

The Global Implications of White Collar Crimes

Abstract

In this project researcher has endeavored to characterize white collar crimes, ponder its causes, types, it is in different calling, development and plan speculative answers for killing the issue. White collar crimes are the crime committed by a person of high social status and respectability during the course of his occupation. It is a wrongdoing conferred by salaried expert laborers or people in business and that typically includes a Form or budgetary burglary or Fraud.

By comparison, the instances of white collar crimes are more than the conventional type of crimes such as theft, bulgary and arson. The loss incurred through white collar crimes is far higher than that of the conventional type. This paper provides a detailed understanding behind the motives of people committing crimes.

Keywords: Corporate Crime, Crime, White Collar Crimes, Judiciary, Education, Eradication, Government.

I. Introduction

Offences may be defined into two classes: Traditional offences and Socio economic offences. Traditional offences are those offences it includes theft, robbery, dacoit and murder, etc. Socio economic offences are new form of criminality in which middle and upper class of people are involved and it is committed by them in their course of their occupations. Sutherland has named these crimes as white collar crimes while others have described it with different names i.e. public welfare offences, regulatory offences and crimes of strict liability. White collar Crime is otherwise called Socio Economic Crime since it has coordinate impact on our general public and our economy.

1.1 Origin

The term white collar crimes was coined or propounded for the first time by Prof. Edwin H. Southerland. He presented the concept of White Collar Crime in his address to the American sociological society in 1949. white collar crimes are also termed as hidden criminality. They are the crimes committed by the prevailed class or upper class or the persons of high social status. E.g. tax evasion, black marketing, adulteration of food products, etc.

1.2 Meaning

White collar wrongdoing is a non specific term that alludes to an expansive scope of illicit acts conferred by apparently respectable individuals in business setting as a component of their work related parts. White Collar Crime are also those crimes which either affect the health and material welfare of the community as a whole or the country's economy and by and large are committed not only by low class people but invariably the middle class and the elite of the community, most often during the course of their occupation i.e. trade, profession, commerce or business.

II. Definition

Prof. Edwin H. Southerland defined White Collar Crime as “a crime committed by a person of respectability and high social status in the course of his occupation”. Later, Southerland improved the definition and redefined “White Collar Crime as a crime committed by a person of the upper socio-economic class, who violates the criminal law in the course of his occupational activities.

Herbert Edelhertz defines White Collar Crimes as an illegal act or series of illegal acts committed by neophysical means and by concealment or guile, to obtain money or property, to avoid the payment or loss of money or property or to obtain business of personal advantage.

III. Characteristics of White Collar Crimes

The following are the chief characteristics of White Collar Crimes / Socio-Economic Offences:

- It are considered graver wrong than traditional offences because they affect not only the health and material welfare of the individual but also the economic structure and social fabric of a nation.
- It is committed by middle and upper class people of society I the course of their trade, business or profession.
- The motive behind the commission of such offence is greed for money.
- It is committed by way of fraud, misrepresentation, etc. rather than force.
- It is the product of a corrupt mind.

IV. Causes of White-Collar Crime

Following are the causes of white collar criminality:

- ❖ Rapid growth of industrialization
- ❖ Advancement of science and technology
- ❖ Concentration of economic power and political power

- ❖ Establishment of welfare state, which tends to control the means of production
- ❖ Public in general do not interfere and or not assist the authorities in prosecuting the white collar crimes
- ❖ Most of the people knowingly or unknowingly contribute to white collar crimes. E.g. purchase of black market, offering bribes, etc.
- ❖ Lack of awareness
- ❖ Greed is the motivation of the commission of crime.
- ❖ Necessity is also another factor of committing crimes. People commit act in order to satisfy their ego or support their family.

V. Classification of white collar crimes

White collar crime comes in a variety of forms and can be found in every industry, profession, and occupation. **Prof. Edel Rertz** classified the white collar crimes in various heads:

V.1 Personal Gains- Crimes by individual for personal gains in a non business context. E.g. Tax evasions, credit card fraud etc.

V.2 Abuse of Trust- Occupational crimes violating the duty of loyalty and fidelity to the employer or client. E.g. Fraud against Govt. etc.

V.3 Business Crimes- Crimes incidental to and in furtherance of business operations. E.g. Adulteration of Food Products, Drugs, Cosmetics etc.

V.4 Con Games- White collar crime as a business of the central activity of the business. E.g. Land Transaction Frauds, Charity and Religious Endowment Frauds etc.

VI. Classes / Types of white collar crimes

White Collar Crimes Are Mostly Economic Offences Are Broadly Categorized In Certain Classes Like:-

- Tax Evasion
- Foreign Exchange Violations
- Black Marketing
- Adulteration of Food Drugs

- Hawala and Other Benami Transactions
- Bribery and Corrupt Practices
- Cyber Crimes
- Match Fixing
- Misappropriation of Govt Funds
- Black Money
- Crimes in Electronic Banking
- Forgery
- Counterfeiting
- Embezzlement
- Professional Crime

VII. White Collar Crimes in Professions

In almost all professions, the incidence commission of white collar crimes is exist. It more frequent in certain professions. Violations of professional ethics and the criminalization of the professional and technical expertise lead to white collar criminality in the professions. Such professions are namely:-

- 1) Medical profession
- 2) Legal profession
- 3) Engineering profession
- 4) Educational institutions.

