

# Encyclopedia of Criminological Theory

## Sutherland, Edwin H.: White-Collar Crime

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Book Title: Encyclopedia of Criminological Theory

Chapter Title: "Sutherland, Edwin H.: White-Collar Crime"

Pub. Date: 2010

Access Date: September 12, 2014

Publishing Company: SAGE Publications, Inc.

City: Thousand Oaks

Print ISBN: 9781412959186

Online ISBN: 9781412959193

DOI: <http://dx.doi.org/10.4135/9781412959193.n252>

Print pages: 911-916

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<http://dx.doi.org/10.4135/9781412959193.n252>

The concept of white-collar crime, introduced by Edwin H. Sutherland in his presidential address to the 34th annual meeting of the American Sociological Society in 1939, had two fundamental themes. First, it called attention to serious occupational law-breaking by upper-level persons in business, politics, and the professions. Second, it tied the portrait of such criminal activity to a theoretical construct that Sutherland, in his presidential address (published in 1940 as “White-Collar Criminality”) had labeled “differential association.”

Sutherland's presidential address and a decade later his classic monograph *White Collar Crime* embedded the words *white-collar crime* in our language. The term appears constantly in and on the mass media, statutes employ it as a catch-all designation for certain illegal behaviors, and judges refer to it in decisions and sentencing justifications in ways that indicate a common public understanding of what is meant.

In his presidential address, Sutherland referred to notorious swindlers, many of whom, in Matthew Josephson's colorful term, were labeled “robber barons”—business tycoons who bought legislatures, robbed investors, and ran roughshod over competitors. But these wrongdoers could not be grouped and examined in a manner that would [p. 911 ↓ ] yield scientifically useful theoretical generalizations. At best, they were case histories—war stories—that had among them only some similarities that might be molded into a superficial explanatory scheme.

The title of Sutherland's presidential address printed in the program was “The White-Collar Criminal,” but the published version was called “White-Collar Criminality” and the subsequent monograph bore the title *White Collar Crime*. The shift in emphasis is significant. By the time he published the book, Sutherland largely had abandoned his focus on human malefactors and had resorted to the only approach reasonably available to him at the time by presenting case histories of violations by corporate entities. Sutherland had been employing graduate students since 1928 to locate and codify reports of corporate wrongdoing (Sutherland, 1956). But as Donald Cressey, Sutherland's intellectual acolyte, would point out, Sutherland had to anthropomorphize the corporations, that is, to treat them as if they were individuals whose actions could best be interpreted by the social psychological theory that Sutherland advocated. For

Cressey, this was a feckless enterprise: only people could think and act; organizations were mindless entities.

In promulgating his material on white-collar crime, Sutherland belittled, indeed ridiculed, ideas that served as then-current explanations of crime, including feeble-mindedness, poverty, immigrant status, broken homes, and Oedipal complexes. In what would become a much-quoted observation, Sutherland wrote, "We have no reason to think that General Motors has an inferiority complex or that the Aluminum Corporation of America has a frustration-aggression complex" (1956, p. 96). This polemic, however, was more a reflection of Sutherland's antipathy toward psychiatric theory than a strong debating point. To truly carry his argument, he would have had to demonstrate (or at least argue) that such pathologies could not be located in those running the corporations rather than in the businesses themselves.

White-collar crime was Sutherland's polemical trump card in debates regarding criminological theory. If elite offenders, such as violators of antitrust laws, did not manifest personal or social characteristics tied to criminal activity, then those conditions could not be presumed to account for all crime.

Sutherland's differential association theory presumed to explain every form of crime. It maintained that criminal behavior is learned from social interactions. Considerations such as tutelage in regard to illegal tactics and the inculcation on the job of values and attitudes that deemed law breaking as the preferred course of action were asserted to underlay white-collar crime. It did not appear to occur to Sutherland that there might not be any satisfactory theory, then or thereafter, that could provide an acceptable interpretation of all crime and that white-collar crime might better be understood by theoretical constructs that did not explain domestic violence, rape, or other offenses.

## The Impetus for *White Collar Crime*

There are hints in Sutherland's life story and academic career that indicate why he would turn for the first time and so forcefully to the subject of white-collar crime when he was in his mid-fifties. By all accounts, Sutherland was a cautious man but also a well-meaning one. He favored the capitalist system, but he deplored its excesses and

its insensitivity to the public welfare. He had the courage to criticize his government as “racist” during World War II for its interment of 120,000 Japanese, more than half of them U.S. citizens, who obviously posed no threat to the United States. But he was reluctant to offer an assistantship to a black graduate student in the Indiana University sociology department, which he chaired, not because he was prejudiced against the student or his race but because to do so would go against the prevailing sentiment of the times (Snodgrass, 1972).

