

# Examining the crimes of the powerful offenders criminology essay



**ASSIGN  
BUSTER**

Corporate crimes have 3 problems according to Muncie and McLaughlin, there is the problem of definition where if crime would to expand to cover corporate offences then the definition of crime itself could be totally different, Sunderland researched this by committing false advertising and food adulteration which were not covered by law at the time, he argued that they were just as serious as other crimes but was attacked by criminologists for researching acts which were not or should be crimes.

secondly there is problem of social context which asks what is the relationship between white collar crimes and market forces/profit motive, and lastly is the problem of regulation which asks if corporate crime could be controlled by informal mechanisms or be enforced by criminal sanctions, many offences are not controlled by the police and instead of being punished the offender/offenders will be either forced to comply with regulations or be put in an educational program for advice, prosecution is a last resort, as Hazel Croall[3]points out ' A different language surrounds these ' regulatory offences' (e. g.) ' regulation' rather than ' policing, ' wrongdoing' rather than ' crime and ' sanctions' rather than ' punishment'. The main problem of white collar crime is that although some involve what would be called typical crimes such as fraud and insider dealing, corporate crime can include breaches of health and safety which can endanger human lives, in this aspect;' corporate entrepreneurs may be sued for damages and subjected to various financial sanctions (and) are unlikely to face criminal prosecutions no matter how serious the consequences of their actions[4]' This why white collar crime is on the margins of criminological inquiry, because most of the time they never actually break the law, the crime itself is almost always

classed as 'an accident' Even though Corporate crimes are more dangerous, expensive and violent than regular crimes i. e. theft, assault, murders etc.

According to William J Chambliss in his book Power, Politics and Crime

written in 2001, the Joint Economic Committee of the U. S Congress

estimated that \$4 Billion was lost from street crimes while \$200 billion was

lost by corporate crime, 50 times more, although there is huge uncertainty in

to white collar crime, the extent of the crimes have to be estimated,

Levi[5]estimated in 1985 that fraud alone was worth £2, 133 million

Another reason for corporate crime being in the margins is the separation of

ownership of the company especially with a large amount of shareholders, it

is almost impossible for one person to take control of a business' dealings,

with different levels of hierarchy, departments and regulating bodies, this

can tempt corrupt executives to commit crime by offering big rewards with

very little risk: large corporate crime i. e. crimes by large companies which

effects many can affect many people such as employers, consumers, the

environment etc., large scale criminal corporations I. e. fraud, money

laundering etc., small scale criminal firms i. e. pretty crimes by small

business such as dealers and tradesmen, occupational crime I. e. an

employer committing crime, the important the employee the bigger the

crime and finally other white collar crime which is individuals committing

crime outside of the work place such as tax evasion. However as Croall

points out, the attention seems to be on the offenders rather than the crime

they commit, she asks " How can the rather vague terms ' high status' and '

respectable' by defined and operationalized?...are only some to be counted

as white collar offenders?". These types of crimes have many characteristics:

<https://assignbuster.com/examining-the-crimes-of-the-powerful-offenders-criminology-essay/>

Offences are invisible, they are very hard to detect, this also makes them hard to be prosecuted, offenders are often legitimately present at the scene of the crime and mostly the victims are slow to realise wrongdoing has been caused, the crimes are carried out under the cover of a legitimate company; the crimes are very technical and complicated, many offenders may be involved and it is very hard to pinpoint who caused the offence; a diffusion of responsibility (in a large group, responsibility is not assigned) is rife in these cases, employees can blame employers for not preventing incidents and not setting regulations while the employers can blame the employees for ignoring instructions etc.; also, victimisation can be diffused, in some cases there is no relationship between the offender and the victim i. e. an employer's failure to check the safety of the apparatus causes and injury. All these categories result in the 'ambiguous criminal status' of white collar crimes.

There are many problems in researching white collar crime, as Edwin Sunderland found out first hand, he could not publish the names of the companies in his studies in fear of being prosecuted himself for libel, there is the argument for this reason, it cannot be defined as crime seeing as criminologists cannot research it properly and efficiently. Statistics are very hard to find, seeing as most go undetected and do not fit legal offences, also victim surveys are almost non-existent. As Croall points out, because there are so many offences hidden, it is very hard to get a sample of offenders for research, a large knowledge of the market and legal terms, the easiest way to conduct research is through 'individual case studies, investigative journalism, court observation and reports, cases reported in the mass media

and interviews with enforcers.' All the above is a huge contributing factor in why the crimes of the powerful are in the margins of criminological inquiry, if a criminologist cannot conduct a valid, reliable study then these types of crimes will always stay outside of criminological inquiry.

However, as mentioned earlier, white collar crime is very diverse, and is, in many cases, extremely destructive and serious and should be in the centre of criminological inquiry. To begin with is offences against employees by employers, according to Muncie and McLaughlin, many employers will breach health and safety regulations for the employees just to meet deadlines and increase profits, 400 people a year in Britain die as a result of an accident in the workplace, in 1992 alone 28,000 people suffered serious accidents and 140,000 suffered minor ones. According to Croall 'two-thirds of fatal accidents involved some management violation of the Health and Safety at Work Act and three quarters were blamed on management, yet less than 40 per cent of workplace deaths resulted in prosecution' This is a hefty amount of deaths, and with such little amount of prosecutions, it does seem that business; can get away with wrongdoings. The main example for this is a string of disasters on oil rigs, in 1965 13 people died on the Sea Gem rig, followed by the Alexander Kielland rig which killed 123, yet lessons were never learnt from these and in 1988 168 people died aboard the Piper Alpha oil rig which was owned by Occidental Oil. It was put down to failure of safety regulations and their enforcement In November 1990 Lord Cullen's criticised the safety features, after a civil action over insurance payments in 1997 two workers who had died were found to be negligent.

