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The Classification of White-Collar Crime

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liberty
and justice
under law

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CRIMINAL JUSTICE TARGETED RESEARCH PROGRAM

In an effort to increase the comprehensiveness and quality of criminal justice research in California, the Attorney General developed the Criminal Justice Targeted Research Program within the Bureau of Criminal Statistics (BCS).

The key goals of this effort are to:

● Make better use of the criminal justice data collected and maintained by BCS;

● Forge stronger ties between state government and the research community; and

● Contribute to sound policy development in the field of criminal justice.

The Criminal Justice Targeted Research Program is a unique effort to achieve these goals. Each year, the Attorney General selects two or three doctoral candidates and post-doctoral or senior fellows to undertake a research project of their design. The fellows work closely with BCS staff, effectively blending their special expertise in research design and methodology with the technical expertise found in BCS.

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Additional copies of this monograph may be obtained by contacting: Bureau of Criminal Statistics, P.O. Box 903427, Sacramento, CA 94203-4270, (916) 739-5166.

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I. INTRODUCTION

White-collar crime has aroused considerable attention in the past ten years, fueled partially by several well-publicized cases involving major corporations. Researchers in various fields have addressed the detection, motivation, costs, organizational environment and sanctions related to this category of offenses. Although the term "white-collar crime" was coined nearly 50 years ago[1], scholars continue to debate its precise definition.

Confusion over the classification of white-collar crime has impeded progress in measuring and analyzing offenses committed within business and government. State and federal efforts to measure this crime, reflecting the lack of data sources on the offender's occupational status, have simply repackaged the typical data on crimes such as forgery, check fraud, false personation and credit card fraud.[2]

The lack of consistent data on white-collar crime is critical. First, the financial impact of such crimes heavily outweighs that of street crimes. Second, economic offenses typically involve multiple victims. Third, the damage to social relations caused by violations of trust can be even more severe than the financial loss.[3] Finally, many white-collar criminals appear to evade due punishment.[4] Without accurate data, it is impossible to know whether justice is equitably served upon street and white-collar criminals alike.

Accordingly, in September 1987, the Attorney General's Office and the University of California at Berkeley sponsored "Symposium 87: White-Collar/Institutional Crime — Its Measurement and Analysis." Our purpose was to discuss issues in defining white-collar crime, measuring the extent of harm and analyzing data to guide policy. Noted academicians and policy makers from across the country attended the two-day symposium.[5]

Symposium attendees agreed that a structure must be developed to measure the impact and incidence of white-collar crimes. As a first step in developing such a system, the California Bureau of Criminal Statistics (BCS) funded the White-Collar Crime Project. The goal of the project was to develop a coherent, practical taxonomy of white-collar crime.

II. METHOD

As part of the project, BCS developed a written questionnaire to survey scholars and practitioners specializing in white-collar crime. The questionnaire was designed to accomplish two tasks:

1. Develop an "operational" definition of white-collar crime that could be used for policy and law enforcement purposes, and

2. Identify offenses to include in a white-collar crime data reporting system.

A. Sample

We surveyed 270 scholars and practitioners specializing in the field of white-collar crime in 22 states. After a second mailing, 68 percent responded to the questionnaire.

Our sample was stratified both by geographic region and by respondents' occupations. Geographic stratification (northeast, south, midwest, west, and California) was necessary to identify any consensus points or sharp differences among states and regions. Because, ideally, a data-reporting system for white-collar crime would function in all states — using the same or at least similar definitions — we inquired about the white-collar crime problem within and beyond California. (See Tables 1 and 2.)

We also stratified the study by respondents' occupations because we wanted to get the opinions of most major groups of people who would take part in and/or make use of a reporting system. We sent questionnaires to the following offices in each sample city:

(1) District Attorney (or local prosecutor)
(2) Attorney General (state level)
(3) United States Attorney
(4) Private Attorney (ABA White-Collar Crime Committee member)
(5) Judge (state or federal).

Other members of the sample include:

(1) Professors (law, sociology, business)
(2) Regulatory Attorneys
(3) Administrators
(4) Investigators
(5) Legislative Aides
(6) Journalists
(7) Public Defenders
(8) Sentencing Commissioners.

All government workers were further categorized by whether they served with a federal, state or local agency. Tables 3 and 4 display the geographic and occupational distribution patterns of respondents.

B. Data Instrument

The three-page questionnaire consisted of two long questions. (See Appendix A for a copy of the questionnaire.) The first question, aimed at an operational definition of white-collar crime, asked respondents to choose the elements that would best complete the sentence:

A WHITE-COLLAR CRIME IS AN OFFENSE THAT IS COMMITTED FOR GAIN AND BY MEANS OF DECEIT, IN WHICH THE OFFENDER:

1. **abuses special skills or professional training -**
   expertise through substantial education, experience and/or licensing.
2. **abuses a position of public or private trust, confidence or influence -**
   a position or relationship within a purportedly lawful institution affording fiduciary duties, access to nonpublic information, or influence over the institution's decisions.
3. **abuses job resources -**
   authorized possession of goods, information, equipment or other resources acquired pursuant to the offender's purportedly lawful job.

4. **is particularly likely to be a "white-collar" or professional worker -**
   as a percentage of all offenders committing this crime, the number of "white-collar" or professional offenders is significantly greater than in other crimes.
5. **All of the above.**
6. **Other or additional elements.**

The second question was multi-faceted and less theoretical. It listed 31 offense categories, 23 state and eight federal headings, that are commonly considered to be white-collar crimes. For each offense, we asked respondents either to include or exclude it, and then to indicate the factors influencing their decision. The factors listed were prevalence, amount of harm and level of response associated with each crime (see section III.B.3).[6]

After each question posed, the survey allowed for open-ended responses. One unusual outcome of this instrument was the amount of comments that were attached. Nearly 40 percent of respondents wrote comments to both the definitional and taxonomical questions.[7] The comments, which were very helpful in interpreting the quantitative responses, are referred to throughout the findings.

III. FINDINGS

The results of this study are presented in two parts. First, we consider the responses to Question 1, on the operational definition of white-collar crime. Second, we discuss the findings from Question 2, on the offenses to be included in a white-collar crime data-reporting system. These two questions were posed in part as a consistency check against responses to the theoretical (first half) and non-theoretical (second half) sections. Comparing the results, we found a high degree of consistency among the experts' conceptual and pragmatic approaches to classifying white-collar crime.

A. Definition of White-Collar Crime

The first question sought an "operational" definition of white-collar crime that could be used for policy and law enforcement purposes. Despite the availability of synonyms such as "business crime" and "economic crime," the term "white-collar crime" remains in use because no alternative construct has had such an immediate and lasting impact on people worldwide.[8]

Another widely accepted notion is that white-collar crime is committed for some type of gain. The term "gain" is broadly construed to include direct financial benefit, long-term profit and other advantages. Competing terms such as "profit" and "pecuniary gain" are far more limited in scope.[9] The remaining language used in the survey instrument was drawn from a review of the literature, which includes the typologies of Reiss and Biderman, Edelhertz, Sutherland and several others.[10]

Again, Question 1 asked respondents to complete the sentence:

> "A white-collar crime is an offense that is committed for gain and by means of deceit, in which the offender . . ."

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The breakdown of responses is as follows:

1.	Abuses special skills or professional training	63%
2.	Abuses a position of public or private trust, confidence or influence	84%
3.	Abuses job resources	62%
4.	Is particularly likely to be a "white-collar" or professional worker	60%
5.	All of the above	40%

As for the quantitative results of the definitional question, option number 2 was by far the most popular choice. Eighty-four percent of respondents agreed that an element of white-collar crime is the "abuse of a position of public or private trust, confidence or influence . . . within a purportedly lawful institution." Forty percent of our sample chose option number 5, "all of the above," so that each of the four elements listed was selected by at least 60 percent of respondents.