In his academic life, Sutherland had been indoctrinated into the ethos that muckraking was propaganda and that the true social scientist should adopt a neutral pose toward his or her study material. At the same time, he rebelled against what he saw as the sterility of much of the criminological and sociological enterprise—his devotion was to research and writing that advanced the common good, not work that drew scholarly plaudits from a handful of other specialists. His crusade against white-collar crime meshed with his reformist inclinations.

At one point, shortly before the publication of *White Collar Crime*, Sutherland wrote in his criminology textbook that the definition of white-collar crime should embrace behaviors which “are not even a violation of the spirit of the law, for the [p. 912 ↓] parties concerned have been able by bribery and other means to prevent the enactment of laws to prevent wrongful and injurious behavior” (1947, p. 37). It is difficult to imagine a more radical (and, in some regards sensible) criminological concept. Sutherland retreated from that position in *White Collar Crime*, but that he enunciated it at all indicates his strong moral revulsion against what he labeled white-collar crime.

## Family Background

Sutherland was born in Gibbon, Nebraska, on August 13, 1893, the third of seven children. His father, a Baptist minister, soon moved the family to Ottawa, Kansas, where he taught history for 9 years. He then relocated to Grand Island in Nebraska to assume the presidency for 20 years of Grand Island College, a Baptist school from which Sutherland graduated in 1904.

The populist fervor that permeated the Midwest during Sutherland's youth undoubtedly played a leading role in forming his ideological mindset. Typical was the platform of the *Alliance-Independence*, a populist Nebraska newspaper, that argued that “corporations, which have so long dominated and corrupted our politics and robbed our people through extortionist charges, [should be] retired from power” and inveighed against office holders who were “selfish men who ignore the law and violate their official oaths that they may enrich themselves at the expense of the taxpayers” (Cherney, 1981, p. 41).

Sutherland largely abandoned churchgoing in later life, and one of his jabs at organized religion appears in *White Collar Crime* where he writes that “in the earlier years the religious journals were notorious as accessory to misrepresentation in advertising” (p. 126). Nonetheless, the powerful Christian precepts regarding moral behavior in human transactions clearly influenced Sutherland's repugnance for exploitative business practices, even though he sought to camouflage these views as neutral social science inquiry. As sociologist Jon Snodgrass observed, Sutherland veered away from religious orthodoxy, but he remained “a man of compulsive virtue and integrity.... While he may have given up the orthodoxy of his Baptist upbringing, he never lost its scruples” (p. 223).

## Academic Career

Sutherland began teaching at Sioux Falls College in South Dakota in 1906 and soon thereafter enrolled in the sociology department at the University of Chicago, staffed by a group of preeminent scholars. Sutherland received his Ph.D. in 1913, with majors in both sociology and political economy. He taught for 6 years (1913–1919) at William Jewell College in Liberty, Kansas, before joining the University of Illinois faculty (1919–1926), then moving to Minnesota (1926–1929), followed by a year of overseas research on prisons for the Bureau of Social Hygiene. He joined the Chicago faculty from 1930 to 1935 and then became founding chair of the Indiana University department, a position he held until his death on October 11, 1950.

# The Presidential Address

Sutherland, then 56 years old, introduced the term *white-collar crime* in his presidential address in Philadelphia at a joint meeting of the American Sociological Society and the American Economic Association. He reviewed major instances of financial fraud by business magnates such as the railroad entrepreneurs and monopolists. He also catalogued legal actions taken by the criminal courts and the regulatory agencies against most of the prominent corporations in the United States. The offenses that drew his attention included antitrust violations, false advertising, theft of trade secrets, and bribery.

Sutherland opened his address with the observation that economists, while they were acquainted with the methods of business, rarely examined these methods in terms of crime, while sociologists, though often students of criminal behavior, rarely considered it as an ingredient of business. One of his tasks, Sutherland maintained, was to raise the consciousness within both disciplines with regard to white-collar crime which, in this the first of his many vexing and varying definitions, Sutherland characterized as “crimes in the upper or white-collar class, composed of respectable or at least respected business and professional men” (1940, p. 1).

To illustrate his theme, Sutherland listed a roster of crimes by physicians who he presumed were more honest than most professional persons. The [p. 913 ↓ ] list included abortions (illegal at the time); sale of prohibited narcotics; services to underworld figures, such as cosmetic surgery to help them avoid capture; fraudulent reports of accident cases; and unnecessary treatments. He declared that many persons who were supposed to oversee business activities were partial to the violators and that they had been recruited from and would return to the companies they failed to regulate.

Sutherland noted that newspapers tended to ignore or to bury on the back pages reports of business crimes. This was, he suggested, because they were beholden to corporate advertisers they dared not offend and because they themselves committed white-collar crimes, such as skirting the child labor laws by hiring underage boys and girls and labeling them as “independent contractors” rather than as employees.

