



WHITE COLLAR CRIMES IN INDIA

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ABSTRACT

Corporate criminality has become a worldwide phenomenon with the progress of commerce and technology like any additional country; India is equally in the grasp of corporate criminality. Corporate crime, in India is thriving every day in new forms. The problem of corporate crime is very grave in India. Business communities of the country of large and small merchants are basically dishonest in most. Nowhere in the world businessmen get well-off as quickly as they do in India. Hoarding, profiteering and black marketing of indispensable commodities by traders has become a unending problem for the government. The Sathanam committee report in its conclusion gave a vivid portrait of white collar crimes committed lay persons of name such as business man, industrialists, contractors and supplies as also the dishonest public officials.

KEYWORDS: *Corporate Crime, White collar crime, crimes in India*

INTRODUCTION

Corporate criminality has become a worldwide phenomenon with the progress of commerce and technology like any additional country; India is equally in the grasp of corporate criminality. Corporate crime, in India is thriving every day in new forms. The problem of corporate crime is very grave in India. Business communities of the country of large and small merchants are basically dishonest in most. Nowhere in the world businessmen get well-off as quickly as they do in India. Hoarding, profiteering and black marketing of indispensable commodities by traders has become a unending problem for the government. The Sathanam committee report in its conclusion gave a vivid portrait of white collar crimes committed lay persons of name such as business man, industrialists, contractors and supplies as also the dishonest public officials.

OBJECTIVES

1. To study the different white collar crimes in India
2. To study the difference between white collar crimes and other crimes in India.

SCOPE OF CORPORATE CRIME

Corporate Crimes - they are spreading like a rapid fire in every sphere of society. Corporate crime

committed by persons who having prestigious statues in society. This crime also called power crime. Because in present society person having power reach person have their high connection in society. The corporation considered as the vehicle for the crime.

NATURE OF CORPORATE CRIME

Corporate crime reveal that corporate law breaking cover a very wide range of misconduct, much of it serious; among these violation are accounting unprofessional conduct, including false statements of corporate assets and profit; occupational safety and health hazardous; unfair labor practice; the manufacturing and sale of hazardous product; false and misleading advertisements; environmental violation of air and air pollution and illegal dumping of hazardous mater; illegal domestic political contribution and bribing of foreign official for corporate benefit.

Nature of Corporate crime overlap with

1. White collar crime
2. Organize crime
3. State corporate crime.

1. White collar crime

Necessity is not always the purpose behind commission of a crime. This thought evolved with the



criminologist and sociologist Edwin H. Sutherland in the year 1939, which popularized the term white collar crimes by defining such a crime as one committed by a person of respectability and high societal status in the course of his occupation. Sutherland also included crimes committed by corporation and other authorized entities within his description. Sutherland's learning of white collar crime was prompted by the vision that criminology had incorrectly focused on social and economic determinants of crime. Such as family background and level of wealth Sutherland was of a view that crime is committed at every stage of society and by persons of widely differing socio economic backgrounds. Here we have only discussed about white collar crime. It is true to the common information that there is certain occupation which offers lucrative opportunities for criminal acts and immoral practices which is very often overlooked by the general group of the society. There have been crooks and persons who are not following ethics in business and various other professions, who tend to become dishonest because of no reason apart from thirst of gaining more and more for them. These deviants have slightest regards for ethical and ethical human values. Therefore they carry on their illegal activities with impunity without the fear of loss of admiration and stature. These crimes are of the nature of "White collar crimes" Which is the essential outcome of the development of the competent economy of the twenty first century. Talking about the prevalence of white collar crimes in India they are spreading like a hasty fire in every sphere of society.