In their comments, several respondents ruled out the factors listed in number 1 - abuse of special skills or professional training - stating that a bankruptcy or a loan fraud may be accomplished without special expertise, but "a burglar may often satisfy this test." Other commentators voted against number 3 - abusing job resources - noting that such "occupational crime could include any violations committed by garage mechanics or t.v. repairmen on the job." Option 4 was a different sort of statement; as three respondents observed, it does not really serve as a defining element, although it is a rather fair statement **about** white-collar crime.

Several people commented that "deceit" — a term used in the first phrase of our question — is not a necessary element of crimes like antitrust, bribery and environmental abuses. Others suggested using the term "concealment" rather than "deceit."

A third of the written comments argued that the definition should include an element of "nonviolent," "weaponless," or "nonphysical means" of committing the offense. Some would say that this requirement excludes certain environmental and Occupational Safety and Health Administration (OSHA) violations, but these actually ranked low in priority in the other half of the questionnaire, apparently because respondents would rather list these violations in a separate index that would include civil cases.

This is the most suitable definition to emerge from the study:

> **A white-collar crime is an offense committed for gain, by means of concealment and without the threat or use of physical force, in which the offender abuses a position of public or private trust, confidence or influence within a purportedly lawful institution.**

Basically this definition substitutes the word "concealment" for "deceit," adds the nonphysical element, then follows option number 2, which may well subsume the aspects of the other choices that respondents deemed important. Number 2 was individually checked off twice as frequently as any of the other three choices. Number 2 also received the most even distribution of favorable responses from the various groups of professionals. That is, it was the only option chosen by at least 75 percent of each group — all lawyers, sociologists, detectives, administrators and so forth. Moreover, the emphasis on the offender's abuse of

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trust or influence prevails in current white-collar crime literature,[11] and it is a key feature of the federal sentencing guidelines.[12]

Nonetheless, a federal judge in Texas was skeptical. He wrote: "White-collar criminals are imaginative opportunists and any attempt to completely define their 'job description' is doomed to failure." Another astute comment was from an assistant attorney general in Arizona, who pointed out that practitioners are more likely to agree on a list of specified offenses than on a theoretical definition of white-collar crime that attempts to be all-encompassing.

Indeed, that is what we found. When stepping away from the theoretical question and into listing specific crimes, respondents were much more willing to focus on a narrower range of offenses. Specifically, when asked in the second question which crimes they would include in a data-reporting system, the experts chose offenses that were most likely to fill the requirements of definitional option 2. The comments explain these choices succinctly. Practitioners and most scholars intended to articulate a set of offenses that belongs in a white-collar crime index for two primary reasons: (1) "traditional" investigative and prosecutorial processes are least applicable to the offenses chosen, which will require a specialized reporting system; and (2) crimes that are most likely to cause a large financial impact, by virtue of an offender's opportunities, are consonant with the "public intuitive definition" of the white-collar crime problem. This pragmatic and conceptual distinction is best understood by viewing the findings of Question 2.

B. White-Collar Crime Data-Reporting System

An expansive array of offenses can be deemed "white-collar crime." Bibliographies on the subject include such diverse substantive crimes as witness tampering, copyright infringement and worker-safety violations.[13] Our survey instrument similarly presented 31 offense categories as candidates for a white-collar-crime reporting system, ranging from false advertising and bribery to environmental crime and credit card fraud. Respondents were not limited in the number of these offenses they could choose to include. Yet, only a dozen offenses were selected by at least 80 percent of those surveyed.

This section of the report will first discuss the crimes that respondents included in and excluded from a prospective white-collar-crime reporting system. Then, the factors influencing the experts' decisions are analyzed.

1. Included Offenses - Responses

We anticipated that Table 5 would include only the top ten offenses chosen, but we added crimes #11 and #12 because they ranked so closely. A slight gap in popularity appears between the top eight and bottom four offenses, in which the percent including the crimes drops from 88 percent to 84 percent. Offenses #9 through #12 are those on which the various occupational and geographic groups disagreed.

In addition to the 31 offenses listed, the questionnaire asked respondents which other crimes they would include in an index. The only frequently cited offenses were insider trading (federal securities fraud) and OSHA (worker safety) violations. The questionnaire listed corporate crime as a state offense, but not as a federal crime. A federal white-collar-crime index would ideally identify the incidence of crimes within each state, and these statistics would be less meaningful for insider trading reports. Still, the comments indicate that federal securities fraud squarely belongs in a white-collar-crime index, and we recommend including it as a parallel to the "corporate crime" heading in a state-level index (see Table 12).

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Although several regulators and professors would add OSHA violations to the index, the majority of respondents would probably disagree. The comments explain that these are indeed serious violations, but they are infrequently handled as criminal matters. Thus, they would more appropriately be included, along with environmental abuses, in a separate index which includes civil, regulatory and administrative cases.

The questionnaire listed eight federal offenses which might be included in an index. Note that five of the offenses in Table 5 are federal crimes. There should have been no bias in favor of including federal offenses; fewer than 22 percent of the sample were federal employees, and the majority of respondents work in state or local agencies. A more likely explanation is that the experts believe certain federal crimes must be indexed in order to provide a fair measure of the amount of white-collar crime actually occurring within each state and region.

As Table 6 reflects, occupational groups agreed on the top seven offenses to be included in an index. However, public and private sector respondents were split on a few crimes. Law enforcement and other government workers included advance fees/misrepresentation, while private attorneys and professors were far more concerned with bribery. Private sector respondents, most notably professors, also favored including antitrust offenses.

Professors were the only group to sponsor state-level antitrust. Detectives selected defrauding insurance companies, and private attorneys chose income tax fraud for top ten slots. The comments state that insurance fraud and tax evasion are too easily committed by all citizens to qualify for a specialized white-collar crime index.

The geographic variance portrayed in Table 7 again centers the debate on the crimes of bribery and antitrust. The West was more concerned with investment/sales fraud, and less worried about bribery, than other regions. There was also a much greater emphasis outside California on federal antitrust. As with OSHA and environmental violations, though, antitrust may involve too few criminal cases to hold statistical significance in a white-collar crime index.

Only the South and Midwest chose RICO (Racketeer Influenced Corrupt Organizations) Act violations. Lawyers commonly noted that RICO incidents are more properly construed as organized crime than as white-collar crime. Other commentators agreed that RICO offenses conflict with the definitional criterion that white-collar crimes occur within "legitimate" or "purportedly lawful" institutions. This would exclude gaming houses, drug rings, and various other racketeer influenced settings.

2. Included Offenses - Interpretation

It is not surprising that federal bank fraud tops the inclusion list. In FBI investigations completed in the first half of 1986, the $894 million in losses from bank frauds already exceeded the total losses for the preceding year.[14] Bank fraud as a state offense was not listed on the questionnaire. Since most banks are now federally insured, almost all bank frauds are reported to federal regulatory agencies before they are referred to the FBI and U.S. Attorneys offices. However, the #5 and #6 ranked offenses - insider loans/ concealed deals and embezzlement - by definition include much state-level bank fraud. Thus, the reporting criteria recommended in Table 11 would ensure the inclusion of state bank fraud cases in a white-collar crime index. Respondents apparently interpreted "bank fraud" to include thrifts (savings and loans), which cost taxpayers over $37 billion in bailouts last year. A recent study by the General Accounting Office, the investigative arm of Congress, found "fraud or insider abuse" in each failed thrift.[15]

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Respondents' other top choices, computer fraud and corporate crime, present problems of interpretation. Although computer fraud ranked high, some sources show that the problem has been exaggerated. Experts testifying before Congress have asserted that the threat of large, complex thefts by computer is rare and insignificant.[16] For example, the most recent computer-related cases of Silicon Valley prosecutors (Santa Clara County District Attorney's Office) involve possession of stolen merchandise. These cases are not in keeping with the construct of white-collar crime provided by respondents.

