

Encyclopedia of Law & Society: American and Global Perspectives

White-Collar Crime, Criminology Of

Contributors: David O. Friedrichs

Editors: David S. Clark

Book Title: Encyclopedia of Law & Society: American and Global Perspectives

Chapter Title: "White-Collar Crime, Criminology Of"

Pub. Date: 2007

Access Date: December 08, 2014

Publishing Company: Sage Publications, Inc.

City: Thousand Oaks

Print ISBN: 9780761923879

Online ISBN: 9781412952637

DOI: <http://dx.doi.org/10.4135/9781412952637.n726>

Print pages: 1583-1586

©2007 SAGE Publications, Inc. All Rights Reserved.

This PDF has been generated from SAGE knowledge. Please note that the pagination of the online version will vary from the pagination of the print book.

<http://dx.doi.org/10.4135/9781412952637.n726>

White-collar crime has not been a primary focus of criminology through most of its history. Rather, conventional forms of crime have received the largest proportion of attention from criminologists. This is somewhat paradoxical insofar as the harm caused by white-collar crime far exceeds that caused by conventional crime (and juvenile delinquency), at least by some measures. Financial losses due to white-collar crimes dwarf such losses from conventional forms of crime. In addition, white-collar crimes are complicit in a range of physical costs to human beings, including [p. 1583 ↓] illness, disabling injury, and premature death. Such physical costs of white-collar crime are especially associated with corporate polluting of the environment, unsafe working conditions, and dangerous products inflicted on consumers.

Several factors explain the relative neglect of white-collar crime. First, both the personal and professional socialization of criminologists has not historically privileged white-collar crime over conventional forms of crime. Second, financial and other support for white-collar crime research tends to be less readily available. Third, white-collar offenders tend to be less accessible for research purposes, and powerful organizations such as corporations are typically not inclined to cooperate with such research. Fourth, the control of white-collar crime is distributed among a much broader range of agencies and entities than is true for conventional crime. Finally, white-collar crimes (especially in their corporate form) are often dauntingly complex. Those engaged in the criminological study of white-collar crime may have to achieve mastery over a number of different disciplines if they are to analyze and explain white-collar crime in a sophisticated way.

Since the 1970s, criminologists have produced a substantial literature on white-collar crime. Growing numbers of criminologists began to specialize in its study. By the early twenty-first century, white-collar crime had firmly established itself as a significant specialty within the broader field of criminology.

Origins of White-Collar Criminology

Edwin Sutherland (1883–1950) introduced the term *white-collar crime* and produced its first major criminological study. In his 1939 presidential speech before the American Sociological Society, Sutherland implored criminologists to attend to the crimes of

respectable businesspeople, corporations, and those committed in the context of legitimate occupations. He titled his 1949 study of the crimes of major American corporations *White-collar Crime*.

The study of white-collar crime has been plagued by ongoing disputes over its proper definition. Sutherland himself contributed to this confusion by defining the term somewhat differently over several years. Should the term refer only to violations of the criminal law, or to forms of harm addressed by civil and administrative law as well? Should it only refer to acts committed by higher-status individuals and institutions, or to acts committed in the context of any legitimate occupation? Should it refer only to acts involving financial and economic activities, or to acts involving physical harm as well? Finally, should it refer only to the acts of individuals, or also to the acts of organizations?

Those who invoke the term *white-collar crime* may do so for polemical purposes to call attention to the crimes of the privileged. Others invoke the term in the context of empirical studies, adopting an operational definition of white-collar offenders, for instance, those convicted of certain federal crimes. Scholars have agreed on certain divisions. The distinction between corporate crime (carried out on behalf of corporations), and occupational crime (carried out within the context of a legitimate occupation) is fundamental. Nevertheless, one can also recognize the existence of cognate, hybrid, and marginal forms of white-collar crime that include governmental crime (state crime and political white-collar crime), state-corporate crime, crimes involving globalization, finance crime, enterprise crime, “contrepeneurial crime,” “technocrime,” and avocational crime.

Explaining White-Collar Crime

Criminologists, in general, developed theories to explain conventional forms of crime and juvenile delinquency. Accordingly, some of these theories do not apply convincingly to the explanation of white-collar crime. Sutherland developed a theory of differential association because he recognized that criminological theories attributing criminal behavior to poverty and social pathologies were unable to account for the criminal behavior of privileged classes. Sutherland argued that a theory of differential

association, highlighting the learning process in acquiring criminal patterns of behavior, was a general theory of crime, applicable to the crimes of the rich as well as the poor.

In 1990, Michael Gottfredson and Travis Hirschi proposed a general theory of crime that attributes crime [p. 1584 ↓] largely to individuals with low self-control. By their reasoning, such individuals are unlikely to achieve legitimate occupational success, and accordingly white-collar crime is relatively uncommon. Scholars have criticized their theory as it applies to white-collar crime on many grounds.