1.1 Chronological Background of the Emergence of White Collar Crimes

The first documented case of white collar crime law was registered in 15th century in England. There has been a case popularly known as the Carrier's case of 1473, where the agent was entrusted to transfer wool and he attempted to steal some of it for him. Therefore, the Star Chamber and Exchequer chamber of the English Court of law adopted the braking bulk doctrine as it constituted the crime of larceny means the crime of theft. However, the growth of industrial capitalism in the eighteenth century ushered a new account of crime and criminality. The base of industrial capitalism is based on compulsion and robbery. Before discussing the topic it is necessary to understand the meaning of capitalism. The Process of emergence of these conditioned was termed by Karl Marx as primitive accumulation while in the word of Adam Smith, it was previous accumulation. Therefore the Dutch Marxist, William Bonger contended that criminal outlook develops among the working class under capitalism due

to conditions of misery and at the same time the criminal approach develops among the bourgeoisie from the avarice fostered when capitalism strive. It succeeded in United States of America in 1890, when congress passed the Sherman Antitrust act which took the initiative to make the monopolistic illegal. Other industrialized countries like Great Britain had a history of penalties involving white collar crime by that same time, but it was not as far-reaching as the Sherman Act. Some nations implemented a smattering of these laws, Known as competition or antitrust law, but did not have a strong binding power for a long time. But more anti white collar crime sentiment rose in the late 19th century and early 20th century in the United States as result of group of Journalists Known as muckrakers exposed gave rise to public resentment and thereby called for in some reform. By 1914, Congress attempted to solidify and strengthen the sentiment laid down by the Sherman Act, which was used against labor Unions, with the Clayton Antitrust Act. This Act was much stricter and went much further than Sherman Act in making meticulous monopolistic practices illegal.

1.2 Historical Background

The concept of white collar crime is usually associated with E.H. Sutherland whose incisive work in this area focused the notice of criminologists on its demoralizing outcome on the total crime picture. Sutherland pointed out that besides the traditional crimes such as assault, robbery, dacoits, murder, rape, kidnapping and other act involving violence, there are definite anti social activities which are the person of persons of upper starts carry on in course of their occupation or business these activities for long time were accepted as a part of usual business tactics necessary for a shrewd professional man for his success in professional or business. Thus any grievance against such tactics often went unheeded and without punishment. It must, however be stated that Sutherland was preceded by other writers who focused concentration on the dangers to society from upper socio-economic group who exploited the established economic system to the detriment of common massed. In this research researcher underlined the growing incidence of crime as an organized business and its evil effect on society. In 1934, Morris drew concentration to the necessity of revolutionizing in emphasis regarding crime. He asserted that anti-social activities of persons of high status dedicated in course of their profession must be brought within the category of crime and should be made punished by. Finally E.H. Sutherland through his pioneering job emphasized that these upper



world crimes which are dedicated by the person of upper socioeconomic group in course of their occupation violating the trust, should be termed "White collar crime" so as to be distinguished from traditional crime which he called, "Blue collar crime". Thus, he pragmatised that if a broker shoots his wife's lover, that is not a white collar crime, but if he infringes the law and is convicted in connection with his business, he is a white collar criminal. Sutherland farther pointed out that white collar crimes vary from the crimes committed by criminal syndicates. This distinction could be based on the extent of presumed respectability. Thus, if a person who belongs to a highly regarded class of society and possesses some degree of good reputation, sells shoddy commodities, he is committing a white collar crime, But if a group of persons unknown to their victims sells the same type of shoddy goods that would not be a white collar crime. Sutherland examined the depredations of about seventy large corporations caught up in white collar crimes and observed that the charges against them included contracts, combinations or conspiracies in restraint of trade, misrepresentation in advertising, infringements against copyrights, financial fraud and violation of trust, breach of war regulation and others miscellaneous offences. But people knew very little about the trickery of these big business criminals and even if they knew they were indifferent towards the problem because of the fact that "The legal battles involved there in are dragged out for years in the courts, with the consequence that the charges are forgotten long before they are settled."

1.3 Meaning and Definition of White collar crime

No doubt it is also crime against society but it is dissimilar than ordinary crimes. It is different in the sense that victim is not any character in White collar crime as society is victim there some of the criminologist and penologist given following definitions of white collar crime:

According to Edlehere, "An illegal act or series of illegal acts committed by non physical kinds of means and by concealment or guilt, to obtain money or property or to obtain business advantage".

According to Sutherland "Crime committed by persons of respectability and high social status in course of their occupation".