Our readings and findings on computer fraud lead us to recommend that, rather than include this as a separate category of crime, reporting agencies should indicate whether or not a computer was used in each index offense reported. As a U.S. Justice Department official commented on her questionnaire, the box on the reporting form could be checked whenever it is known that the offender used a computer "as a tool to commit the crime." This requirement would avoid the monumental confusion over how computer fraud should be defined.[17] This approach would also furnish information needed by policy makers on the prevalence of computer use in each white-collar offense category.

"Corporate crime" is almost as problematic to define as is white-collar crime. One school of thought holds that, at least from "the research point of view," corporate crime includes administrative, civil and criminal law violations.[18] Given the rarity of criminal charges for all corporate malfeasance, this viewpoint is very sensible for analytical purposes. Pragmatically speaking, however, there are strong legal and statistical traditions of segregating criminal from noncriminal matters.[19] The law is undoubtedly biased toward less severe, noncriminal sanctions for wrongs committed within the corporate setting. Notwithstanding, to include civil and administrative violations in a criminal reporting system would be to supplant the legislative function of declaring specific acts criminal or noncriminal.

Our questionnaire neglected the fact that crimes committed within and on behalf of corporations are multifarious. We sought - and received - respondents' overall reactions to the category of "corporate crime." Since the questionnaire did not list specific examples of this crime, the only safe inference we can make is that the experts intended to at least include securities fraud under this heading. Securities fraud, such as insider trading, is the least common denominator in the field of corporate crime; by definition, it is a corporate offense, one that is almost always committed by insiders or others with some advantage in the corporate community. Thus, Table 12 recommends reporting only state and federal securities fraud under the corporate crime section of the index. As two experts commented, much remaining corporate crime will be covered under the more specific offenses listed, such as embezzlement, insider loans/concealed deals, and investment/sales fraud (see Tables 12 and 13 for further detail).

Apart from corporate crime, three other offenses listed in Table 5 encompass several statutory provisions: #5 - insider loans/concealed deals; #9 - investment/sales fraud - real estate; and #12 - investment/sales fraud - other. Despite the breadth of these crime categories, Table 13 suggests a legally coherent framework for reporting them, as presented in "IV — Conclusions and Recommendations."

3. Excluded Offenses - Responses and Interpretation

Two patterns are observed among the offenses that respondents excluded from a white-collar-crime reporting system. First, as noted earlier, many experts are wary of putting a category of violations in a criminal index if the bulk of actions in that category are noncriminal. Thus, environmental crime was excluded, even though respondents believe it is prevalent and very harmful. Similarly, respondents may

prefer to list false advertising in a separate index. For example, the Consumer Fraud Index (CFI) maintained by the California Attorney General's Office now includes environmental crime and most of the other offenses listed in Table 8. The CFI records civil and regulatory charges, as well as criminal cases. New York, Illinois and several other states have similar consumer fraud indices. The existence of these indices may have influenced respondents' decisions to exclude certain crimes from a white-collar crime-reporting system.

The second and predominant pattern in Table 8 is an exclusion of offenses that resemble street crime, or can readily be committed by a career criminal or an offender without authority or influence in a legitimate business or government setting: bailees, debtors, false impersonators, fraudulent conveyors of property, and credit card thieves. This distinction was the subject of nearly half of all comments written on the returned questionnaires.

The comments cited two grounds for excluding these crimes. First, these offenses are routinely handled through "traditional investigative and prosecutorial techniques," such as those used by police detectives familiar with "local" criminal activity. Therefore, as a practical matter of the reporting process, these offenses are best suited to a "common crime" index. Some of these crimes are already included in the Uniform Crime Reporting system, the original street crime index. Practitioners stressed the importance of choosing white-collar index crimes that would: (1) avoid duplicating other crime reporting efforts; and (2) account for the realities of data collection from the proper agencies (i.e., local police report common crime, while specific state and federal agencies are best situated to report most white-collar crime).

The other rationale offered for excluding typically "minor" frauds and property offenses is that this would defeat the purpose of a white-collar-crime data system. The reporting system must be designed, one respondent wrote, to exclude "off-shoots of street crime, such as credit card fraud and petty thefts by false pretenses." If not, other commentators advanced, "the measure of white-collar crime will be meaningless."

Three concerns underlie this argument:

(1) The principal criterion for reporting should be the "extent to which present reporting schemes do not adequately report," and we now have the least data on offenses within the top professional ranks;

(2) A chief objective in measuring white-collar crime is to study the offenses yielding the greatest economic impact, and these crimes tend to be committed by persons in positions of influence or trust in apparently normal business or government offices; and

(3) The conceptual distinction between white-collar and other offenders is crucial in developing policies, such as deterrence strategies.

The first concern recognizes that existing reporting systems do not provide a body of data which adequately describes the problem of white-collar crime. Federal efforts to measure this crime, conceding the lack of data sources on the offender's occupational status, have simply repackaged data on forgery, check fraud, false personation, credit card fraud and other crimes sharply excluded by respondents in this study.[20]

The literature focuses on the second concern, the impact of crime perpetrated by people who have the greatest opportunities. Sutherland's original work cites several cases suggesting that "[t]he financial cost of white-collar crime is probably several times as great as the financial cost of all the crimes which are

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customarily regarded as the 'crime problem.'" He then postulates that the "damage to social relations" caused by violations of trust is even more severe than the great financial loss.[21]

A recent study depicts the current financial impact of white-collar crime:

> Among the white-collar cases filed by U.S. Attorneys in the year ending September 30, 1985, more than 140 persons were charged with offenses estimated to involve over $1 million each, and 64 were charged with offenses valued at over $10 million each. In comparison, losses from all bank robberies reported to police in 1985 were under $19 million, and losses from all robberies reported to the police in 1985 totaled about $313 million.[22]

Other literature has documented the tremendous harm caused by white-collar criminals, who go largely unpunished.[23] These readings, like the comments we received, highlight the difference between embezzlement by a bank teller versus a bank director. It is a tremendous monetary difference and, arguably, an important distinction in the level of trust abused. In this vein, many respondents maintained that embezzlement should only be reported if it exceeds a certain monetary loss. Thus, in Table 13, we recommend a threshold amount of $10,000 for reporting embezzlement.

The third concern expressed by experts pertains to the value of a white-collar-crime index for policy-making purposes. Many studies have concluded that "high-status" offenders are amenable to forms of deterrence other than criminal.[24] Criminologists have also proposed alternative rehabilitation and incapacitation strategies for offenders who abuse positions of influence.[25] Finally, specific problems arise in the investigation and prosecution of white-collar criminals, given the "capacity of wealthy defendants to mobilize legal talent," [26] restrict access to incriminating evidence, and attribute blame for "business errors" to subordinates.[27]

The experts thus assert that each level of criminal justice administration would be best served by an informational system which targets the most capable white-collar offenders. Policy needs will not be met unless the reporting scheme centers on the features that distinguish white-collar criminals and categorize them for particularized governmental approaches. These features are further illustrated in the proceeding analysis of the factors influencing respondents' decisions.

