White-Collar Crime And Political Corruption

Posted on February 21, 2023

White-collar crime and political corruption have taken different forms over the years, with different scholars constantly trying to give relevant definitions of these crimes. The research conducted on these crimes aims to create a clear distinction between white-collar crimes and other crimes such as burglary, murder, and abuse. Therefore, scholars have come up with distinct definitions that provide a clear understanding of the nature of these crimes. For instance, white-collar crimes are non-violent and are committed to achieve personal gain. Besides, political crime refers to crimes aimed at causing harm to a political system or government. The discussion below gives a detailed analysis of political corruption and white-collar crime.

Examples Of White-Collar Crimes

Despite being a common crime worldwide, white-collar crime has distinct features compared to blue-collar crimes. White-collar crimes can be undertaken on a corporate or personal level. The crimes include fraud, Ponzi schemes, money laundering, embezzlement, espionage, counterfeiting, insider trading, and identity theft. Fraud is one of the most common white-collar crime cases that involve fraudsters' false transactions to acquire money from an unsuspecting individual or corporation (Cohler 7). In many fraud cases, the fraudster offers to conduct a transaction that would have a monetary value on an unsuspecting party. However, the fraudster fails to fulfil the end of the bargain and gets away with money or property received.

Ponzi schemes are popular investment frauds named after Charles Ponzi, who lured investors by promising a 50% profit on their investments in the 1920s. Charles Ponzi convinced these investors to invest in "international mail coupons" with a guaranteed interest within a few months (Cohler 7). The Ponzi schemes are characterized by an investment chain where old investors are paid with new investors' accumulated funds. A Ponzi scheme dies when it is no longer self-sustainable or when the fraudster decides to close down the scheme and retain the collected funds. The cases of Ponzi schemes have increased over the years due to technological advancements and the development of social media platforms.

Moreover, money laundering is another white-collar crime that has spread across America. Money laundering refers to a process where a person tries to legitimize money acquired through criminal activities. The money launders partake in this activity to avoid detection by law enforcement, which could lead to detention and confiscation of their resources. The money launders can set up businesses or invest in companies to cover the illegally acquired money. The laundered money can be acquired from drug sales, illegal sale of properties, or bribes (Eaton 131). Besides, insider trading is another white-collar crime that entails stock trading for personal gain. Insider trading is a crime since the trader has access to confidential data that gives them a competitive advantage over other traders.

Espionage is another example of a white-collar crime involving spies to acquire military or political information. Espionage mainly involves the use of covert means to gather information. In addition, counterfeiting is another category of white-collar crime that involves the forgery of genuine material to defraud a person or company for economic gain. In addition, identity theft involves using another person’s name or identity to acquire loans, credit, or information.

Evolution In Definitions

The evolution in the definition results from the change in modern crimes often caused by advancements in leadership systems and infrastructure. The changes have provoked research to identify the most suitable definitions for these crimes to avoid confusion and conflict arising from improper terminology. Edwin Sutherland pioneered the concept of white-collar crime to prove that crime extends across all social classes (Eaton 131). However, there is evidence of earlier scholarly research that defined white-collar crimes before 1934. Moreover, the changes in these definitions were gradual and were based on specific topics. For instance, E. Rose’s publication of Sin and Society mainly revolved around a businessman who operated unlawfully, thus risking economic credibility. Consequently, Rose defines these activities as crimes committed by people with high social status and respectability in the occupation.

Impacts Of White-Collar Crimes On The Ordinary American

Most white-collar forms cause bankruptcy due to wealth acquisition through unwarranted means, regardless of the victim’s social status. For instance, fraud cases have been rampant in recent years, with many people complaining of foul play while the fraudsters walk away with a big loot. The fraud cases mostly occur amongst ordinary Americans who pursue better living conditions and are oblivious of any impending danger. Therefore, ordinary people often believe in any promise of better lives and thus easily fall for these crimes. Consequently, ordinary people lose property and money, which could escalate to bankruptcy.

Furthermore, white-collar crimes lead to the loss of lives due to the emotional and psychological torture imposed on the victims. The white-collar crime victims might commit suicide or pursue the criminals to inflict harm due to the evil inflicted on them. Moreover, white-collar crimes cause family instability due to devastation and dependence. For instance, if the family’s breadwinner loses their position, cases of resentment might develop, which then jeopardizes the relationship quality, thus causing instability. Besides, white-collar crime causes job loss due to resource misappropriation and property loss. For instance, a small-scale employer is likely to close a business when defrauded due to this crime’s impact. Consequently, the employer lays off the employees, thus resulting in job loss. In addition, white-collar crimes increase the poverty gap due to uneven resource distribution. For instance, misuse of development funds increases poverty for dependents while enriching misappropriates.

Media Coverage Of Street And White-Collar Crime

The effects of street and white-collar crimes are often distinct, with street crimes perceived as more harmful than white-collar crimes. However, the effects of white-collar crimes can be as lethal as street crimes due to the void they create. Due to the misconceptions and nature of these crimes, the media has an aggressive approach to addressing street crimes compared to white-collar crimes (Gottschalk 417). The variations in the coverage result from the street crime's violent nature, which often causes physical harm to the victim. Moreover, white-collar crime people often hold big offices that shield them from media scrutiny. Besides, it is hard to pursue the course and nature of white-collar crime. White-collar crimes' volatility and lack of proof limit media coverage, unlike street crimes, which often have proof, thus easing media scrutiny (Dodge 26). Therefore, it is easier to trace and report street crimes than white-collar crimes.

Public Attitude Towards Privileged Criminals

The prosecution's nature varies depending on the crimes and evidence presented. Therefore, it is hard to report and convict white-collar criminals due to the lack of efficient guidelines and the evolving nature of these crimes. Consequently, this creates different beliefs in people, as many believe that privileged individuals often get away with their crimes (Gottschalk 413). However, this is not always the case since less privileged offenders can also get away with crimes due to a lack of evidence, which makes it hard to argue cases in court. Therefore, there exists a continuous tug-of-war between the public and privileged criminals.

In conclusion, the true nature of white-collar and political crimes needs to be defined to create a reliable justice system. This will reinforce the justice system's authority and restore the American belief in fairness in criminal prosecution. White-collar crime and political corruption have caused a huge economic and political impact over the years. Despite these crimes often being viewed as less impactful, the gap they create causes a huge imbalance in America's economy. Therefore, there needs to be an appropriate system that serves as a consistent guideline and constant evaluation and review of the prosecution of white-collar crimes. The justice system should ensure that the guidelines protect every American without bias, as depicted by the media and other social platforms.

Works Cited

Cohler, Adam. "The Evolution and Impacts of the Ponzi Scheme and Governmental Oversight." Ramapo College of New Jersey – New Jersey's Public Liberal Arts College, 12 Apr. 2017, www.ramapo.edu/honors/files/2019/08/Cohler-ASB-2017.pdf

Dodge, Mary. "A black box warning: The marginalization of white-collar crime victimization." *Journal of White Collar and Corporate Crime* 1.1 (2020): 24-33.https://journals.sagepub.com/doi/full/10.1177/2631309X19888501

Eaton, Tim V., and Sam Korach. "A criminological profile of white-collar crime." *Journal of*

Applied Business Research (JABR) 32.1 (2016): 129-

142.https://core.ac.uk/download/pdf/268105517.pdf

Gottschalk, Petter. "Convenience in white-collar crime: a case study of corruption among friends in Norway." *Criminal Justice Studies* 33.4 (2020): 413-424. www.tandfonline.com/doi/full/10.1080/1478601X.2020.1723084