

Date \_\_\_\_\_ Criminology:

Questions: Write a short note on white collar -  
Crime: (2016 - 10 marks).

## ANSWERS

### 1) INTRODUCTION

The phrase white-collar crime was first used by Edwin Sutherland in 1939. The term was used to describe the practices and activities of rich and powerful people. He described they involve conspiracies by members of the rich and wealthy class using their position in industry and commerce for their personal gains without regard to the law. The individuals belong to high social status and come from the position of respectability.

### 2) SUTHERLAND'S CONTEMPORARY DEFINITION OF WHITE COLLAR CRIME:

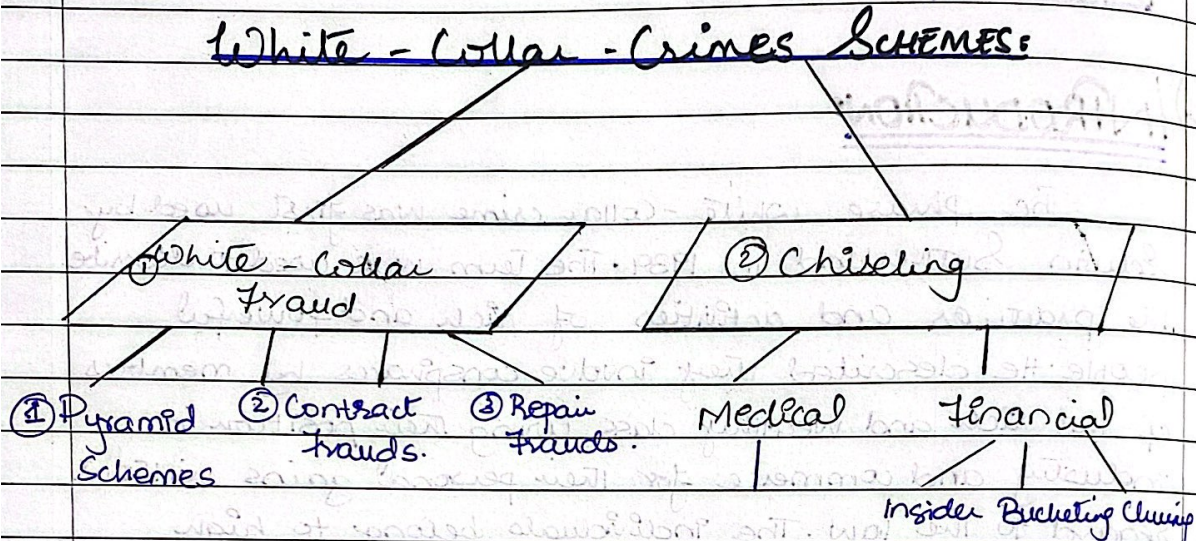
Sutherland believed, the power and position of the criminals save them from being detected if caught. They can escape punishment. According to Sutherland, the cases of white-collar crimes are dealt in Civil Court rather than criminal courts as the injured parties are more concerned for recovering their losses than seeing the offender being punished.

On the other hand, the contemporary definition does not only include the wealthy and rich people but:

"Any-business act that involves deception, embezzlement, fraud or any illegal means to gain

profit

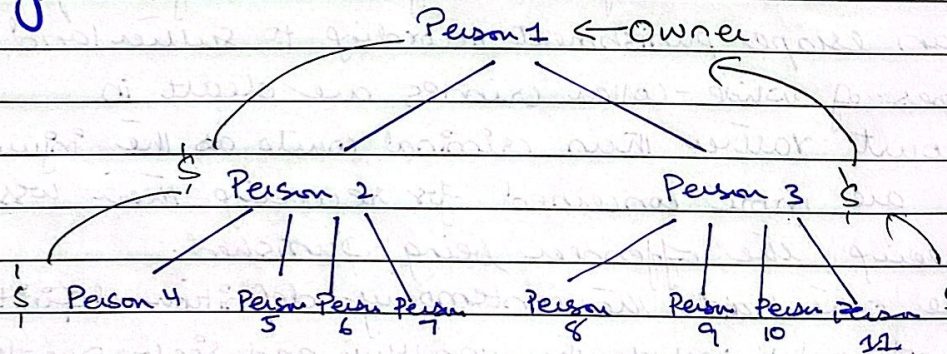
### 3) COMPONENTS OF WHITE-COLLAR CRIMES:



#### i) White-Collar Fraud:

The white-collar fraud involves the crime law line of larceny. It is to trick the person or victim and separate them from their assets, property. There are numerous ways in which white-collar frauds are carried out.

#### a) Pyramid Scheme:



In this scheme, the criminal showcases the phony franchises and asks the victim to invest and

promises huge returns as well as the other people brought by him, he would get commission. Hence, in this the system works and when there are no results so the upper people in the upper tier get huge benefits. The bottom one does not and at that point the pyramid collapses.

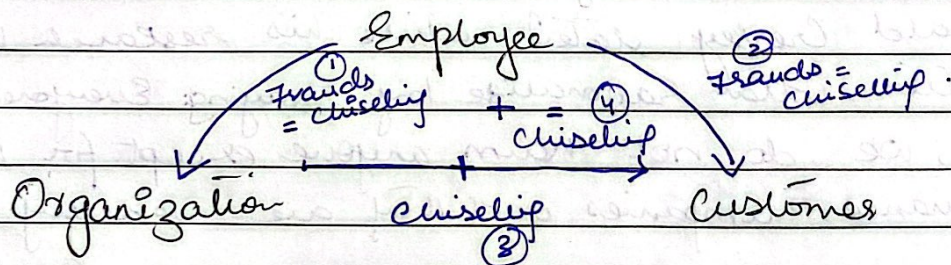
### b) Contract frauds:

The contract frauds are such, the people are trapped to sign long-term contracts without realizing they are agreeing to big things. There are also ways to trick people that the document is from some legal company in fact it is not.

### c) Repair frauds:

Repair frauds are very common in this the person gives a low bid for something expensive and fix it either by damaged or used products. The other one for free consultation, they charge and make a fuss about nothing involving the victim to pay for something which is not needed.

### ii) Chiselling:



The employee of the organization frauds with the organization = chiselling also if the employee frauds with the customer jeopardizing the position and

Date \_\_\_\_\_

Trust relationship = chiseling. At a time cheats both falls under the category of chiseling. Commonly found in:

### a) Medical Profession:

Common practice in which the pharmacist replace the brand named medicine with generic formula to keep the difference. True example: Massachusetts Pharmacy's case.

### b) Financial Profession:

In this the financial agents cheat by manipulating the stocks and involve them into risky investments by attracting them or the other way round. Churning is when excessive buying and selling is done from the client's account. Then Inside-trading when they give confidential information to their friends and relatives. Bucketing and also other methods to achieve the goal.

### 4) Theories of Rationalizing and Neutralizing Crimes:

#### a) To neutralize and Rationalize:

The neutralization is when the researcher Donald Cressey stated while his research the white collar rationalize by saying: Everyone does it; we do not harm anyone except for the insurance companies and they are wealthy.

#### b) Corporate Cultural View:

The corporate promote the greedy behaviour thus promoting crime by building pressure to bring sales

Date \_\_\_\_\_

on the employees or any such criterion rather than fair play.

## CONCLUSION:

The white-collar crime does not involve detestment or threat or any physical force but affects the economy of a country as involves tax evasion, bribery, corruption and promoted also practiced by institutions.

(10 Marks Question, Please do mark).