4. Factors Considered

After respondents chose to include or exclude each offense, we asked them to indicate the factors influencing their decisions. The questionnaire sought "factors" considered rather than "reasons" because the latter term may have constrained the responses to the format we provided. That is, labeling prevalence a "factor" allowed for the respondent's opinion on the prevalence of each crime, whether or not s/he chose to include it in the index. In addition to prevalence, the factors listed were "amount of harm" and "level of response." For each crime, we asked respondents which of the following statements applied, if any:

> **PREVALENCE** — major cities (pop. over 250,000) probably average more than 11,000 instances of the offense annually in:
> **California** (based on your perception of California crime rates)
> **United States** (based on your perceptions of overall national crime rates)

AMOUNT OF HARM — each instance of the offense generally has a:
    large impact (severe violation, large losses and/or many victims)
    small impact (less serious crime, small losses and/or few victims)
LEVEL OF RESPONSE — action taken against or attention paid to the offense is:
    too low (offense too often evades governmental detection, prosecution or public awareness)
    adequate (offense is sufficiently dealt with by law enforcement and/or informational networks)

The final page of the questionnaire was reserved for OTHER OR ADDITIONAL FACTORS and comments that respondents wished to write. Most of the comments contributed here were those described in the previous discussion. In hindsight, we would have spared respondents much effort if we had provided boxes for them to check off factors such as: "least/most resembles common crime" and "level of power or trust abused." However, these headings may have been too suggestive. We opted instead to list more traditional factors, the findings on which are presented in Tables 9, 10, and 11.

The questions concerning prevalence of offenses were perhaps the most difficult ones to answer. The prevalence figure we provided (11,000 instances annually per major city) was based on comparisons with presently reported property crimes,[28] but it was very hard to conceptualize. Of course, the reason for establishing a white-collar-crime reporting system is that we now have no way of knowing the annual incidence of each type of offense per city. The best we could hope for in this study were educated guesses.

The California and U.S. prevalence lists in Table 9 include the same offenses, except for false advertising and federal bank fraud. False advertising, 6th on the California list, ranked only 12th for the U.S. generally. By contrast, bank fraud was considered 10th most prevalent in the U.S., but 16th in California.

Prevalence alone was not a sufficient basis for including an offense in the index. Four of the offenses deemed most prevalent were among the 12 most commonly excluded crimes, such as credit card fraud and false pretenses. Only half of the most prevalent offenses were selected for inclusion in a white-collar-crime reporting system.

The results shown on Tables 10 and 11 are more consistent with the inclusion and exclusion lists. The top 12 offenses included, as seen in Table 5, were usually perceived as the most harmful and least adequately managed by law enforcement. By corollary, respondents excluded crimes they considered least harmful and most sufficiently countered by public action, such as bailee and debtor offenses. Again, the major exception to this pattern was environmental crime, which some respondents would rather see listed in a separate index.

False personation and fraudulent conveyances were seen as the most frequently identified and prosecuted crimes, possibly because police can detect such cons far more readily than insider abuses. Respondents may also believe that business interests adequately patrol trade secret theft. The anomaly on the "most adequate response" list is state-level embezzlement, which all groups of respondents included in the index. A possible explanation is that embezzlement crimes range from $20 pilferings to $1,000,000 misappropriations, with varying apprehension rates. For example, the FBI's "fast-track" system is highly efficient for cases in which a bank employee confesses to embezzling a relatively small amount of money.[29]

IV. CONCLUSIONS AND RECOMMENDATIONS

The conceptual focus offered by this study may help to guide policy initiatives related to white-collar crime. Such a focus is vital in designing programs that effectively target this class of crimes. Additionally, the views of the practitioners and scholars who responded to the survey provide an indication of the problem areas and priorities arising throughout the country. A field report of this nature has long been lacking.

Based on the responses to the questionnaire, Table 12 presents the California and federal offenses that we recommend be included in a practical white-collar crime index.[30] Table 13 provides the applicable California and federal statutory provisions that relate to these offenses. One of the goals in developing this index was to focus on offenses absent from typical measures of crime, such as the Uniform Crime Reports. Similarly, the proposed index excludes offenses that are routinely handled through traditional investigative and prosecutorial techniques. Finally, unlike street crimes that are routinely detected and reported by local law enforcement agencies, various state and federal agencies would be best situated to report white-collar crimes.

After identifying the components of a white-collar-crime index, the next step is to consider issues in reporting procedures, data collection, units for counting incidence and other measurement problems. These matters present enormous challenges, as Reiss and Biderman amply describe in their 1980 study for NIJ.[31] Such considerations are beyond the scope of this article. However, BCS is addressing some of these issues in a current project funded by the U.S. Department of Justice, Bureau of Justice Statistics. Respondents to our survey did suggest a few questions that should be asked in the reporting forms for all index crimes:

1. Was a computer used to commit the offense?
2. Did the offender (allegedly or apparently) use a position of public or private trust to facilitate committing the crime?
3. What total amount of loss has been:
   — alleged or estimated (for reported crimes)?
   — proven (for prosecuted crimes)?
4. What occupation(s) did the offender(s) have during the commission of the crime?
   - type of company or agency
   - offender's title
   - (repeat if more than one suspect or offender)

.Other desirable information would include the number of victims. Unfortunately, victims of white-collar crime are often unaware that an offense has been committed. Even when authorities know of a crime, the number of victims may not be readily established (e.g., in bank fraud and insider trading cases). Victimizations would probably be reported too infrequently to yield significant statistics.

Amount of loss and abuse of trust may well be more practical features of a reporting system. The United States Sentencing Commission is confident these factors can be included in crime definition and sentencing procedures. The commission's sentencing guidelines increase the penalty in proportion to the amount of money or losses involved for all property crimes (except trespass), offenses involving public officials, fraud, antitrust, money laundering and tax crimes. The guidelines also raise the penalty for each

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offense in which the defendant "abused a position of public or private trust . . . in a manner that significantly facilitated the commission or concealment of the offense."[32]

To the extent that white-collar crimes are prosecuted in federal courts, such guidelines will help generate useful data on closed cases listed in the federal index. The implementation of the sentencing criteria will also shed light on the problems and possibilities that arise when trying to record features such as abuse of trust and amount of loss. State court findings in criminal trials may similarly benefit efforts at indexing white-collar-crime data, especially as states increasingly adopt sentencing guidelines.

NOTES

1. G. Geis and C. H. Goff, "Introduction" in <u>White-Collar Crime: The Uncut Version</u>, E. H. Sutherland (1983) pp. xi-xii. See E. H. Sutherland, "White-Collar Criminality," <u>American Sociological Review</u> Vol. 5 (February 1940).

2. D. Manson, "Tracking Offenders: White-Collar Crime," <u>Bureau of Justice Statistics Special Report</u>, NCJ-102867 (November 1986) p. 2; "Federal Offenses and Offenders: White-Collar Crimes," <u>Bureau of Justice Statistics Special Report</u>, NCJ-1068976 (September 1987).