According to Federal Bureau of Investigation, "Those illegal acts which are characterized by deceit concealment or violation of trust and which are not dependent upon the application or threat of physical force or violations".

According to Paul Tappan "White collar crime is a special type of solitary professional criminality. It involves real violation of criminal law systematically or repeated by business, professional and clerical workers in addition to their occupation".

According to Sir Walter Reckless "White collar crime represents the offence of businessmen who are in position to determine the policies and activities of business".

The concept of "White collar crime" found its place in criminology for the first time in 1941 when Sutherland observed. He defined white collar crime as a "Crime committed by persons of respectability and high social status in course of their occupation." A white collar criminal belong to upper socio economic class who violate the criminal law while conducting his professional qualities. Thus misrepresentation through fraudulent advertisements, infringement of patents, copyrights and trademarks etc., are frequently resorted to by manufactures, industrialists and other persons of repute in course of their occupation with a view to earning huge profits. Other picture of white collar criminality include book of fabricated balance sheets and profit and loss account of business, passing of goods, concealment of defect in the commodity for sale etc. Sutherland farther pointed out that a white collar crime is more hazardous to society than ordinary crimes because the financial loss from burglaries, robberies larcenies etc. The most dismissal aspect of white collar crimes is that there is no effective programme for the enforcement of criminal law against them and the influential persons involved in these crimes are able to oppose enforcement of law against them. These white collar crimes by their very character are such that the injury or damage caused as a result of them is so widely diffused in the large body of society that their significance in regard to individual victim is almost negligible. It is probably for this reason that late these crimes did not attract much attention as they do not carry with them and loss of social status of the offender even if he is caught detected. There is yet another cause for white collar criminals escaping trial in case of misrepresentation concealment or fraud etc. The court usually place reliance on the principal of caveat emptor, which signifies that the purchaser must enter in to a deal with open eyes and guard himself against ordinary dishonesty of the vendor. As a result of this attitude of the court there was enormous increase in white collar crime during the period of depression in 1930's in United States. Perhaps it is for this reason that American President Roosevelt in 1933 insisted on removal of the doctrine of caveat emptor from adjudication of cases involving white collar



crime. Sir Walter Reckless, an eminent criminologist of U.S.A suggests that white collar crime represents the offences of businessmen who are in the position to determine the policies and activities of business. Some authorities propose that white collar crimes are committed by persons of status not for want but for insatiability. Referring to this selection of the upper world of crime, Barnes and Teaters quoted Lord Acton who observed authority tends to corrupt and absolute power tends to corrupt absolutely. Wherever citizens of a fussy community become apathetic to the working of their government, corruption and alliance between public servants and criminal world are common phenomenon resulting in to breach of trust, deception and other malpractices.

It must be emphatically stated that white collar criminality thrives because of public lack of concern to it. The reason for this public insensibility is that firstly such criminals operate within the strict letter of the law and make the most of the credibility of their victims and secondly the legal battles involved are dragged out years in the courts, with the consequence the gravity of the offence is completely lost in the unconsciousness. That apart, the bang of white collar crimes is so much diffused in the community that the individual victims are only slightly affected by it, and therefore they conveniently forget all about it. There is yet one more point to background of white collar crime. At times, the member of community themselves add to the commission of various white collar crimes willingly or unwillingly. For instance illegal fulfillment to public servant to get the work done quickly, black marketing in time of scarcity, evasive price violation, rent ceiling violation etc.... are some of the common examples where victims of the crime are themselves to be blamed for participation in white collar criminality. In fact such crimes cannot be committed unless there is demand for illegal favor from consumers and they are actively involved in the deal.

