

White Collar Crimes Vis-A-Vis Other Crimes

Dr. Renu Mahajan¹, Sagar Sharma²

¹Associate Professor, University Institute of Legal Studies, Chandigarh University, Gauran, Mohali, India

²Research Scholar, University Institute of Legal Studies, Chandigarh University, Mohali, Punjab, India

Abstract: *This paper provides the detail about how the white collar crimes are related to other crimes such as occupational crimes, corporate crimes etc and also how the white collar crimes are differentiated from crimes such as blue collar crimes, organized crimes, cyber crimes etc. Basically, White collar crimes are the crimes committed by the person of respectability and high social status during the course of their occupation. Due to the advancement of technology and growth of education in present era, white collar crimes are increasing day by day. In terms of comparison, the instances of white collar crimes are more than conventional types of crimes. Thus, the main motive behind these crimes is to have financial gain. This has also resulted that even the people belonging to middle class and lower class has started committing white collar crimes. Our analysis of White-collar crime will distinguish between an individual who steals, defraud and cheat through occupational context and those who commit the different types of offenses attributed to business enterprises.*

Keywords: Corporate, Organized Crimes, Economic Crimes, Cyber Crimes

1. Introduction

In the Indian context, crime is an activity that involves breaking the law and enforcement. Crime is not a problem of one home or one person; it is the problem of the whole society in which the human being is flushing. It cost not only in currency every year but also represents even a greater in term of human values, happiness and their morals. In recent year, the crime graph is more appareling not only in India but all over the world. According to the legal definition of crime implies “Any act done or committed in violation of public law and for which a person is liable to punishment by inducement, presentment or impeachment. Crime is a universal phenomenon. Its etiology is extremely conflux and manifestations are varied according to the time, place and the individual. It also varied with the historical period, modes of life, economic conditions, and social attitudes. Crime has been with mankind since the beginning of recorded history.”¹

A criminologist and sociologist Edwin.H.Sutherland in the year 1939 introduced and popularized the term ‘White Collar Crimes’. According to him, it was a crime committed by a person of respectability and high social status in the course of their occupation. It could be explained as a financially motivated non-violated crime committed by business and government professional or officials. It is well known that white collar criminal’s behavior has sympathy towards the attitudes and values of cultures of society. This can be stated from the reality that white collar offenders bare intelligent, stable, successful and men of high social status as compared with the blue-collar criminals. They are foresighted persons from a prestigious group of society. White collar crimes are committed in the financial world and they are indirect, hidden, impersonal and difficult to detect. It is important to note that even the white collar criminal commits the ordinary crimes and heinous crimes such as assault, rape, murder or kidnapping and the ordinary

criminals can also commit the white collar crimes such as tax evasion, corruption or misrepresentation.²

1.1 Blue Collar Crimes

Speculative endeavors to elucidate the contribution in illegitimate activities often have been directed by the presumptions that since crimes are unexpected behavior. Its sources must be trapped in aberrant factors and circumstances determining the behavior. Criminal Behavior has conveniently been associated to a deliquesce apparently unique importance which in return has been recognized to a distinctive inner structure such as deviations from the physiological and the mental health, spiritual degeneration to the impact of the exceptional, social and familial circumstance like political and social incongruities, conflict conditions, trouble in family life or to both. The offender could be from any class of society it may from the high class or may from the lower class also. “Blue collar crime” is a term used to define the crimes that are committed principally by the people who are from a lower social class. Blue collar crimes are also known as traditional crimes and conventional crimes.³ This is a distinction to the white-collar crimes and they prefer to the crimes that are generally committed by the people from the higher social class.

The expression ‘Blue Collar’ was coined in the year the 1920s to refer to the ‘American Workers’ who carry out physical labor jobs. These jobs were very untidy so the workers would dress in the dark outfit in order to minimize the appearance of the states. Many also dress in the outfits or shirts that were usually blue, hence the term ‘blue collar’. Blue collar workers include the gatekeepers, construction workers, mill workers, and production employees. Most blue collar workers are paid a low hourly remuneration, though the wage varies significantly depending upon the particular

¹ Dr.Rajendra.K.Sharma – *Criminology and Penology* 220 (Atlantic Publishers and Distributors, Delhi, 2017).

² N.V.Pranjape – *Criminology and Penology and Victim logy* 145 (CLP, Allahabad, 17th edn. 2017).