3. Sutherland (February 1940) p. 5.

4. C. H. Goff and E. E. Reasons, "Organizational Crimes Against Employees, Consumers and the Public" in <u>The Political Economy of Crime: Readings for a Critical Criminology</u> (B. D. MacLean, ed.) (1984); R. F. Meier and J. F. Short, Jr., "The Consequences of White-Collar Crime" in <u>White-Collar Crime: An Agenda for Research</u> (H. Edelhertz and T. D. Overcast, eds.) (1982); M. Clinard and P. C. Yeager, <u>Corporate Crime</u> (1980); M. Saxon, <u>White-Collar Crime: The Problem and the Federal Response</u> (1980); H. C. Barnett, "Wealth, Crime and Capital Accumulation," <u>Contemporary Crises</u>, Vol. 3 (1979); W. G. Sheperd, <u>The Treatment of Market Power</u> (1975).

5. A more detailed description of the symposium can be found in "Proceedings of Symposium 87: White Collar/Institutional Crime - Its Measurement and Analysis." Bureau of Criminal Statistics and Special Services, Sacramento, CA (March 1988).

6. Data from returned questionnaires were first transcribed onto coding sheets, then entered into the Department of Justice mainframe computer. The data were checked against both the coding sheets and the originals to verify their accuracy. A PL1TAX program was used to generate totals of the quantitative responses. Lastly, VP Planner (Lotus 123) programs served to summarize the totals by response frequencies. This final step was necessary to account for the variance in response rates to specific questions. For example, more than half of respondents were non-Californians, many of whom elected not to comment on the questions concerning the prevalence in California of each crime listed. The totals for all questions were thus adjusted to reflect only the percentage that actually responded, rather than using the number of questionnaires received as the base figure.

7. All comments were entered into a separate file, and a keyword search was used to count the frequencies of common expressions.

8. J. Braithwaite, "White-Collar Crime," <u>Annual Review of Sociology</u>, Vol. 11 (1985) p. 3.

9. <u>Ibid.</u>, (1985) p. 8; M. Los, "Crime and Economy in the Communist Countries" in <u>White-Collar and Economic Crime</u> (P. Wickman, T. Dailey, eds.) (1982); A. J. Reiss and A. Biderman, <u>Data Sources on White-Collar Law Breaking</u> (1980); E. Gross, "Organizational Crime: A Theoretical Perspective" in <u>Studies in Symbolic Interaction</u> (N. Denzin, ed.) (1978), p. 72.

10. Statistical Analysis Center, Governor's Justice Commission, State of Rhode Island, <u>White-Collar Crime Study</u>, Report No. 22 (April 1988) p. 8; Bureau of Justice Statistics, U.S. Department of Justice, "Tracking Offenders: White-Collar Crime," (November 1986) p. 2; E. Sutherland, <u>White-Collar Crime: The Uncut Version</u> (1983) p. 7; A. Reiss and A. Biderman (1980) p. 4; M. Clinard and R. Quinney, <u>Criminal Behavior Systems: A Typology</u> (1983) p. 188; H. Edelhertz, <u>The Nature, Impact and Prosecution of White-Collar Crime</u> (1970) in Braithwaite (1985) p. 18.

11. See R. F. Meier and G. Geis, "The Abuse of Power as a Criminal Activity: Toward an Understanding of the Behavior and Methods for Its Control" in G. Geis, <u>On White-Collar Crime</u> (1982) pp. 125-26; Reiss and Biderman (1980) p. 4 ("White-collar violations are those . . . that involve the use of a violator's position of significant power, influence, or trust in the legitimate economic or political institutional order . . . ."); Statistical Analysis Center, Governor's Justice Commission, State of Rhode Island (1988) p. 8 (". . . where the violator's position of fiduciary trust, power, or influence has provided the opportunity to abuse lawful institutions for unlawful purposes."); <u>Dictionary of Criminal Justice Data Terminology</u>, Bureau of Justice Statistics, NCJ-76939 (1981) p. 215 (". . . by persons whose occupational status is entrepreneurial, professional or semi-professional and utilizing their special occupational skills and opportunities.").

12. United States Sentencing Commission, <u>Sentencing Guidelines Manual</u> (October 1987) p. 3.5.

13. "White-Collar Crime: Fourth Survey of Law," <u>American Criminal Law Review</u>, vol. 24 (Winter 1987).

14. Memorandum from Attorney General Meese to all U.S. Attorneys, Subject: Bank Fraud Prosecutions (February 24, 1987). See also, Abt Associates, Inc., <u>Unreported Taxable Income from Selected Illegal Activities - Volume II</u>. Report prepared for the Internal Revenue Service (March 1983) p. 238 (based on FBI semiannual "Bank Crime Statistics" - reported losses due to embezzlement in federally insured banks quadrupled between 1978 and 1982.)

15. United States General Accounting Office, <u>Report to Congressional Requesters: Failed Thrifts</u>, GAO/GGD-89-26 (December 1988).

16. <u>Computer Systems Protection Act of 1979: Hearings on J. 240 Before the Subcommittee on Criminal Justice of the Senate Committee on the Judiciary</u>, 96th Congress, 2nd Session 44 (1980) (Statement of John Taber, computer programmer); <u>Federal Computer Systems Protection Act: Hearings on H.R. 3970 Before the Subcommittee on Civil and Constitutional Rights of the House Committee on the Judiciary</u>, 97th Congress, 2nd Session 17 (1982) (testimony of Milton Wessel, Professor of Computer Law, Columbia University). See also, R. C. Hollinger and L. Lanza-Kaduce, "The Process of Criminalization: The Case of Computer Crime Laws," <u>Criminology</u> Volume 26 (February 1988) pp. 105-09 (role of media in hyperbolizing the computer fraud problem); J. Taber, "A Survey of Computer Crime Studies," <u>Computer/Law Journal</u>, Volume 2 (1980) pp. 311-27 (mathematically proving the improbability of large thefts through the "salami technique" of diverting fractions of pennies. As of 1980, no significant loots in this manner were confirmed).

17. "White-Collar Crime: Fourth Survey of Law" (1987) p. 429 (noting the disparate definitions offered in the literature) e.g., A. Bequai, Computer Crime (1978) p. 4; Bureau of Justice Statistics. U.S. Department of Justice, Computer Crime: Criminal Justice Resource Manual (1979) p. 3. Note the range of illegal activity encompassed in the California Penal Code provision on computer fraud (Section 502): Section 502(c)(1) prohibits accessing a computer system without permission in order to either: (A) devise or execute a scheme to defraud, deceive or extort, or (B) wrongfully control or obtain money, property or data. Section 502(c)(2)-(5) prohibits unauthorized copying, use, alteration, destruction or disruption of data, computer software or computer systems. The final sections, 502(c)(6)-(7), proscribe obtaining or facilitating unauthorized access to a computer or computer system or network.

18. National Institute of Law Enforcement and Criminal Justice, LEAA, U.S. Department of Justice, Illegal Corporate Behavior (October 1979) p. 20. See also, M. Clinard and P. Yeager, Corporate Crime (1980); E. Sutherland, "Is 'White-Collar Crime' Crime?" American Sociological Review, volume 10 (April 1945). Most sociologists concur with Sutherland that counting only criminal violations is "to sacrifice science to a class-biased administration of criminal justice that neglects the punishment of white-collar offenders, often giving them the benefit of civil penalties for offenses that in law could equally be punished criminally." J. Braithwaite (1985) p. 4.

19. L. Orland, "Reflections on Corporate Crime: Law in Search of Theory and Scholarship," American Criminal Law Review, volume 17 (1980); E. W. Burgess, "Comment," American Journal of Sociology, volume 56 (1950); P. W. Tappan, "Who Is the Criminal?" American Sociological Review, volume 12 (1947).