Next is offences against consumers, these can range from fraudulent advertising to inferior design of products and defying regulations surrounding the products. The main example of this is the Zeebrugge disasters in 1987 involving the capsizing of the ferry Herald of Free Enterprise which killed 154 passengers and 38 crew members. The owners P & O Ferries international were blamed for not applying a safe operating system and for letting a deckhand fall asleep on the job. The families of those who suffered pressed the Director of Public Prosecutions to charge them with corporate manslaughter but it never happened. An investigation found that it was the companies fault for not giving clear instructions about safety procedures. After a second disaster involving the Estonia which killed 850 people, new safety measures were brought in 1997.

New safety measures were finally brought into effect in 1999 following a second ferry disaster. The Estonia sank in 1994 with the loss of 850 lives.

Offences against the public is a very serious category, with the huge rise in industrial development such as the use of coal, gas, oil and nuclear power, the risk of damage to the public and the environment has increased. The main example of this is the Union Carbide disaster in Bhopal in 1984 where a huge gas leak in a chemical plant led to approximately 15,000 deaths although the government claim 3,787 deaths, this is considered to be the worst industrial disaster in the world and possibly the worst corporate crime to date. The company who owned it, Union Carbide, were blamed for poor design of the plant, its placement near a shanty town housing thousands of people, its faulty safety devices and its awful condition generally. Pearce and

Tombs conclude that ' Union Carbide created or allowed to develop the  
<https://assignbuster.com/examining-the-crimes-of-the-powerful-offenders-criminology-essay/>

conditions whereby and accident was possible... (The company) had not taken the steps necessary to migrate the effects of the accident' to this day thousands of families have not received compensation, in 1991, the Indian government charged the CEO of union Carbide Warren Anderson with manslaughter. He never faced trial and evaded an international arrest warrant while Union Carbide was charged with homicide, yet these charges never followed through.

Another type of corporate crime is offences against other firms where one company will try to sabotage another company to maximise profits, and example of this is the case of Guinness' takeover of Distillers in 1986. Guinness' bid was contested by a bid from the Argyll group, to strengthen its bid, Guinness spent £25 million on letting friends and associates buy its own shares to increase its share price, they also bought a huge share in Distillers at an inflated price which it could honour its shareholders. The chief executive at the time Ernest Saunders and two other associates were found in breach of the Stock Exchange regulations and of criminal law and were prosecuted.

Finally are offences against the state, this can include corporate tax evasion or bribery. An example is a scandal that surrounded the sales of engineering equipment from the British company Matrix Churchill to Iraq that could have been used by Britain just before the Gulf war in 1990. Ministers secretly encouraged them to do so while they used official secrecy regulations to avoid being punished.

These are all relevant examples to why criminology should focus more on white collar crime as a 'real' crime, the examples given are huge crimes on a wide scale, they cannot compare to a petty theft at a newsagent, but there are worse cases, some companies main objective will be for crime, such as fraud, using the company as a disguise. The main example of this so-called 'mega fraud' is the case of The Bank of Credit and Commerce international (BCCI) which was closed down in 1991 with £10 billion worth of debts and 300, 000 creditors world wide. The bank itself had very close links to Abu Dhabi. The bank would use the money deposited to estimate the stock markets and make loans to people, often fake, who lacked collateral to back them, and the losses were then concealed by taking out fake loans and raised \$600 million. According to the media they were involved with' tales of drug-money laundering, bankrolling of Middle East terrorists, underwriting of Saddam Hussein's quest for a nuclear bomb, etc'. Yet there is such thing as petty frauds, which can occur outside the work place and outside the big corporations, this can include the sale of defective goods and providing unsatisfactory services e. g. illegal street traders selling counterfeit DVDs.

Another is occupational crime where an individual takes advantage of his/her position as an employer, ' the greater the responsibility borne by any particular employee, particularly in handling the money, the greater the scope of negligence or criminality' (McLaughlin and Muncie 1996; 240).

Finally is middle class crime where crime is committed outside of employment, notably tax evasion or insurance fraud conclusion, the main reason that white collar crime is on the margins of criminological inquiry is because society does not expect powerful respectable people to criminals,



even though it occurs frequently the fact that it is so undetectable can make it hard for criminologists to even class it as a crime. The main reason this occurs is because of market forces and the desire for profit, something that does not affect average criminals. ' The difficulty of differentiating between the pursuit of legitimate commercial advantage and rule-breaking profiteering goes some way towards explaining the differential response of the authorities and public opinion towards white-collar and ' ordinary' crime' (McLaughlin and Muncie 1996; 262) added to the trouble in regulating the crime and its inclination to use sanctions rather than punishment, white collar crime at present cannot be central in criminological inquiry, perhaps in the future the justice system will realise this, most probably after a big disaster has occurred.