E. H. Sutherland has presented a brief and general description of white-collar criminality on framework of argument regarding theories of criminal behavior. That argument, exposed of the description, may be stated in the following propositions:

1. **White-collar criminality is real criminality, being in all cases in violation of the criminal law.**
2. **White-collar criminality differs from lower-class criminality principally in an implementation of the criminal law, which segregates white-collar criminals administratively from other criminals.**

3. **The theories of the criminologists that crime is due to poverty or to psychopathic and sociopathic conditions statistically associated with poverty are invalid because, first, they are derived from samples which are grossly biased with respect to socioeconomic status; second, they do not apply to the white-collar criminals; and third, they do not even explain the criminality of the lower class, since the factors are not related to a general process characteristic of all criminality.**
4. **A theory of criminal behavior which will explain both white-collar criminality and lower-class criminality is needed.**
5. **A hypothesis of this nature is suggested in terms of differential association and social disorganization.**

1.4 WHITE COLLAR CRIME IN INDIA

White collar criminality has become a worldwide phenomenon with the advance of commerce and technology. Like any other country, India is uniformly in the grip of white collar criminality. The reason for the massive increase in white collar crime in recent decades is to be found in the fast developing economy and industrial growth of this developing country. The Sathanam Committee Report in its finding gave a vivid picture of white collar crimes Committed by persons of respectability such as businessmen industrialists, contractors and suppliers as also the corrupt public officials highlighting the magnitude of white collar crime in India. The commission on avoidance of Corruption in its report observed:

“The advance of technological and scientific development is contributing to the emergence of mass society with a large rank of file and small controlling elite, encouraging the growth of monopolies, the rise of a managerial class and intricate institutional mechanisms. Strict adherence to high standard of ethical behavior is necessary for the event and honest functioning of the new social, political and economic processes. The inability of all sections of society to appreciate this need in full result in the emergence growth of white collar and economic crime, render enforcement of the laws , themselves not sufficiently deterrent , more difficult. Tax evasion and avoidance, share pushing, malpractices in the share market and administration of the companies, monopolistic control, usury , Under invoicing or over invoicing, hoarding, profiteering, substandard performance of contracts of



constructions and supply, evasion of economic laws, bribery and corruption, election offences and malpractices are some examples of

White collar crime”.

The Commission broadly classified white collar and socio-economic crimes in to eight categories and suggested insertion of a new chapter on white collar crimes in the Indian penal code. The matter was referred by the Government to the Law Commission of India for consideration, The Law Commission, however disagreed with proposal and observed that “Such offence are better left to dealt with by special and self contained enactments which supplement the basic criminal law”. The Report of the Vivin Bose Commission of Inquiry in to the affairs of Dalmia Jain group of companies in 1963 highlights how these big industries indulge in white collar crimes such as fraud. The CBI probe against win chanddha and Hindujas in the famous Bofors scandal and FERA enquiries against Delhi firm Jyotsna Holding Pvt.Ltd. involving 6.5 crore illegal commission for contract of pipes with ONGC in 1988 are glaring illustration on the point. The ever biggest Multi thousand crore security scam by Harshad Mehta during 1991-92 involving persons holding high position in certain banks including certain prestigious and leading bank, the State Bank of India further evince the massive corruption, fraud and mismanagement in Indian Banks and the nevus between the brokers and brokers of Underworld gangs. The stock market shares scam in March 2001, master minded by Ketan Parekh, India’s biggest share broker is yet another illustration of manipulations in stock market, falsification of accounts tempering with records for personal gain and tax. The CBI probe against win chanddha and Hindujas in the famous Bofors scandal and FERA enquiries against Delhi firm Jyotsna Holding Pvt.Ltd. involving 6.5 core illegal commissions for contract of pipes with ONGC in 1988 are glaring illustration on the point. The ever biggest Multi thousand crore security scam by Harshad Mehta during 1991-92 involving persons holding high position in certain banks including certain prestigious and leading bank, the State Bank of India further demonstrate the massive corruption, fraud and mismanagement in Indian Banks and the nexus between the brokers and brokers of Underworld gangs. The stock market shares scam in March 2001, master minded by Ketan Parekh. India’s biggest share broker is yet another illustration of manipulations in stock market evasion etc....Similar observation was made by Mr. Justice M.C.Chagla about the big business magnate Mundhra who wanted to “build up industrial empire of dubious means”. There were as many as 124 prosecution against this business tycoon and companies

owned or controlled by him between 1958 to 1960 and as many as 113 of them resulted in to assurance.

