

# White collar and its impact on the society criminology essay



Sutherland defined white collar crime as “ a crime committed by a person of respectability and high social status in the course of his or her occupation (Benson, 2009). According to Siegel (2012), this definition and the subsequent works of Sutherland constitute great milestone in the history of criminology. However, he notes inadequacies in this scope since it focuses on corporate criminality with emphasis on the rich and powerful members of the society. As such, definition of white collar crimes has taken a much broader perspective of the society to include corporate titans and middle-income Americans. Today, white collar crimes include credit card fraud, bankruptcy o credit frauds among others.

Forms of white collar crimes

White-Collar Client Fraud

Common white-collar frauds include Credit card fraud, bank fraud, Health care fraud and tax evasion. Credit card fraud involves any unauthorized use of a credit card to purchase merchandise or services. There are several ways a criminal can go about committing this crime. The thief can do it the old-fashioned way and pick someone’s pocket. Before the victim realizes his wallet is gone, the thief can buy thousands of dollars worth of merchandise number by sending a fake e-mail asking for it. Some thieves even go through garbage looking for carbon copies of credit card transactions, just to steal the number (Benson, 2009). Finally, a criminal could commit credit card fraud by obtaining a real credit card through false pretenses.

The law allows those who are hopelessly in debt to be relieved of that debt by declaring bankruptcy, that is, an official promise not to borrow any more

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money for a set period of time. White-collar criminals can exploit these laws to get out of paying debts, and then change their identity so that new loans can be secured. According to Siegel (2009), bank fraud may include cheque forgery, check kitting, sale of stolen cheques, presentation of false statements on loan application and unauthorized use of ATMs. In the U. S, bank fraud attracts a penalty of \$1 million fine or imprisonment of up to 30 years (Benson, 2009).

Health care fraud occurs when people take advantage of health care providers, health insurance companies, or government health care programs, such as Medicaid and Medicare, to wrongfully gain money. The number-one type of health care fraud involves billing patterns. Doctors will perform a small task for a patient, such as treat them for a cold, but will bill the insurance company for some-thing more serious, such as setting a broken leg. In some billing fraud cases, every bill sent from the fraudulent doctor's office to an insurance company was exaggerated in some way. Other types of health care fraud include kickbacks (a sum of money paid illegally in exchange for favors), billing a premium rate for services performed by a person less qualified than the billing doctor, and billing for unnecessary equipment (Friedrich, 2010).

Law enforcement has found significant health care fraud going on at all types of health care facilities: hospitals, doctors' offices, ambulance services, laboratories, drug stores, medical equipment suppliers, and nursing homes. These frauds lead to misappropriation of government revenue resources and is likely to compromise health cover programs (Benson, 2009). Low income earners stand to suffer more in the event of collapse of such medical covers. <https://assignbuster.com/white-collar-and-its-impact-on-the-society-criminology-essay/>

The government may be forced to increase taxes to sustain the inflated health budgets this subjects a heavier tax burden to the public.

Tax evasion is also another form of white collar client fraud in which errant taxpayers evades paying part or sum of taxes on the money earned. In this crime, the direct victim is the government while the general public is the indirect victim. According to Benson (2009), tax evasion is a challenging issue for criminological studies since many U. S citizens and organizations report ‘ cooked” books of account. Unfortunately, it is difficult to draw a line between accountancy errors and tax evasion strategies. It is important to note that taxes collected by the government are used to finance public projects including education, health and infrastructure among others. Therefore, tax evasion has a long term impact on the general public as the government fails to collect enough or budgeted revenues to finance such projects.

#### White-Collar Influence Peddling

In this type of crime, individuals holding influential institutional positions sell their influence to outsiders who have interest in information about the institution or influencing the activities of the organization. Crimes in this category include organizational or government employees taking bribes from contractors in order to award them contracts they could have otherwise won on merit. Such practices compromise the quality of service delivered since in most cases, candidates unlikely to secure contracts on merit are awarded contracts. It is also compromises the ethical process of procurement in institutions (Benson, 2009).