20. D. Manson, "Tracking Offenders: White-Collar Crime," Bureau of Justice Statistics Special Report, NCJ-102867 (November 1986) p. 2. In that study, the type of crime was "unspecified" for 60 percent of the offenses in the three categories measured - forgery/counterfeiting, fraud and embezzlement. See also, "Federal Offenses and Offenders: White-Collar Crimes," Bureau of Justice Statistics Special Report, NCJ-1068976 (September 1987); Statistical Analysis Center, Governor's Justice Commission; State of Rhode Island (1988).

21. Sutherland (1940) p. 5.

22. Statistical Analysis Center, Governor's Justice Commission, State of Rhode Island (1988) p. 17.

23. C. H. Goff and E. E. Reasons, "Organizational Crimes Against Employees, Consumers and the Public" in The Political Economy of Crime: Readings for a Critical Criminology (B.D. MacLean, ed.) (1984); R. F. Meier and J. F. Short, Jr., "The Consequences of White-Collar Crime" in White-Collar Crime: An Agenda for Research (H. Edelhertz and T. D. Overcast, eds.) (1982); M. Clinard and P. C. Yeager, Corporate Crime (1980); M. Saxon, White-Collar Crime: The Problem and the Federal Response (1980); H. C. Barnett, "Wealth, Crime and Capital Accumulation," Contemporary Crises, vol. 3 (1979); W. G. Sheperd, The Treatment of Market Power (1975).

24. B. Fisse and J. Braithwaite, The Impact of Publicity on Corporate Offenders (1983); P. Jesilow et al, "The Importance of Experimental Research in Deterrence Studies," Presented to Annual Meeting of the American Society of Criminology, San Francisco (1980); M. K. Block et al, "The Deterrent Effect of Antitrust Enforcement: A Theoretical and Empirical Analysis." Technical Report ISDDE-1-78, Hoover Institute, Stanford University (1980); A. Hopkins, "The Anatomy of Corporate Crime" in Two Faces of Deviance: Crimes of the Powerless and Powerful (P. R. Wilson and J. Braithwaite, eds.) (1978); W. J. Chambliss, "Types of Deviance and the Effectiveness of Legal Sanctions," Wisconsin Law Review (1967).

25. J. Braithwaite and G. Geis, "On Theory and Action for Corporate Crime Control," Crime and Delinquency, volume 28 (1982); A. Dershowitz, "Increasing Community Control Over Corporate Crime," Yale Law Journal, volume 71 (1961).

26. J. Braithwaite (1985) p. 16.

27. M. Levi, The Phantom Capitalists: The Organization and Control of Long-Term Fraud (1981); B. Rider and L. French, The Regulation of Insider Trading (1979); M. Green, The Other Government: The Unseen Power of Washington Lawyers (1978).

28. We derived the standard for prevalence by studying three property offenses in the UCR system: burglary, larceny and auto theft. In 1985, reported burglaries were half as frequent as larcenies, and twice as frequent as motor vehicle theft. Bureau of Justice Statistics, U.S. Department of Justice, Sourcebook of Criminal Justice Statistics. 1986 (1987) p. 249, Table 3.75. We thus selected burglary as the mean and median indicator of property crime prevalence. The mean number of reported burglaries in cities with populations of 250,00 to 1,000,000 was 10,790. Ibid. p. 316, Table 4.17. We then rounded this figure up to 11,000 for the prevalence indicator.

29. Telephone interviews with John Lane (FDIC-Western Region) and Gloria Anderson (FBI-San Francisco) on January 26, 1988. The statistics on these cases are filed at the FBI Headquarters, White-Collar Crime Section, Financial Crimes Unit.

30. All crimes which appear in Table 5, Offenses Included, with one exception, are listed in the state and federal indices proposed. Federal bankruptcy fraud was excluded, despite its ranking in Table 5. As noted earlier, only government respondents included this offense, which ranks at the bottom of their top ten list.

31. A. Reiss and A. Biderman (1980).

32. United States Sentencing Commission (1987) p. 3.5. The commentary explains that "the position of trust must have contributed in some substantial way to facilitating the crime and not merely have provided an opportunity that could as easily have been afforded to other persons. This adjustment, for example, would not apply to an embezzlement by an ordinary bank teller."

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Appendix A

QUESTIONNAIRE

QUESTIONNAIRE
WHITE-COLLAR CRIME: CLASSIFICATION AND DATA SYSTEM

Name: _____

Occupation:	Federal	State/Local
Administrator	☐	☐
Investigator/Detective	☐	☐
Judge	☐	☐
Attorney-Regulatory Agency	☐	☐
Attorney-Prosecutorial	☐	☐
Attorney-Private Law Firm	☐	
Professor of _____	☐	
Other _____	☐	

Where is your office?   City_____   State ☐ California
                                                                           ☐ Other_____

I. WORKING DEFINITION OF "WHITE-COLLAR CRIME"

INSTRUCTIONS: Place a checkmark by the phrase or phrases, if any, that would best complete the definition of the term "white-collar crime" for operational, policy and data collection purposes.

A WHITE-COLLAR CRIME IS AN OFFENSE THAT IS COMMITTED FOR GAIN AND BY MEANS OF DECEIT, IN WHICH THE OFFENDER:

☐   1.   **abuses special skills or professional training -**
         expertise through substantial education, experience and/or licensing.

☐   2.   **abuses a position of public or private trust, confidence or influence -**
         a position or relationship within a purportedly lawful institution affording fiduciary duties, access to non-public information, or influence over the institution's decisions.

☐   3.   **abuses job resources -**
         authorized possession of goods, information, equipment or other resources acquired pursuant to the offender's purportedly lawful job.

☐   4.   **is particularly likely to be a "white-collar" or professional worker -**
         as a percentage of all offenders committing this crime, the number of "white-collar" or professional offenders is significantly greater than in other crimes.

☐   5.   **All of the above.**

☐   6.   **Other or additional** elements: _____

_____

_____

_____

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II. WHICH OFFENSES WOULD YOU INCLUDE IN A WHITE-COLLAR CRIME INDEX
(a state-level system for reporting and compiling crime data) AND WHAT ARE YOUR REASONS?

INSTRUCTIONS:
1. Place a checkmark in one of the two boxes (include or exclude) for each offense listed.
2. Indicate the factor(s) you considered by circling the appropriate letters on the right.
3. If you have considered other or additional factors, place a checkmark in the far right box and elaborate on page 3.

PREVALENCE — Do you think that major cities (pop. over 250,000) average more than 11,000 instances of the offense annually in:
a = **California?** (based on your perceptions of California crime rates)
b = **United States?** (based on your perceptions of overall national crime rates)
AMOUNT OF HARM — EACH INSTANCE of the offense generally has a:
c = **large impact** (severe violation, large losses and/or many victims)
d = **small impact** (less serious crime, small losses and/or few victims)
LEVEL OF RESPONSE — action taken against or attention paid to the offense is:
e = **too low** (offense too often evades government detection, prosecution or public awareness)
f = **adequate** (offense is sufficiently addressed by law enforcement and/or informational networks)