Economic offences may either be cognizable or non-cognizable in nature. In view of their prevalence, Various Types of White Collar Crime in India are:

- **Bank Fraud:** To engage in an act or pattern of activity where the purpose is to defraud a bank of funds.
- **Blackmail:** A demand for money or other consideration under threat to do bodily harm, to injure property, to accuse of a crime, or to expose secrets.
- **Bribery:** When money, goods, services, information or anything else of value is offered with intent to influence the actions, opinions, or decisions of the taker. You may be charged with bribery whether you offer the bribe or accept it.
- **Cellular Phone Fraud:** The unauthorized use, tampering, or manipulation of a cellular phone or service. This can be accomplished by either use of a stolen phone, or where an actor signs up for service under false identification or where the actor clones a valid electronic serial number (ESN) by using an ESN reader and reprograms another cellular phone with a valid ESN number.
- **Computer fraud:** Where computer hackers steal information sources contained on computers such as: bank information, credit cards, and proprietary information.
- **Counterfeiting:** Occurs when someone copies or imitates an item without having been authorized to do so and passes the copy off for the genuine or original item. Counterfeiting is most often associated with money however can also be associated with designer clothing, handbags and watches.
- **Credit Card Fraud:** The unauthorized use of a credit card to obtain goods of value.
- **Currency Schemes:** The practice of speculating on the future value of currencies.
- **Educational Institutions:** Yet another field where collar criminals operate with impunity are the privately run educational institutional in this country. The governing bodies of those institutions manage to secure large sums by way of government grants of financial aid by submitting fictitious and fake details about their institutions. The teachers and other staff working in these institutions receive a meager salary far less than what they actually sign for, thus allowing a big margin for the management to grab huge amount in this illegal manner.
- **Embezzlement:** When a person who has been entrusted with money or property appropriates it for his or her own use and benefit.



- **Environmental Schemes:** The overbilling and fraudulent practices exercised by corporations which purport to clean up the environment.
- **Extortion:** Occurs when one person illegally obtains property from another by actual or threatened force, fear, or violence, or under cover of official right.
- **Engineering:** In the engineering profession underhand dealing with contractors and suppliers, passing of sub-standard works and materials and maintenance of bogus records of work-charged labour are some of the common examples of white collar crime. Scandals of this kind are reported in newspapers and magazines almost every day in our country.
- **Fake Employment Placement Rackets:** A number of cheating cases are reported in various parts of the country by the so called manpower consultancies and employment placement agencies which deceive the youth with false promises of providing them white collar jobs on payment of huge amount ranging from 50 thousands to two lakhs of rupees
- **Forgery:** When a person passes a false or worthless instrument such as a check or counterfeit security with the intent to defraud or injure the recipient.
- **Health Care Fraud:** Where an unlicensed health care provider provides services under the guise of being licensed and obtains monetary benefit for the service. The white collar crimes which are common to Indian trade and business world are hoardings, profiteering and black marketing. Violation of foreign exchange regulations and import and export laws are frequently resorted to for the sake of huge profits. That apart, adulteration of foodstuffs, edibles and drugs which causes irreparable danger to public health is yet another white collar crime common in India.
- **Insider Trading:** When a person uses inside, confidential, or advance information to trade in shares of publicly held corporations.
- **Insurance Fraud:** To engage in an act or pattern of activity wherein one obtains proceeds from an insurance company through deception.
- **Investment Schemes:** Where an unsuspecting victim is contacted by the actor who promises to provide a large return on a small investment.
- **Kickback:** Occurs when a person who sells an item pays back a portion of the purchase price to the buyer.
- **Larceny/Theft:** When a person wrongfully takes another person's money or property with the intent to appropriate, convert or steal it.
- **Legal Profession:** The instances of fabricating false evidence, engaging professional witness, violating ethical standards of legal profession and dilatory tactics in collusion with the ministerial staff of the courts are

some of the common practices which are, truly speaking, the white collar crimes quite often practiced by the legal practitioners.