³ Dr.S.R. Myneni – *Crime and Criminology* 197 (Allahabad Law Agency, Faridabad, First edn, 2017).

occupation and the workers level of scale. In contrast, white-collar crimes workers generally have higher paying jobs that do not involve manual labor. A white-collar worker tends to work in an office setting. Therefore, they are able to wear white collars without fear them getting dirty. White collar workers include the accountants, business managers, lawyers and doctors etc. Blue collar crime is not a proper legal classification of the crimes; it is a casual term that is used to describe certain types of crimes. Blue collar crimes are those that are most commonly committed by the people who are from a lower social class such as the 'blue collar workers'. Blue collar workers may not have access to the same resources as white collar crime workers or white collar workers. So, they tend to commit crimes that are immediate and personal in nature such as robbery rather than the crimes that are involved in elaborate planning. This is not to say that white-collar workers don't commit blue collar crimes. Rather it is just that the people who commit the crimes have been the majority of these crimes are from the lower social class.⁴

1.1.1 White Collar Crimes vis-à-vis Blue Collar Crimes

Blue collar is a popular expression applied to the positions involving in the significant amount of manual labor. The term is typically applied to the positions involving low skill level and low wages. Although, not every blue-collar position matches that description as such many people call the criminal activities involving significant amounts of manual labor that are committed by ill gent defendants the blue collar crimes. The characterization includes all violent crimes and a number of property crimes also including but not limited to assault, robbery, burglary, and murder. For the most part, the blue-collar crimes are categorized by high risks and low rewards. Sentencing for blue-collar crimes hinges upon the specific offense charged and what occurred during its commission. Many blue collar crimes involve confronting the victim directly. Crime such as murder, abbreviated assault, robbery necessarily required the offender to encounter the victim. Even the crimes committed by the defendants who are actively looking to avoid confrontation with the victim such as burglars are still entailing a risk of confrontation. A burglary can easily turn into a robbery as such the penalties for the blue collar crimes tend to be more severe than the other types of crimes. Sentences are longer, perpetrators are inconsiderate in higher security institution and probation or parole can be more difficult to obtain. In contrast to blue-collar crimes, the white collar crimes are defined as the moral or ethical violation that follows the ideals, integrals within the principles of white-collar known as the natural law. Natural law encompasses or emphasis on the behavior or the activities that are defined as wrong because they are infringing the ethical principles of a particular culture, the sub-culture or the group. The immoral nature of the activities is seen as the foundation for defining certain types of white collar crimes and the activities as criminals. Specifically, some experts have a preference to describe white-collar crime as a violation of criminal law. From this outline, the white collar crimes are criminally legal behavior

⁴ N.V.Pranjape – *Criminology and Penology and Victim logy* 147 (CLP, Allahabad, 17th edn. 2017).

committed by the upper-class individual during their course of the occupation. From a coordination standpoint that functioning in the criminal justice system lightly would define the white collar crimes as criminally illegal behavior.⁵

Following are the differences between White Collar Crime and Blue Collar Crime:-⁶

- 1) White collar crimes are the crimes committed by the person of respectability and high social status in course of their occupation whereas Blue collar crimes are basically small scale crimes which are committed for the immediate benefit or profit to the individual or for the whole group who has committed the crime.
- 2) A white collar crime includes the criminal activities which are committed by the people during the regular course of their business such as bribery, extortion, fraud, and embezzlement whereas a blue-collar crime includes the personal related crimes which are committed as a result of the immediate reaction, such as during fights or hostilities.
- 3) The term white-collar crime was introduced by stating that white collar crimes are committed by the white-collar workers belonging to a higher class of society such as lawyers, doctors, accountants, etc. and the term blue collar crime was introduced to define those crimes committed by people belonging to the lower class of the society.
- 4) White collar criminals require resources and powers that are only available to white-collar workers and blue-collar criminals Do not require any special access or resources
- 5) In white-collar crimes, Damage is typical to victim's resources/money and not physical whereas in blue-collar crimes, Damage is typically physical, and to a victim's person.

1.2 Corporate Crimes

Corporate crimes are also called organizational crimes. In criminology, corporate crimes are the crimes committed either by a corporation which has a separate legal personality from the natural persons that manage its activities or by individuals who acts on a behalf of a corporation or other business entities. These crimes are the criminal acts caused by omission or commission which were the result of deliberate decision making in order to benefit the corporations. Illegal acts or omission is the result of deliberate decision making or culpable negligence within a legitimate formal organization. Some of the examples of corporate crimes are financial crimes, crimes against consumers, crimes against the environment, crimes associated with employment, relationship, etc. Corporate crime has also become a global issue because of the

⁵ Information available at <http://www.criminaldefenceblawg.com/criminal-defence-law/white-collar-or-blue-differences-in-criminal-law/> last visited on February 7, 2019.

