

Is white collar crime an inside job?

[Law](#), [Crime](#)



Simply put, the point that Charles Ferguson is trying to get across in his documentary, *The Inside Job* is that economics is exactly that, it's an inside job; with many elite employees involved. Economics is a profession, and at the end of the day, it all comes down to power, and the money being brought home by those at the top. Throughout the documentary Ferguson does an excellent job revealing the not so behind the scenes action, that many just don't pick up on, due to the fact that companies police themselves.

The documentary explains how it effects everyone, even those that are not directly involved or related. Those who are responsible for the financial meltdown in 2008, and the housing bubble are revealed, and an explanation is given as to why they are still in charge of the companies whose actions affected millions of people not only in The United States, but all over the world. Several different types of white collar crimes were committed leading up to the financial crisis, and several different companies were engaging in the large scale criminal activity.

Financial deregulation is one of the main topics discussed in the documentary, and how financial institutions were given more freedom; thus making more risky investments with their depositors money, and seeing no consequences when these investments fell through. The documentary brings forward many thoughts about the types of white collar crime committed and how those that are guilty got away with it, how the victims were affected by the careless actions of the companies, as well as the reasons and motivation behind the crimes. The documentary stresses that this crisis was no accident, and that it was all caused by an out of control industry.

Each crisis causes more and more financial damage, while industries continue to make millions. While the documentary doesn't once mention the term white collar crime, it doesn't take much to realize that this was exactly what went on. "Not only have the vast majority of responsible parties not been convicted of any crime — they haven't even been charged" (Andrew Leonard, 2012), the employees that destroyed their own companies, and caused crisis all over the world, walked away with all their money, and left millions of people without their savings.

Defining White Collar Crime Defined by Edwin Sutherland(1949), white collar crime is "a crime committed by a person of respectability and high social status in the course of his occupation". Countless types of white collar crime exist, many people not even being aware of them. It is strongly believed that white collar crime was the cause of the global financial crisis of 2008, which consisted mainly of mortgage, insurance, and security fraud. Marshall Clinard and Richard Quinney (1973) defined two types of white collar crime: occupational, and corporate.

They defined occupational crime as being committed by individuals over the course of their occupation, mainly for personal gain, whereas corporate crime is committed by the corporations as a whole, the crime is planned and committed for the corporations financial gain. In *The Inside Job*, several types of white collar crime were committed, such as: laundering, cooking books, and defrauding customer's money. Even though those who commit white collar crime are labeled as criminals, they often don't fall under the typical stereotype that street criminals hold.

Reducing the amount of white collar crime is something that is very important and there needs to be more attention toward it. The media definitely needs to focus more on white collar crime, as most news usually revolves around street crime, rather than revealing the crimes being committed by large corporations. A stronger punishment is needed to reduce white collar crime. Often, those who commit white collar crimes get off without jail, because they have the money to pay millions of dollars in fines. Increasing these fines drastically would not allow them to pay for their punishment. Victimization of White Collar Crime

Victimization of white collar crime is not something that is often heard of in the media. It's not uncommon to turn on the news and see countless stories of the victims of murder and robbery, and well as drug related street crimes. But what about the victims of the crime that's vastly underreported, and even more undetected? People who commit street crime are seen as more dangerous, and often receive a harsh punishment, because they generally have less money, therefore less power. One of the many reasons for the underreported incidences of white collar crime, is simply because there is less to show for it.

It is estimated by the Canadian Securities Administration, that nearly 5% of adult Canadians have lost money to some type of investment fraud. White collar crime is often seen as less damaging than street crime, but in reality, victims of white collar crime do suffer from tremendous damages. Aside from the obvious financial loss, they are known to have struggles with psychological, emotional, and physical health (Kempa 2009). Numerous things can happen after people are affected by white collar crimes, such as possibly

triggering them to commit street crimes, such as theft, in order to support their family after losing money.

A close relationship is often built between the perpetrator and the victim, giving them the sense of trust, thus having them believe that no type of fraud could happen to them. As seen in the documentary, not just those directly involved are affected. When the Wall Street Stock Market crashed in 2008, other countries were also paying the price. Tens of millions of people were affected either directly or indirectly from the global economic crisis. With the sudden drop of employment in America, budgets of those families also decreased drastically, thus buying less in order to save money.

This cutback caused several large companies in China to cease their production; causing over 10 million to lose their job. As heard in *The Inside Job*, Dominique Strauss-Kahn states that “at the end of the day, the poorest, as always, pay the most”. As mentioned earlier, the employees of the large corporations committing the crimes go home with their hundreds of thousands of dollars, and those affected in poorer countries, are left with nothing. People with money have power, power that can often get them out of situations that many others are not be able to.

Self-Control Theory and White Collar Crime

The self-control theory argues that all crime stems from the problem of low self control. (Hirschi & Gottfredson, 1987). This low self control causes people to act impulsively and spontaneously, value risk and adventure, and care more about themselves than they do others. As stated in *The Inside Job*, Jonathan Alpert, therapist to many Wall Street exclusives, says that they’re “risk takers, and impulsive. It’s part of their behaviour, it’s part of

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their personality... there's just a blatant disregard for the impact that their actions might have on society, on family”.

Many of those that commit white collar crimes are often seen as having the need to control, being charismatic and narcissistic, as well as having a fear of losing their power and their position. Greed is often a primary motivator for white collar criminals. As heard in *The Inside Job*, “ the bankers showered money on themselves, each other, and their friends”, they lived a wealthy and luxurious life; living in penthouse suites on Park Avenue, owning numerous vacation homes in the Hampton’s, flying around the world in private jets.

Living such a wealthy and elite lifestyle, “ it’s quite typical for the guys to go out, to go to strip bars, to use drugs. I see a lot of cocaine use, a lot of use of prostitution... A lot of people feel that they need to really participate in that behavior to make it, to get promoted, to get recognized. ” (Alpert, 2010). It’s quite clear that the main motivation behind many of those involved in committing white collar crimes, usually comes down to the power they hold, and most importantly, the money in their pockets. White Collar vs. Street Crime

Those who commit street crime are often given a harsher punishment and a more negative reputation than those who commit white collar crimes. In reality, the two types of criminals are not that different, even though their methods of crime are unlike. Should there be different punishment or sentences for those who commit fraud or embezzlement, compared to those who distribute illegal drugs? People with a higher status and more money

and power often tend to get a lighter sentence, as both the money and power can often get them out of situations, but this isn't fair.

White collar crimes generally effect people more than street crime. As seen in *The Inside Job*, the crimes committed by a few large corporations, caused millions of people to lose copious amounts of money, as well as their jobs. A main distinction that can often separate those who commit white collar crime, and those who commit street crime, is their level of education. Many people seen in *The Inside Job* were those who had graduated, or even worked at respected universities. They were often well educated in economics and business, so they knew every last detail of what they were working with.

White collar criminals are often known have a desire for control, causing them to engage in corporate crime, hoping to gain power. The financial crisis of 2008 that affected millions of people, causing tremendous losses of both jobs and money, is something that will be around to haunt people for years. Their victims are left to suffer, while the employees of the large corporations walk away with all their money. The people who commit such white collar crimes are selfish, and only care about their own power and money.

Even years after the crisis, news is still floating around, and people are still questioning why the corporations and their employees aren't seeing punishment. The criminals that commit these large scale crimes, are being treated differently than those that commit street crimes, they get away with no punishment, and continue working, in time committing the same crimes over again. Reference List Barkan, S. E. *Criminology: a sociological understanding*. (5th ed.). Pearson. Croall , H. (2001). *Understanding white*
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