- **Money Laundering:** The investment or transfer of money from racketeering, drug transactions or other embezzlement schemes so that it appears that its original source either cannot be traced or is legitimate.
- **Medical profession:** White collar crimes which are commonly committed by persons belonging to medical profession include issuance of false medical certificates, helping illegal abortions, secret service to dacoits by giving expert opinion leading to their acquittal and selling sample-drug and medicines to patients or chemists in India.
- **Racketeering:** The operation of an illegal business for personal profit.
- **Securities Fraud:** The act of artificially inflating the price of stocks by brokers so that buyers can purchase a stock on the rise.
- **Tax Evasion:** When a person commits fraud in filing or paying taxes. The complexity of tax laws in India has provided sufficient scope for the taxpayers to evade taxes. The evasion is more common with influential categories of persons such as traders, businessmen, lawyers, doctors, engineers, contractors etc. The main difficulty posed before the Income Tax Department is to know the real and exact income of these Professionals. It is often alleged that the actual tax paid by these persons is only a fraction of their income and rest of the money goes into circulation as 'black money'.
- **Telemarketing Fraud:** Actors operate out of boiler rooms and place telephone calls to residences and corporations where the actor requests a donation to an alleged charitable organization or where the actor requests money up front or a credit card number up front, and does not use the donation for the stated purpose.
- **Welfare Fraud:** To engage in an act or acts where the purpose is to obtain benefits (i.e. Public Assistance, Food Stamps, or Medicaid) from the State or Federal Government.
- **Weights and Measures:** The act of placing an item for sale at one price yet charging a higher price at the time of sale or short weighing an item when the label reflects a higher weight.

Hence, White Collar Crimes can be classified, inter alia, in the following broad categories:

- (a) Commercial, banking and insurance fraud.
- (b) Foreign exchange violations including hawala transactions, under-invoicing exports or over-invoicing of imports and exports.



- (c) Violations of industrial, labor and environmental regulations.
- (d) Tax and duty evasion and smuggling. Duty evasion can be of customs of excise. Misuse of advance license is an offence in this category.
- (e) Adulteration of food and drugs.
- (f) Hoarding and black-marketing. This will be an offence only if the commodity is a statutorily controlled item.
- (g) Counterfeiting currency notes and coins.
- (h) Criminal misappropriation and criminal breach of trust, which generally involve forgery of documents and falsification of accounts. Many directors and senior executives of companies commit these offences.
- (i) Cheating.
- (j) Illegal antique deals.
- (k) Trafficking in drugs and money laundering of the proceeds.
- (l) Smuggling.
- (m) Chit fund frauds.
- (n) Bribery and other modes of corruption.

1.5 CRIME AND FRAUD IN WHITE COLLAR CRIME IN INDIA

2010-2011 Annual Global Fraud Survey report of Kroll conducted by Economist Intelligence Unit gives expected results. Fraud continues to be a big difficulty worldwide and more so in India. Of the companies surveyed, globally 75% reported experiencing scam during the year. Though the figure has reduced in contrast to previous year's 88%, the situation is still miserable. In India, the situation is catastrophic, with 84% organizations reporting that they suffered from fraud during the year. It is wake-up call for India, as it is ranked second universally after Africa and shares the position with China. The chart below compares the top six fraud categories at global level with India. In most of the cases, India is doing much inferior than its global counterparts are. Worldwide management conflict of interest, internal financial fraud, corruption and bribery and vendor procurement related frauds have amplified. Physical theft of assets and information theft decreased. Indian business vital pain points are corruption and bribery, information theft, internal financial fraud, financial mismanagement and vendor procurement.

1.6 WHITE COLLAR CRIMES VIS-A-VIS OTHER CRIMES

It must be noted white collar criminality has a close similarity to the attitudes and values of culture in a particular society. This is evident from the fact that **white collar criminals are intelligent, stable &**

successful and men of high social status as compared with the ordinary criminals. They are foresighted persons belonging to the high-status group of society. White Collar crimes which are committed in commercial world are not direct, anonymous, impersonal and difficult to detect, as against this, ordinary criminal commit crimes which are direct and occupy physical action such as beating, removal of property of use of force, etc. which can be easily identified and detected. **It is often said that ordinary crimes which are otherwise called 'blue collar crimes' are more universal with the under-privileged class while the white collar crimes are committed by the members of privileged group who belong to upper strata of society.**