⁶Information available at <http://www.criminaldefenceblawg.com/criminal-defence-law/white-collar-or-blue-differences-in-criminal-law/> last visited on February7, 2019.

advancement of commerce and technology in every country. India is also in the grip of corporate criminality. Corporate crimes are also expanding in different spheres of society like rapid fire. These crimes are basically committed by prestigious people in society. This crime is also known as the crimes of the powerful persons. It has also been observed that corporate frauds have increased in frequency, intensity, and magnitude. The prevailing inequality, glorification of greed, lack of concern for society, feudal mindset and manifold regulations, etc. are some of the reasons responsible for the increase of corporate crimes. The origin of the concept of corporate crime can be seen with the origin of white collar crimes because white collar crimes are also committed by the upper-class people of society. The violation of corporate law which includes the wide range of misbehavior such as accounting malpractice, including false statements of corporate assets and profit; occupational safety and health hazardous; unfair labour practice; the manufacturing and sale of hazardous product; false and misleading advertisements; environmental violation of air and air pollution and illegal dumping of hazardous matter; illegal domestic political contribution and bribing of foreign official for corporate benefit. Thus, the nature of corporate crime also overlaps with white collar crime; organized crime and state corporate crimes.⁷

1.2.1 White Collar Crimes vis-à-vis Corporate Crimes

White collar crimes are the crimes committed by the person of respectability and high social status during the course of their occupation or business. White collar crimes are basically non-violent crimes and they are regarded as financial crimes. When an individual uses illegal means to gain financial profit, these kinds of acts are considered as white collar crimes. Some of the examples of white collar crimes are fraud, embezzlement, money laundering, insider trading, etc. For example, a person claiming to represent a prominent bank sends out phishing emails designed to trick recipients into divulging their personal bank account details. This is a type of fraud. Since the individual is committing this crime for their own financial benefit, it is considered a white-collar crime.⁸

Corporate crimes are similar to white collar crimes in various aspects. They can also include the crimes mentioned above. But there is one main difference between White collar crime and corporate crime which is the person (or people) committing the crimes are working on behalf of the company they work for. Their goal is to financially benefit the company or its shareholders. It is important to note that to be considered a corporate crime, the company in question does not need to be aware of—or condone—such criminal activity.⁹

⁷ Dr.S.R. Myneni – “Crime and Criminology”(Allahabad Law Agency, Faridabad, First edn,2017,p.127)

⁸ Information available at <https://www.goldbergdefense.com/blog/2017/12/white-collar-vs-corporate-crime.shtml> last visited on February 8, 2019.

⁹ Ibid.

Some other basic differences between white-collar crime and corporate crimes are:-¹⁰

I. White Collar Crimes:-

- 1) Non Violent Crimes (Very Low Probability of Violence or Injury to person)
- 2) A motive of the Crime is always Financial Gain.
- 3) Object of the Crime is almost always Money or Tangible Property (Property that can be cashed for money)
- 4) The evidence is almost always in a chain of paperwork or paper trails.
- 5) Usually, the Bulk of the work is done at the desk through the use of machines and software and accounting and paperwork.

Corporate Crimes

- 1) Non Violent Crimes
- 2) A motive of the Crime may be Financial gain or Financial Downfall or Theft of Sensitive Data (Espionage)
- 3) Object of the Crime is almost always a Corporate Entity or the Public through Accounting or other frauds

1.3 Organized Crimes

Organized crime is a crime of its own kind and that's why it is not mentioned in the typical statutes have in the form of Indian Penal Code. The exact concept of organized crime is still debated and because of it, there is no precise definition of organized crime. Organized crime has so many manifestations and forms that it is difficult to define organized crime. There is no fixed definition and universally accepted definition has not come up of organized crime. However, there are few definitions given by different scholars according to their views such as According to Dr. Walter Reckless, “organized crime is an unlawful misadventure which is carried on by a boss, his lieutenants, and operators who form a hierarchical structure for a specific period.” As Thurston Sellin says, “an organized crime resembles those economic adventures or enterprises which are organized to carry on illegal activities for the purpose of making an economic gain.” He further says, “organized crime is synonymous with economic enterprises organized for the purpose of conducting illegal activities and which, when they operate legitimate ventures, do so by illegal means.”¹¹

1.3.1 White Collar Crimes vis-à-vis Organized Crimes

Using the offense, rather than the wrongdoer, as a unit of study, some acts are clearly "organized," in their commission but does not seem to be a part of organized crime for the purpose of the Organized Crime Convention. Organized crime is actually one form of several aspects of organized criminal behavior. White-collar crime, for instance, is related to and overlaps with organized crime and

¹⁰ Information available at <https://www.quora.com/What-are-the-similarities-and-differences-between-white-collar-crime-and-corporate-crime> last visited on February 8, 2019.