Legal Professions

Among all professions, legal profession is the noblest. Unfortunately legal profession in india, at present is not looked with much respect for certain reasons, namely_

- Deteriorating standards of legal education
- Fabricating false evidence
- Aiding in professing false clavier
- Advising organized criminal
- Adopting unscrupulous tactics, and
- Violations of professional ethics by the members of the legal profession, both the bench and bar.

A huge no of promoters advanced, who overlook the devout vow of serving the general public and began searching for the lawful provisos and amassed for the most part in assisting the rich business visionaries to become more extravagant. They made broad investigation to experiment with routes for greatest tax avoidance for these rich corporate identities and for themselves. The occasions of white collar crimes

carried out in the Indian culture by the legal advisors, there lay the disgraceful representations of justices and judges engaged with carrying out crimes.

Medical Profession

In India, the white collar crimes are so wide spread that it does not confine itself in the legal arena. Similar unfortunate instances can be drawn from other professions too. White collar crimes are common committed by the persons belonging to medical professions, both in government and private hospitals. Advancement of medical science and emergence of the super specialty hospitals further accelerated the rate of criminality in the medical profession.

The medical practitioners are often found involved in

- Issue of false certificates
- Illegal abortions
- Selling out sample drugs and medicine
- Unnecessary prolonged treatment in many cases.

The problems lies in the fact that they are done above crimes for money, they often escape punishment, since they cannot be said to have violated the letter of law, but, by violating the spirit of law, they often commit crimes which are truly anti-social and creates enormous damage to the public health and safety at large.

Engineering Profession

Premature collapse of the bridges, buildings etc. Is an obvious evidence for white collar criminality in the engineering profession. The underhand dealing in getting the tenders passed for contractors, suppliers, showing oversight of the use of sub-standard materials for constructions, falsification of records, such like frauds are a few examples of white collar crimes in engineering profession. They financially earn more for their low grade works from the contractors, than they can earn for the genuine work. Hence, a considerable lot of them, out of the eagerness of acquiring to an ever increasing extent, play perilously with a large number of lives of the people.

Educational Institutions

It would be most appropriate to say educational industry rather than educational institution. Recent past witnessed mushroom growth of educational institutions right from primary school education to the higher education. The mushroom growth of engineering and medical colleges is extended to almost all states in

India. Whether the education institution is aided or unaided, white collar criminality is inevitable. When it comes to the governmental institutions they are:

- Fake and bogus enrolment of students
- Payment of meager salaries to staff against the signatures for full salary
- Misappropriation of government funds
- Student's scholarship
- Collection of donations
- Building funds
- Denial of merit in the allotment of seats and selection of staff
- Violations of government rules, regulations, norms, etc.

VIII. Cyber crimes in White Collar Crimes

The most recent improvements in data innovation and electronic media particularly amid 1990's have offered ascend to another assortment of Computer related white collar crimes are called digital crimes. Later past saw enormous development and advancement in the field of data innovation and electronic media. The far reaching development of these crimes has turned into a matter of worldwide concern and a test for the law authorization organizations in the new thousand years.

The digital crimes cover an extensive variety of illicit PC related exercises which incorporate offenses, for example, Theft of correspondence administrations, Industrial secret activities, Dissemination of obscene and provocative hostile material in the internet, Electronic tax evasion, Tax avoidance, Electronic vandalism, Terrorism and blackmail, Tele-advertising fakes Illegal interference of broadcast communications and so forth.

The present 21st century recorded a number of cyber crimes causing serious damage to computer systems. There are now more than 5000 different strains of viruses across the globe. They are various cyber offences against the computer systems. Some of them are stated below:

1. **Pheaking**- it is a way to circumvent the billing mechanism of telephones allowing anyone to call anywhere in the world literally without any cost.
2. **Internet Frauds**- The internet currently gives a wide assortment of speculation openings opening new regions for misleading or misrepresentation. Electronic store exchange framework has started to multiply, thus there is a danger of exchanges being captured or redirected. Presently a-days

substantial charge card numbers can be caught electronically and in addition physically and the advanced data put away on a card can be forged.

3. **Hackers-** hackers is one who enjoys exploiting the details of programmable systems and knows how to stretch their capacity, computer hackers may affect the commercial websites or email systems thus paralyzing the entire business.
4. **Stalking-** In stalking, constant messages are sent to unwilling beneficiaries in this manner causing them inconvenience, stress and mental torment. Sending of spontaneous messages or spamming is an encroachment of right of protection.
5. **Data Diddling-** it means changing or erasing of data in subtle ways which makes it difficult to put the data back or be certain of its accuracy.
6. **Money Laundering-** it is a kind of cyber crime in which money is illegally downloaded in transit.
7. **E-Mail Security Invasion-** it means to encrypt the email and make it private and non-viewable to others.