Thus, Blue-collar crime: The types of crime committed are a occupation of the opportunities available to the potential offender. Thus, those employed in relatively unskilled environments and living in inner-city areas have less "situations" to take advantage of than those who work in "situations" where large financial transactions happen and live in areas where there is virtual prosperity. Note that Newman (2003) applies the Situational Crime Prevention strategy to e-crime where the opportunities can be more regularly distributed between the classes. Blue-collar crime tends to be more understandable and attract more active police attention (e.g. for crimes such as vandalism or shoplifting which protect property interests), whereas white-collar employees can blend together legitimate and criminal behavior and be less obvious when committing the crime. Thus, blue-collar crime will more frequently use physical force whereas **white collar crime** will tend to be more technical in character, e.g. in the manipulation of accountancy or inventory records. In victimology, blue-collar crime attacks more apparent victims who report the crime, whereas in this, reporting is complicated by a culture of commercial confidentiality to protect shareholder value. It is estimated that a great deal of white collar crime is unnoticed or, if detected, it is not reported. Corporate world, the identification of a victim is less understandable and the issue.

DIFFERENCE BETWEEN WHITE COLLAR CRIMES AND CORPORATE CRIMES

The distinction is that white-collar crime is likely to be an offense against the corporation, whereas corporate crime is crime committed by the corporation, although the distinction blurs when the given crime promotes the interests of the corporation and its senior



employees because a business body can only act through the agency of the natural persons whom it employs. Corporate crime has become politically receptive in some countries. In the United Kingdom, for example, following a number of deadly disasters on the rail network and at sea, the term is commonly used in reference to corporate manslaughter and to involve a more general discussion about the technological hazards posed by business enterprises. Similar incidents of corporate crime, such as the 1985 Union Carbide accident in Bhopal⁷, India (Pearce & Tombs: 1993) and the behavior of the pharmaceutical industry (Braithwaite: 1984). The Law Reform Commission of New South Wales offers a clarification of such criminal activities: "Corporate crime poses a significant danger to the welfare of the community. Given the pervasive presence of corporations in a wide range of activities in our society, and the impact of their actions on a much wider group of people than are affected by individual action, the potential for both economic and physical harm caused by a corporation is great." Similarly, Russell Mokhiber and Robert Weissman (1999) assert: "At one level, corporations expand the new technologies and economies of scale. These may serve the economic interests of mass consumers by introducing new products and more efficient methods of mass production. On another level, given the absence of political Control today, corporations serve to destroy the foundations of the civic community and the lives of people who reside in them."

DIFFERENCE BETWEEN WHITE COLLAR CRIMES AND STATE CRIMES

In terms of social class and standing, those employed by the state, whether directly or indirectly, are more likely to be white-collar and so additional state crime will be committed through the group of white-collar employees.

DIFFERENCE BETWEEN WHITE COLLAR CRIMES AND STATE CORPORATE CRIMES

Because the negotiation of agreements between a state and a corporation will be at a comparatively senior level on both sides, this is almost a select white-collar "situation" which offers the possibility for organized crime at a global level and complex, undetected arrangements between global private parties and national jurisdictions: 'incorporated governance' within public-private partnerships like the world's biggest, Gasunie of 1963, where Exxon Mobil forced the Netherlands to join the Iraq coalition.

DIFFERENCE BETWEEN WHITE COLLAR CRIME AND ECONOMIC CRIME

The terms 'Economic Crime' and 'White Collar Crimes' are more often than not, used as synonyms. In fact, both the terms need to be used to describe different categories of crime. While white collar crimes can be said to be crimes committed by professionals like chartered accountants, public servants, private employees in the course of their occupation, economic offences are crimes committed by intelligent but deceitful individuals involving huge sums of public or government money.