¹¹ Organized crime available at <https://www.scribd.com/document/311698267/Organized-Crime> last visited on February 7, 2019.

the definition contained in the Organized Crime Convention allows capturing many cases of white-collar crime. Nevertheless, the two crimes have important differences through which white-collar crime happens as a deviation from legitimate business activity, whereas organized crime occurs as a continuing criminal enterprise that exists to profit primarily from illicit activity. White-collar crime can be performed by an individual whereas organized crime requires more people and planning in order to carry out offenses on a more systematic basis. White-collar crime can also be performed by organized criminal groups. There has been a lot of analysis comparing the linkages between organized crime and white-collar crime. Governmental bodies and politicians can also be considered as wrongdoer of organized crime if the elements of the general definition are met. It is important to note that not only individuals but also legal persons, such as corporations, can perform crimes during the course of business. Serious crime is usually committed by or under the cover of legal entities. Complex structures will effectively hide the true ownership, clients or explicit transactions. Legal persons might also be used to accustom to protecting natural persons from liability, and sophisticated structures may be used to conceal illegal activity. The role of legal persons in the illicit movement may span the entire scope of organized international crimes, from trafficking in persons, drugs or arms to corruption and money laundering. Ensuring the risk of a legal person is, therefore, an important component in fighting transnational organized crime.¹²

1.3.2. Difference between White Collar Crime and Organized 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 labour, 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 organized crimes.

1.4 Cyber Crimes

Cybercrime means the illegal use of computers and the internet. It is a crime committed using computer and internet to steal a person's identity or sell contraband or stalk victims or disrupts operations with malware programs. Cyber crimes

are defined as "offences that are committed against individuals or groups of individuals with a criminal motive to intentionally harm the reputation of victims or cause physical or mental harm to the victim directly or indirectly, using modern telecommunications networks such as Internet e-mails, notice-boards and groups and mobile phones (SMS/MMS)."

1.4.1 White Collar Crime Vis a Vis Cyber Crime

Most numbers of crimes on the internet are white collar crimes as they do not involve any violence and they are only financially motivated. Before the internet age these crimes only outside the computer purview but now they are occurring at a wide pace by the source of internet and internet world. Any crime committed on the Internet is referred to as a cyber crime. White collar, cyber crimes seems to be innocent as there is a lack of violence and they do not occur on the streets. The laws for these crimes have enlarged their dimensions and we are getting more stringent laws for this white collar, cyber crimes. Many white-collar crimes occur on the internet every day such as hacking, phishing, etc.¹³

2. Conclusion

White Collar Crimes are the crimes committed by a person of respectability and social status during the course of their occupation. White Collar Crimes are the crimes performed by the white collar workers such as accountants, lawyers, doctors, etc. It is also important to mention here that white collar crimes are not only committed by the people of a higher class of the society but now in present era, these crimes are also committed by the people of middle class and lower class people of the society. The white-collar crimes committed by the middle class and lower class can be tax evasion, hoarding, black-marketing, etc. The main motive to commit white collar crime is financial gain. Therefore, it can also be stated that the white collar crimes have similarities with other crimes such as occupational crimes, corporate crimes, economic crimes, etc and as well as white collar crimes are also differentiated from blue-collar crimes, organized crimes, cyber crimes, etc. White collar crimes have also similarities with other crimes such as corporate crimes, economic crimes, and occupational crimes, etc. The similarities between these crimes are that they are committed for the main purpose which is financial gain and these types of crimes even do not harm a person physically. Whereas, on the other hand, White collar crimes are also differentiated from other crimes such as blue-collar crimes, etc are committed by middle-class people to earn their livelihood by committing crimes such as theft, fraud, robbery, etc. These types of crimes affect them physically as well as economically. Thus, as the development is increasing, the need for an individual and the individual are committing crimes in different forms to fulfill their need.

References

- [1] Dr.Rajendra.K.Sharma – Criminology and Penology (Atlantic Publishers and Distributors, Delhi, 2017).

¹² Dr.Rajendra.K.Sharma – *Criminology and Penology* 235 (Atlantic Publishers and Distributors, Delhi, 2017).

¹³ White collar crime in cyber crime <https://blog.ipleaders.in/white-collar-crime-cyber-crime/> last visited on February 8, 2019.

- [2] N.V.Pranjape – Criminology and Penology and Victimology (CLP, Allahabad, 17th edn. 2017).
- [3] Dr.S.R. Myneni –Crime and Criminology (Allahabad Law Agency, Faridabad, First edn, 2017).
- [4] <https://blog.ipleaders.in/white-collar-crime-cyber-crime>
- [5] <http://www.criminaldefenceblawg.com/criminal-defence-law/white-collar-or-blue-differences-in-criminal-law/>
- [6] <https://www.goldbergdefense.com/blog/2017/12/white-collar-vs-corporate-crime.shtml>
- [7] <https://www.quora.com/What-are-the-similarities-and-differences-between-white-collar-crime-and-corporate-crime>