wealth may go a long way in explaining the recent major waves of fraud that have swept the country and caused unparalleled levels of damage not only to the overall economy, but to individuals as well.**

As also noted, not all organizational deviance conforms to a **"greedy leader"** model. In some cases the strain placed on a company by its organizational environment may also lead it into lawbreaking.

One of the most interesting and brighter aspects of **white-collar crime** is this: Given the seemingly abundant opportunities for engaging in it, most persons choose not to.

Many perhaps fear punishment (a deterrent effect), while others may simply not contemplate such acts at all due to their own moral compass.

» *Some may not cheat on their taxes, for example, because of a sanction threat, but overall it seems that the risk-reward ration is out of balance when it comes to **white-collar crime**.*

That is, in most cases, the potential rewards greatly outweigh the risk. Given the relatively low probability of apprehension along with the likelihood of light punishment, **white-collar crime** appears to be a "rational" course of action in many cases.

Controlling White-Collar Crime

As we have also seen, the costs of ***white-collar crime*** — to the government and taxpayers, the environment, the economy, and society — are quite large. The damage to fundamental institutions, while sometimes largely ignored compared to direct fiscal and human costs, is quite significant.

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*In this regard, the connection between **white-collar crime** and common crime is both direct and indirect. That is, "**crime in the suites**" and "**crime in the streets**" can feed off of each other in many ways. **White-collar criminality** can certainly facilitate other types of crime by promoting cynicism and resentment amongst the citizenry. In some cases it may even directly support illegal industries such as the drug trade — through money laundering, for example.*

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*For all of these reasons, controlling **white-collar crime** is one of our most important challenges. Legal changes are necessary that configure regulatory systems and criminal statutes in a way that lowers rewards and promotes voluntary compliance. It should be obvious to even the most ardent "**law and order**" types that trying to control **white-collar crime** strictly through criminal statutes is destined to failure given the inherent power and resources of those who would stand accused, be they individuals or large corporations.*

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Institutional changes are also necessary that pinpoint the sources of criminogenic industries and environments that foster illegality. Successful prevention strategies will attempt to "deinstitutionalize" *white-collar crime*, or in other words, remove its institutional sources.



"Beating the competition" must be tuned to a morality that purportedly sees "playing by the rules" as an important virtue to be instilled in future generations.



Social changes are also necessary that have a variety of forms. Changing attitudes toward the phenomenon is necessary to allow for deserved stigmatization rather than a cynical "respect" for those who are clever or bold enough to fleece others out of millions of dollars.

The ethics of business may require considerable reworking, especially in business schools, where the captains of industry are trained. Even the most elite educational institutions are severely lacking in this regard, which certainly means that those ranked below them cannot be any better, and likely much worse.

*Given these complex problems regarding the prevention and control of **white-collar crime**, the incredible costs associated with it, and the number of fronts from which it needs to be*

* *addressed, perhaps the best starting point for change may simply be letting policy makers know — in no uncertain terms — that we care.*

Forum *discussion*



"to post your reply, select OUTLINE
from the TOOLS menu and enter the FORUMS area"



Discuss the Grabosky and Short articles in relationship to their strengths and weaknesses for controlling **white-collar crime**.

» Please post a few paragraphs on this topic.

Summary

a brief overview of what you learned



» In examining specific forms of **white-collar crime**, one must consider these many elements, sometimes in combination.

Some theoretical perspectives may be more salient than others, depending upon the case and the type of crime.

» One of the most interesting and brighter aspects of **white-collar crime** is this: Given the seemingly abundant opportunities for engaging in it, most persons choose not to.

» In most cases, the potential rewards of **white-collar crime** greatly outweigh the risks. Given the relatively low probability of apprehension along with the likelihood of light punishment, white-collar crime may appear to be a "rational" course of action.

» Controlling **white-collar crime** is one of our most important challenges. Legal, institutional, and social changes are all required in order to do this. Perhaps the best starting point for change may simply be letting policy makers know — in no uncertain terms — that we care.