## White-Collar Chiseling

White-Collar chiseling involves deceit or deception by organizations or people. Chiseling schemes normally involve overcharging or billing for items never received by customers. For instance: a garage billing a customer for auto repairs that were never performed or required. It can also entail substituting cheap brand goods for expensive brands or altering product measurements with a motive of depriving customers. According to White (2008), chiseling schemes deny customers fair treatment by bending laws of familiar and reasonable business practice. For example; Robert Courtney, a Kansas City pharmacist sold diluted mixtures of cancer medication commonly used in treatment of AIDS related diseases, lung, pancreatic, advanced ovarian and breast cancers. His criminal activities had involved 98,000 prescriptions and harmed over 4,200 patients (Siegel, 2012). It is worrying that some individuals in very sensitive professions like Mr. Courtney can willfully sacrifice lives of patients for personal gains.

## Corporate Crime

Corporate crime is a form of white-collar crime in which large and influential organizations or their agents intentionally breach the laws that require them to do social good or restrain them from doing social harm. Siegel (2012) defines corporate crime as all those injurious acts committed by people in control of large companies to further their business interests. In this case, the perpetrator of the crime is a legal entity; the corporation, and as such, the law does not lift the corporate veil to hold its agents liable. Examples of

crimes in this category include false claim advertising, deceptive pricing, illegal restraint of trade and worker safety violation.

In false claim advertising, firms reveal certain appealing or unique information about their products or services with the purpose of luring customers in to buying them. Such firms may not reveal dangerous information about their products. In long run, the folly nature of consumers may lead to harm such as product side effects and death among others. In illegal restraint of trade, firms are involved in conspiracy with the purpose of stifling competition by creating monopolies or maintaining their set prices. In deceptive pricing, corporations communicate misleading information to potential buyers. Collectively, these malpractices enable such corporations to deprive large sums of money from the public (Siegel, 2012).

Worker safety violation involves organizations poor or unsafe working conditions which are likely to harm employees. According to Benson (2009), it has been estimated that over 20 million people in the world are currently exposed to hazardous materials or work situations. Accordingly, averages of 4 million workers are injured and 4000 die on the job each year.

Occupational Safety and Health Administration (OSHA) has played a central position in controlling workers' safety by setting standards for use of dangerous chemicals such as lead, coke, benzene and arsenic among others. Violation of these standards amounts to criminal acts.

### White-collar swindles

This form of crimes involves an individual (purportedly a criminal) using his or her ongoing business or institutional position to fraudulently trick other  
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parties out of their property or money. Typical crimes in this category involve investment frauds in which some corporations engage in unethical investment practices to fraud the investors. For example: in the 1929 economic depression, allegedly caused by overpricing of stocks, led to collapse of the U. S stock market. Some days before the collapse of the stock market, top investor concealed the information and sold off their holdings. The collapse left masses of the American population in extreme poverty. Other investment schemes which affected economies include the Ponzi scheme, pyramid scheme and the Prime bank scheme among others (Siegel, 2012).

### Green Crime and its Impact on the Society and Environment

According to Siegel (2012), definition of green crime can be approached from three perspectives including; legalistic, environmental justice and Bio-centric. From the legalistic perspective, environmental crimes entail all those activities that violate existing criminal laws designed to protect the environment and/or people. This stretches to include occupational health and safety, and environmental management crimes (Siegel, 2012). According to environmental justice perspective, some organizational or government activities may have a very great impact on the environment, yet such institutions may have substantial powers to manipulate environmental laws. Therefore, this approach advocates for a broader view of green crimes and not only the laws. Bio-centric view perceives environmental crime as any human activity that has the potential to disrupt a bio-system and /or destroy animal and plant life (Siegel, 2012). This is a more thorough approach since it would criminalize any human activity whether as a result of negligent or

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intentional or manipulation that is likely to cause harm on the earth's natural resources.