Sutherland also documented the wrongdoing of notorious business magnates and maintained that what he deemed to be the inconsequential penalties meted out to them resulted from the fact that judges shared the same background as the offenders, having grown up in the same neighborhoods, gone to the same schools, and been members of the same clubs and churches.

## White Collar Crime

It took another decade after the presidential address before Sutherland completed and Dryden Press issued his classic *White Collar Crime*. The Dryden monograph omitted several chapters that the publishers had asked to be excised on the ground that they feared lawsuits for defamation because Sutherland called certain corporations “criminal” although their violations had not been dealt with by a criminal court. It would be more than 30 years before an “uncut version” of *White Collar Crime* would be published (Sutherland, 1983).

Sutherland declared that his only aim was to invigorate criminological theory, a statement that some view as disingenuous. He maintained that his concern was with “the purpose of developing the theories of criminal behavior, not for the purpose of muckraking or reforming anything except criminology” (1940, p. 1). Some question the sincerity of this disclaimer given, for instance, Sutherland's characterization of utility companies:

[T]he utility corporations for two generations or more have engaged in organized propaganda to develop favorable sentiments. They devoted much attention to the public schools in an effort to mold the opinion of children. Perhaps no group except the Nazis have paid so much attention to indoctrinating the youth of the land with ideas favorable to a special interest, and it is doubtful whether even the Nazis were less bound by considerations of honesty in their propaganda. (1949, p. 210)

Sutherland insisted that the white-collar offenses he studied were truly criminal acts, however the legal system might (or might not) deal with them. His position here provoked strong criticism from some sociologists, particularly some who also had

legal training. They argued that Sutherland was pinning a “criminal” label on persons who had been dealt with civilly or administratively. Paul Tappan lashed out at what he saw as the disregard for legal definitions in Sutherland's writing on white-collar crime. “One seeks in vain for criteria to determine the white-collar criminality,” Tappan wrote. “Is it the conduct of one who wears a white collar and who indulges in occupational behavior to which some particular criminologist takes exception? It may easily be a term of propaganda” (Tappan, 1947, p. 99). Tappan was correct in that white-collar crime can be considered a term of propaganda directed against specified illegal activity with the intent to control such behavior, just as the term *crime* can be seen as implicit propaganda directed at law-breakers with the intent to deter and to capture and punish them.

Sutherland's defense relied on an analogy to medicine. No matter what treatment a patient receives—be it the poultices and bloodletting of earlier times or the streptomycin of Sutherland's time—a person who has tuberculosis is a tubercular person. Someone who commits a white-collar crime, Sutherland insisted analogously, remains a criminal whether or not the offense is discovered or how it is dealt with.

Sutherland compared the “rap sheets” of businesses to those of robbers and professional criminals, such as con men, and maintained that the companies were professional crooks since they had more law violations charged against them. Given the plentitude of laws regulating businesses and [p. 914 ↓ ] the number of persons who might violate them, some sociologists and criminologists consider this comparison far-fetched.

Sutherland believed that white-collar crime is more likely than street offenses to tear at the heart of a social system and to render its citizens cynical and selfish: “White-collar crimes violate trust and therefore create distrust,” he wrote. “This lowers social morale and produces social disorganization.... Ordinary crimes, on the other hand, produce little effect on social institutions or social organization” (Sutherland, 1949, p. 13).

## Conclusion

The subject of white-collar crime today serves much the same function that Sutherland assigned to it more than 60 years ago. First, it identifies and highlights a particular form of law-breaking that persistently has been viewed as distinct from the general problem of crime. At the beginning of 2009, a columnist in *The New York Times* bemoaned the fact that government investigators had determined that 50 billion American dollars allocated to rebuilding the Iraq infrastructure had been stolen by corrupt forces. What bothered the writer most of all was what had vexed Sutherland: The American public seemed indifferent to news of this gigantic swindle.

Second, white-collar crime has continued to haunt and befuddle theorists seeking all-embracing explanations of crime. The most popular current theoretical construct, promulgated by Michael Gottfredson and Travis Hirschi, maintains that an absence of self-control underlies all criminal behavior. But this formulation seems to collapse when attempts are made to apply it to the notorious spate of white-collar offenses that erupted after the turn into the current century. The crimes of upper echelon law-breakers at Enron, WorldCom, Adelphia, Arthur Andersen, and similar corporations and partnerships did not contain the characteristics that Gottfredson and Hirschi argued mark all criminal behavior, including such things as short-term goals and impulsive conduct (Benson & Moore, 1992; Steffensmeier, 1989).

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<http://dx.doi.org/10.4135/9781412959193.n252>

See also

- [Clinard, Marshall B.: The Black Market](#)
- [Cressey, Donald R.: Embezzlement and White-Collar Crime](#)
- [Geis, Gilbert: Perspectives on White-Collar Crime Scandals](#)
- [Ross, E. A.: Sin and Society](#)
- [Sutherland, Edwin H.: Differential Association Theory and Differential Social Organization](#)

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