		Would Include	Would Exclude	PREVALENCE CA	PREVALENCE U.S.	AMT. OF HARM Large	AMT. OF HARM Small	LEVEL OF RESPONSE Too Low	LEVEL OF RESPONSE Adequate	OTHER (see p. 3)
OFFENSE										
1.	Advance fees/misrepresentation	☐	☐	a	b	c	d	e	f	☐
2.	Bailee issuing title or receipt	☐	☐	a	b	c	d	e	f	☐
3.	Bribery	☐	☐	a	b	c	d	e	f	☐
4.	Computer fraud	☐	☐	a	b	c	d	e	f	☐
5.	Corporate crime	☐	☐	a	b	c	d	e	f	☐
6.	Credit card fraud	☐	☐	a	b	c	d	e	f	☐
7.	Debtors-concealing property	☐	☐	a	b	c	d	e	f	☐
8.	Embezzlement	☐	☐	a	b	c	d	e	f	☐
9.	Endless chain schemes (pyramids)	☐	☐	a	b	c	d	e	f	☐
10.	Environmental crime	☐	☐	a	b	c	d	e	f	☐
11.	False advertising	☐	☐	a	b	c	d	e	f	☐
12.	False personation-grand theft	☐	☐	a	b	c	d	e	f	☐
13.	False pretenses-grand theft	☐	☐	a	b	c	d	e	f	☐
14.	False statements and records	☐	☐	a	b	c	d	e	f	☐
15.	Fraudulent appropriation	☐	☐	a	b	c	d	e	f	☐
16.	Fraudulent conveyances	☐	☐	a	b	c	d	e	f	☐
17.	"Insider" loans/concealed deals	☐	☐	a	b	c	d	e	f	☐
18.	Insurance-defrauding the insurer	☐	☐	a	b	c	d	e	f	☐
19.	Real estate sales fraud	☐	☐	a	b	c	d	e	f	☐
20.	Sales fraud (by broker or agent)	☐	☐	a	b	c	d	e	f	☐
21.	Tax fraud (income tax)	☐	☐	a	b	c	d	e	f	☐
22.	Theft of trade secrets	☐	☐	a	b	c	d	e	f	☐
23.	Unfair trade practices (antitrust)	☐	☐	a	b	c	d	e	f	☐

FACTORS INFLUENCING YOUR DECISION

FEDERAL OFFENSES (Occurring within the state)

		Would Include	Would Exclude	CA	U.S.	Large	Small	Too Low	Adequate	OTHER
1.	Antitrust	☐	☐	a	b	c	d	e	f	☐
2.	Bank fraud	☐	☐	a	b	c	d	e	f	☐
3.	Bankruptcy fraud	☐	☐	a	b	c	d	e	f	☐
4.	Embezzlement	☐	☐	a	b	c	d	e	f	☐
5.	Fraud on federally insured banks	☐	☐	a	b	c	d	e	f	☐
6.	Mail fraud	☐	☐	a	b	c	d	e	f	☐
7.	RICO	☐	☐	a	b	c	d	e	f	☐
8.	Wire fraud	☐	☐	a	b	c	d	e	f	☐

OTHER crimes you would definitely include or exclude:

	Would Include	Would Exclude	CA	U.S.	Large	Small	Too Low	Adequate	OTHER
_____	☐	☐	a	b	c	d	e	f	☐
_____	☐	☐	a	b	c	d	e	f	☐
_____	☐	☐	a	b	c	d	e	f	☐

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Offense No.
(from page 2)

No. _____ _____

No. _____ _____

No. _____ _____

No. _____ _____

No. _____ _____

No. _____ _____

No. _____ _____

No. _____ _____

No. _____ _____

No. _____ _____

No. _____ _____

No. _____ _____

Federal Offenses

No. _____ _____

No. _____ _____

No. _____ _____

No. _____ _____

Other Crimes:

_____ _____

_____ _____

_____ _____

_____ _____

Comments:

_____

_____

_____

Appendix B
DATA TABLES

TABLE 1
SAMPLE CITIES — POPULATION DISTRIBUTION

CITY	POPULATION (in thousands)
Over 3 million	
1. New York	7,180
2. Los Angeles	3,261
3. Chicago	3,003
Over 1 million	
4. Houston	1,780
5. Philadelphia	1,645
6. Detroit	1,097
7. Dallas	1,016
8. San Diego	1,011
Over 700,000	
9. Phoenix	927
10. Baltimore	784
11. San Francisco	750
Over 500,000	
12. Minneapolis/St. Paul	632
13. Boston	574
14. Denver	519
15. Seattle	501
Over 300,000	
16. Atlanta	446
17. Miami	396
18. Sacramento	320

TABLE 2
SAMPLE CITIES — GEOGRAPHIC DISTRIBUTION

WEST (6)	CENTRAL (6)	EAST (6)
North-West	North-Central	North-East
1. Seattle 2. San Francisco 3. Sacramento	1. Minneapolis/St. Paul 2. Chicago 3. Detroit	1. New York 2. Philadelphia 3. Baltimore 4. Boston
South-West	South-Central	South-East
1. Los Angeles 2. San Diego 3. Phoenix	1. Dallas 2. Houston 3. Denver	1. Atlanta 2. Miami