Although scholars have applied a range of theories—from rational choice to anomie—to understand white-collar crime, such theories have some limitations in explaining corporate, or organizational, crime. Accordingly, criminologists have developed theories to explain crime on an organizational level, taking into account both external and internal factors. Complex corporate crimes can only be explained by applying an integrated theoretical approach, incorporating macro-, meso-, and microlevels of explanation. Furthermore, theories addressing criminalization—for example, how or why scholars define certain forms of harm as criminal—have been especially relevant to the understanding of white-collar crime. Conflict theories and neo-Marxist theories have been especially useful in this context.

White-Collar Crime after Sutherland

For several decades following Sutherland's 1939 call for more attention to white-collar crime, relatively few criminologists heeded this call (with Marshall Clinard, Donald Cressey (1919–1987), Gilbert Geis, and Richard Quinney among the exceptions). In the 1970s, a measurable upsurge in white-collar crime scholarship occurred, partly as a reflection of the political turmoil of that period. Accordingly, some criminologists applied a critical criminological perspective to the exposure of crime in high places, as a reflection of the maldistribution of power and wealth.

Other criminologists applied some version of mainstream criminological theory and methodology to the analysis of white-collar crime and its control. Marshall Clinard and Peter Yeager's *Corporate Crime* (1980) was the first major criminological study of this form of white-collar crime supported by a large federal grant. Scholars at Yale

University, such as David Weisburd and colleagues, produced a series of noteworthy studies relating to white-collar crime—including sentencing practices, the work of defense lawyers, and the operation of a federal regulatory agency, the Securities and Exchange Commission (SEC)—again with some significant federal funding.

Michael Benson and Francis Cullen studied local prosecutors and white-collar crime. Sally Simpson has explored the deterrent impact of criminalizing some forms of corporate conduct. John Braithwaite, arguably the most prolific and accomplished white-collar crime scholar, has produced a large and sophisticated body of work (much of it with various collaborators) exploring a wide range of phenomena pertaining to various forms of white-collar crime and its regulation.

A growing body of white-collar crime scholarship, applying the whole range of criminological research methods, has now investigated diverse forms of white-collar crime. For instance, studies include governmental crime, crimes carried out on behalf of states, and political white-collar crime. Many phenomena relating to white-collar crime and its control have been the foci of research, including whistleblowers, media representation of white-collar crime, the cost of white-collar crime, and the policing, regulating, prosecuting, defending, and adjudicating white-collar crime cases. The National White Collar Crime Center (NW3C), established in 1992, is the first federally sponsored entity specifically focused on white-collar crime. It promotes attention to certain forms of such crime, such as identity theft. Among other initiatives, it sponsored the establishment of a White Collar Crime Research Consortium to facilitate networking among white-collar crime scholars.

White-Collar Crime in the Twenty-First Century

Sutherland addressed white-collar crime within the context of a modern, industrialized society, and his work focused quite exclusively on white-collar crime committed within the boundaries of the United States. Even before the twenty-first century, however, it was evident that we live in an increasingly globalized, postmodern world. At least some white-collar criminologists had begun to focus on transnational and multinational

corporations and the challenges of [p. 1585 ↓] controlling them, as well as some of the harmful consequences of policy initiatives of international financial institutions such as the World Bank and the International Monetary Fund.

Early in the twenty-first century, many forms of conventional crime were in decline or had leveled off, but it was far from clear that these patterns applied to white-collar crime. A wave of “corporate scandals” emerged in the United States, beginning with the Enron case in 2001. Fraudulent activity surfaced in the mutual funds industry, as did a series of new insider trading cases. Many other forms of white-collar crime appear to be booming, which promises to make this subject more important than ever.

David O. Friedrichs

<http://dx.doi.org/10.4135/9781412952637.n726>

See also

- [Conflict](#)
- [Crime Trends](#)
- [Critical Criminology](#)
- [Culture, Global Legal](#)
- [Marxism](#)
- [Power, Law and](#)
- [Rational Choice and the Rational Actor](#)
- [Sutherland, Edwin H.](#)
- [White-Collar Crime](#)

Further Readings

Benson, Michael L., and Francis T. Cullen. (1998). *Combating Corporate Crime: Local Prosecutors at Work*. Boston: Northeastern University Press.

Braithwaite, John, and Peter Drahos. (2000). *Global Business Regulation*. New York: Cambridge University Press.

Clinard, Marshall B., and Peter C. Yeager. (1980). *Corporate Crime*. New York: Free Press.

Friedrichs, David O. (2004). *Trusted Criminals: White-Collar Crime in Contemporary Society*, 2d ed. Belmont, CA: Thomson/Wadsworth.

Gottfredson, Michael, and Travis Hirschi. (1990). *A General Theory of Crime*. Stanford, CA: Stanford University Press.

NW3C . (2006). "National White Collar Crime Center." <http://www.nw3c.org>.

Shover, Neal, and John Paul Wright. (2001). *Crimes of Privilege: Readings in White-Collar Crime*. New York: Oxford University Press.

Simpson, Sally S. (2002). *Corporate Crime, Law, and Social Control*. New York: Cambridge University Press.

Sutherland, Edwin. H. (1949). *White-collar Crime*. New York: Holt, Rinehart & Winston.

Weisburd, David, Stanton Wheeler, Elin Waring, and Nancy Bode. (1991). *Crimes of the Middle Class*. New Haven, CT: Yale University Press.