## Forms of Green Crime and their Impact

### Illegal logging

This crime involves harvesting, processing and transporting wood products or timber in violation of existing treaties and laws. According to Siegel (2012), it is a universal activity in timber producing countries where law enforcement is lax; especially 3rd world countries. Violations in this category include evading export duties payable on transportation of logs, ignoring legally established logging quotas, processing logs without licenses and explored legally restricted forest quotas like national parks among others. These illegal logging practices generate huge profits than legally prescribed means (Cohen, 2002).

According to Siegel (2012), illegal logging has a severe impact on the environment and the society. It destroys forests, which are habitats for wildlife and thus makes some animal and plant species extinct. For example: in central Africa, illegal logging has destroyed wildlife habitat and threatened wildlife including chimpanzees and Great apes. Destruction of forests leaves the surface bare. This condition is likely to result in landslides and flash floods which have in the past killed and displaced thousands of people around the worlds. Deforestation reduces the absorption rate of carbon emissions, thus significantly contributing to global warming.

### Illegal wildlife Exports

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This involves illicit movement of wildlife commodities and contrabands across national boundaries for trade purposes. Wildlife commodities include elephant ivory, rhino horns, tiger parts, exotic reptiles and birds and tiger parts among others. Wildlife contrabands include cultural artifacts, hunting trophies, traditional medicines, live pets and wild meat among others. Poaching endangers certain animal species and threatens their extinction. Illegal wildlife exports also present a risk of spreading pests and diseases to unaffected places. Non-native species can harm the receiving habitats. For instance; in Florida, non-native species imported as pets such as Pythons were abandoned in the wild and as a result, this specie has overrun its own Everglades (Gupta, 2012).

In the US, the Endangered Species Act of 1973 and the Lacey Act are some of the laws that the congress passed to protect plant and animal life. These laws established criminal and civil penalties for violation involving illegal export of wildlife. The laws also established guidelines and authorities for wildlife trade inspection at entry ports (Cohen, 2002).

### Illegal fishing

Unlicensed and illegal fishing practices are also another form of lucrative green crime. Illegal fishing may take the form of huge factory ships operating on seas, catching thousands of tons of fish or locally operated ships confined on national waters (Siegel, 2012). This crime occurs when such ships sign on their domestic rules but proceed to operate beyond the stipulated boundaries and scope, or operate without a permit in a country's water. Illegal fishing evades regulatory bodies and consequently, it becomes

difficult for a government to monitor consumption of certain species of fishes. Lack of required equipments such standard nets, and access prohibited zones can damage an ecosystem. Therefore, this practices places some species at risk of extinction.

### Illegal dumping

Illegal dumping involves violation of federal, state or local restrictions on dumping hazardous material in the environment. These green-collar criminals dispose of dangerous wastes in illegal dump sites because they want to avoid disposal fees. Dumped materials may include construction site wastes, used motor, oil, used machinery and e-waste among others. According to Cohen (2002), chemical compounds contain in some of these wastes attracts higher disposal fees and therefore criminals look for alternative ways of disposals. Many organizations have found a way to dispose of such stocks by dumping them in developing countries for recycling. Within relatively shorter durations, such stocks become unusable and are dumped carelessly on the environment. The chemical compounds contained in these wastes such as lead and mercury, are extremely dangerous to human. Generally, such wastes degrade the environment and affect agriculture.

### Illegal pollution

Illegal contamination of the environment involves negligent or intentional discharge of contaminated or toxic substances likely to affect the life or natural environment adversely, into a bio-system. Common dangerous chemical compounds include mercury, asbestos, Kepone, aerosols, vinyl  
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chloride, hydro-chlorofluorocarbons, methane, nitrogen oxide refrigerants and chlorofluorocarbons among others. Water pollutants degrade the quality of water, making it unconsumable by human and animals or to affects plant life. The Gulf of Mexico and the Exxon Valdez oil disasters are good examples of illegal pollutions that greatly affected ecosystems. Hundredths of thousands of sea animals were killed besides impairing plant life (Gupta, 2012). Exposure of the aforementioned chemical compounds into the environment collectively contribute to the ozone problem and subsequent global warming which have had an impact on global weather patterns and further threatened human and plant life.