DIFFERENCE BETWEEN WHITE COLLAR CRIME & ORGANISED CRIME

1. In organized crime there is a group of persons of considerable size which engages itself in continuous crime over a long, usually indefinite period of time.
2. It has a tendency to dominate, through political clout or corruption, the law enforcement agencies.
3. The organization is generally high centralized; the authority is vested in one or just a few members of the group.
4. Functioning of the mafia in the U.S.A. has been likened to the working of corporations and big business houses. There is division of labor, delegation of duties and responsibility and specialization of functions. Like any modern business, organized crimes also involve careful planning, risk insurance and have expansive and monopolistic tendencies.
5. The criminal organizations adopt measures to protect the group and to guard against the prevention of their activities. To this end, arrangements are made with doctors lawyers, policemen, judges, politicians and governmental officials whereas, White Collar Crime having not such features as prearranged crimes.

1.7 WHITE-COLLAR OR SOCIO-ECONOMIC CRIMES ARE RADICALLY DIFFERENT FROM ORDINARY OR CONVENTIONAL TYPE OF CRIMES IN SEVERAL RESPECTS:

1. These crimes are committed by status people in society such as — doctors, advocates, chartered accountants, government officials, repairers of mechanical goods [such as T.V.s,



- radios, refrigerators, etc.] and not the customary criminals such as — robbers, thieves, dacoits, murderers, rapists, etc.
2. These crimes are normally committed by means of fraud, deceit, misappropriation, misrepresentation, adulteration, malpractices, and irregularities and so on.
 3. These crimes are committed by means of purposeful and planned conspiracies without any feelings and sentiments.
 4. When socio-economic crimes are committed people tend to bear them because they themselves spoil in them and they themselves often recognize with those who do them.
 5. Originally white-collar crime meant to make clear middle and upper class business persons who committed crime in the normal course of their work. But now it refers to a wide selection of occupationally oriented violations committed by persons in any class.
 6. The victim of socio-economic crimes is normally the entire community, society or even the entire nation besides the individuals.
 7. These crimes do not involve or carry with them any shame while the ‘traditional crimes carry a stigma involving disgrace and depravity.
 8. These crimes constitute a separate group because the organization of such crimes “involves the protection and preservation of the general health and economic system of the entire society against misuse and waste...”

1.8 FOUR SHOCKING MISCONCEPTIONS ABOUT WHITE COLLARED CRIME

The recent issue of Psychology Today has a short column on four major myths that are widely when it comes to white-collared crime—usually described as an unlawful act committed for financial gain.

1. White-collared crimes are peaceful—since white-collared crime is usually characterized as non-violent, many are prone to this myth. But criminals in general have a sense of right and need for control.
2. White-collar criminals are highly paid—you may be thinking of well-known Ponzi schemers like Bernie Madoff or Allen Sanford here, but white collared criminals also depend on poorly paid underlings.
3. White-collar criminals are otherwise honorable citizens—about 40% of white collared criminals have a record.

4. it’s all about cash—yes, there are inadequately paid white-collar criminals, but the instigator of the crime could be very rich. Researchers say “peer pressure, company culture, and pure hubris” cause people to commit white-collared crimes.

CONCLUSIONS

White collared crime is referred as the conduct of a corporation or employees acting on behalf of a corporation which is prescribed or punishable in law. Thus white collared crimes are committed for corporate gain or to bring harm to any other person or body corporate. Such crimes are committed in a quite environment. These are also considered to be universal varieties of white collar crimes. However the criminal behavior in corporate crimes seems too different from the traditional crimes committed by individuals. Corporate crimes are socially damaging or blameworthy acts which grounds financial, physical or environmental harm or harm caused to the workers and the general public.

It is believed that corporate criminal behavior is also a consequence of learning process from with the functioning of the corporations. This behavior is also accredited to major social and moral change. In a pursuit to convene targets or goals there could be implementation of unlawful means. Further there is neutralization theory where in the given circumstances conduct is tried to be justified. Lack of sufficient control could also endorse criminal behavior. In addition there are factors like cost benefit considerations, socio-economic developments, organizational structure and criminological market which are qualified to white collar criminal behavior.

In the corporate control there is criminality of the corporation itself and also the legal responsibility of the accountable persons which can be vicariously fixed. Law in this repeat needs to be more clearly defined.

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