IX. Growth Of White Collar Crimes in India

White collar criminality has become a global problem. The incidence of White collar criminality is a serious threat to developing economies. The main reason for the incidence of White collar crimes in India is rapid industrialization and advancement of science and technology. Like some other nation, India is similarly in the hold of white collar guiltiness. The purpose behind huge increment in white collar wrongdoing in late decades is to be found in the quick creating economy and modern development of this creating nation.

In India, socio economic crimes are of recent origin. It started taking some shape during the Second World War. Our country was gripped with many problems in 1947 at the time of independence. After independence the era of planned development started in order to fulfill the aspirations of the people as given in the preamble of our constitution. This naturally multiplied not only scientific and technological development but also increased industrial activity. The state also joined in industrial and commercial activity and as a result industrial public sector came into existence. The circumstances at that time served

the fertile ground or the emergence of socio-economic criminality. After a very short period the socio-economic criminality multiplied beyond imagination.

The recent developments in the technology have given new dimensions to computer related crimes known as cyber crimes. All things considered, the white collar crimes are expanding with the improvement of new sites. The zones influenced by these crimes are saving money and budgetary establishments, industry, business and so forth.

The **Santhanam Committee** report said that white collar crimes are committed by persons belonging to high status. The report of the advisory group expressed that the huge industrialists, representative, government officers are in charge of white collar crimes in India. After the freedom, the main instance of white collar wrongdoing was Mundhra's case. For this situation India's PM Jawaharlal Nehru set up a commission to research the issue. Equity M.C.Chagla headed of commission presumed that Mundhra had sold fanciful offers to Life Insurance Corporation (LIC) by duping the insurance agency. Mundhra was condemned to 22 years in jail. Another episode occurred in the start of 21st century was the Satyam Scam.

IX.1 Reasons for Growth of White Collar Crimes in India

- White collar crimes are committed out of greed.
- Financial or physical duress.
- White neckline violations are assessed to cost society ordinarily more than wrongdoings, for example, theft and robbery.
- The development of bleeding edge innovation, developing organizations, and political weights has opened up new roads for these criminal associations to flourish.
- This increment is because of sprouting economy and innovative headway, for example, the web and quick cash exchange frameworks. Law requirement is some of the time hesitant to seek after these cases since they are so difficult to track and examine.
- It is exceptionally hard to identify as professional violations constantly dedicated in security of an office or home and for the most part there is no observer.

IX.2 Laws Relating to White Collar Crimes

The GOI has introduced various legislation to deal with the white collar crimes. Some of legislations are:

- **Essential Commodities Act, 1955**
- **The Industrial (Development And Regulation) Act, 1951**
- **The Import and Exports (Control) Act, 1947**
- **The Foreign Exchange (Regulation) Act, 1974**

- **Companies Act, 2013**
- **Prevention of Money Laundering Act, 2002**
- **Indian Penal Code, 1860**
- **Information Technology Act, 2000**

The Indian penal code contains various provisions to check crimes such as bank fraud, insurance credit fraud etc. several steps taken by GOI to tackle the problem of money laundering. RBI also issued various directions to be strictly followed by the banks under KYC guidelines. Keeping in mind the end goal to manage PC related violations, IT act, 2000 has been established to give legitimate acknowledgment to the validation of data traded in regard of business exchanges. Section 43 and 44 of IT act prescribes the penalty for the following offences:

- Unauthorized copying of an extract from any data.
- Unauthorized access and downloading files.
- Introduction of viruses or malicious programmers.
- Damage to computer system.
- Denial of access to an authorized person to a computer system.
- Providing assistance to every person to facilitate unauthorized access to computer.

Desk wrongdoing in corporate India has seen a considerable increment in the course of the most recent two years somewhat in light of the fact that the monetary droop puts weight on representatives to meet focuses, as per KPMG's India Fraud Survey, 2012

Name Of Offences	Percent
Bribery and corruption cases	83
Cyber crime fraud	71
Diversions of assets	65
Financial services	33
Information and entertainment	17

X. Conclusion

white collar crimes has been known as various names like in England known as public welfare offences, in Sutherland known as white collar crimes, in united states of America known as regulatory offences and in India known as socio-economic offences. The term white collar crimes coined by Prof. Edwin H. Southerland, but in India the term white collar crimes has not been defined in Indian penal code. But Indian penal code deal with white collar crimes such as bribery, corruption, forgery and adulteration of food, etc.

financial guiltiness is the result of mechanical transformation, despite the fact that renaissance and reconstruction likewise have added to the development of these violations in no little measure. In white collar crimes money only become the objective of entire human activity.

There are some of the preventive measures towards white collar crimes:

- Public awareness programme includes audio-visual aids and legal literacy programs should be organized.
- The culprit should be punished severely
- Constitution of special courts and tribunals
- Laws to be implemented properly
- To check the corruption practices
- Black marketing should be reduced
- Separate chapter should be amended in Indian penal code
- Criminal liability for socio-economic should be made absolute.