24
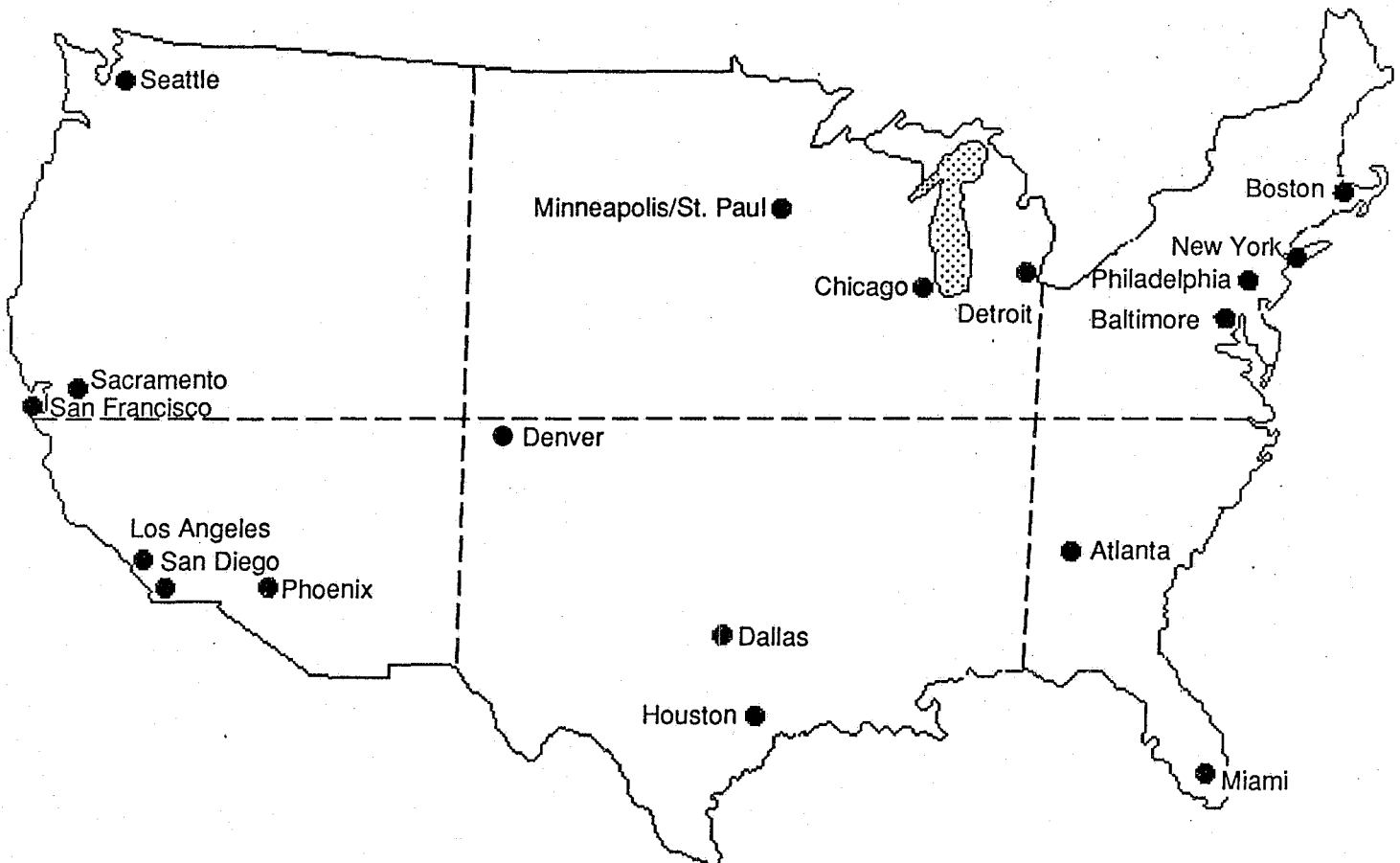
TABLE 3

GEOGRAPHIC DISTRIBUTION OF RESPONDENTS

47% from California; 53% from Other States

Midwest 10%	**Northeast 19%**
Illinois	Connecticut
Michigan	District of Columbia
Minnesota	Maryland
Ohio	Massachusetts
Wisconsin	New York
	Pennsylvania
West (non-Calif.) 11%	**South 13%**
Arizona	Florida
Colorado	Georgia
Nevada	Tennessee
New Mexico	Texas
Oregon	
Utah	
Washington	

TABLE 4

OCCUPATIONAL DISTRIBUTION OF RESPONDENTS

Law enforcement 39%		Federal	State/local
29%	Prosecutors	33%	67%
10%	Investigators and detectives	29%	71%
Other public offices 24%			
15%	Administrators and regulatory attorneys	33%	67%
7%	Judges	50%	50%
2%	Other (legislative aides, commissioners)	33%	67%
Non-government offices 37%			
18%	Professors (law, sociology, business)		
13%	Attorneys-private law firms		
6%	Other (journalists, authors)		

TABLE 5
OFFENSES INCLUDED IN A WHITE-COLLAR CRIME DATA REPORTING SYSTEM

Chief offenses included	Percent including
1. Bank fraud (federal)	95
2. Computer fraud	94
3. Corporate crime	93
4. Mail fraud (federal)	91
5. Insider loans/concealed deals	90
6. Embezzlement (state)	90
7. Embezzlement (federal)	89
8. Wire fraud (federal)	88
9. Investment/sales fraud-real estate	84
10. Bankruptcy fraud (federal)	83
11. Bribery	82
12. Investment/sales fraud-other	81

TABLE 6
VARIANCE IN OFFENSES INCLUDED, BY OCCUPATION OF RESPONDENTS

Each occupational category included the offenses listed in Table 5, with the following exceptions:

Occupational Category	Included in Top 12		Not Included in Top 12

Law enforcement
  Prosecutors
  Investigators/Detectives
	Advance fees
	Insurance fraud
		#7
		#11
			Bribery
			Investment/sales fraud-
			  other

Other public offices
  Administrators
  Regulators
  Judges
	Advance fees
	Fraudulent appropriation
		#10
		#12
			Bribery
			Wire fraud (federal)

Private attorneys	Income tax fraud
	
	Antitrust (federal)
	
	Environmental crime
		#9
		
		#10
		
		#12
			Investment/sales fraud-
			  real estate and other
			Bankruptcy fraud
			  (federal)

Professors	Antitrust (federal & state)	#2, #9	Wire fraud (federal) Investment/sales fraud- other

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TABLE 7
VARIANCE IN OFFENSES INCLUDED,
BY GEOGRAPHIC REGION OF RESPONDENTS

Each region included the offenses listed in Table 5, with the following exceptions:

Region	Included in Top 12		Not included in Top 12
Northeast (CT, D.C., MD, MA, NY, PA)	Antitrust (federal) Income tax fraud	#7 #11	Investment/sales fraud- real estate and other
South (FL, GA, TN, TX)	RICO Antitrust (federal)	#9 #10	Investment/sales fraud- real estate and other
Midwest (IL, MI, MN, OH, WI)	Income tax fraud RICO	#5 #6	Investment/sales fraud- other
West (Non-CA) (AZ, CO, NV, NM, OR, UT, WA)	Antitrust (federal & state) False statements and records	#7 #9	Bribery
California	Advance fees/ misrepresentation	#12	Bribery

TABLE 8
OFFENSES EXCLUDED FROM A WHITE-COLLAR CRIME DATA
REPORTING SYSTEM

Chief offenses excluded	Percent excluding
1. Bailee issuing title or receipt	69
2. Debtors-concealing property	64
3. False personation-grand theft	50
4. Credit card fraud	46
5. False advertising	45
6. Environmental crime	39
7. Theft of trade secrets	36
8. Pyramid schemes	36
9. Fraudulent conveyances	35
10. False pretenses-grand theft	31

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TABLE 9
PREVALENCE OF WHITE-COLLAR CRIME IN
CALIFORNIA AND THROUGHOUT U.S.

Most prevalent offenses-Calif.	Most prevalent offenses-U.S.
1. Credit card fraud	1. Credit card fraud
2. Income tax fraud	2. Income tax fraud
3. Embezzlement (state)	3. Embezzlement (state)
4. Corporate crime	4. Corporate crime
5. Mail fraud (federal)	5. Mail fraud (federal)
6. False advertising	6. Embezzlement (federal)
7. Defrauding insurer	7. Defrauding insurer
8. Computer fraud	8. Computer fraud
9. False pretenses-grand theft	9. False pretenses-grand theft
10. Embezzlement (federal)	10. Bank fraud (federal)

TABLE 10
AMOUNT OF HARM CAUSED BY
WHITE-COLLAR CRIMES

Offenses causing most harm	Offenses causing least harm
1. Corporate crime	1. Bailee issuing title or receipt
2. Environmental crime	2. Debtors concealing property
3. Mail fraud (federal)	3. Fraudulent conveyances
4. Income tax fraud	4. False personation-grand theft
5. Computer fraud	5. Advance fees/misrepresentation
6. Bank fraud (federal)	6. False advertising
7. Antitrust (federal)	7. Pyramid schemes
8. Embezzlement (state)	8. Theft of trade secrets
9. Bribery	9. Fraudulent appropriation
10. Embezzlement (federal) and wire fraud (federal)	10. False statements and records

TABLE 11
LEVEL OF RESPONSE/DETERRENCE
AGAINST WHITE-COLLAR CRIMES

Offenses for which response is lowest	Offenses for which response is most adequate
1. Insider loans/deals	1. False personation-grand theft
2. Computer fraud	2. Fraudulent conveyances
3. Corporate crime	3. Theft of trade secrets
4. Environmental crime	4. Pyramid schemes
5. Investment/sales fraud-real estate	5. False pretenses-grand theft
6. Defrauding insurer	6. Credit card fraud
7. Bankruptcy fraud (federal)	7. Embezzlement (state)
8. Investment/sales fraud-other	8. Fraudulent appropriation
9. Bribery	9. Bailee issuing title or receipt
10. Bank fraud (federal)	10. Debtors concealing property

TABLE 12
RECOMMENDED INDICES

State Index	Federal Index
1. Embezzlement	1. Embezzlement
2. Corporate (securities) crime	2. Corporate (securities) crime
3. Insider loans/concealed deals	3. Bank fraud
4. Investment/sales fraud-real estate	4. Mail fraud
5. Investment/sales fraud-other	5. Wire fraud
6. Bribery	

TABLE 13
TRANSLATION OF TOP CRIME CATEGORIES INTO
APPLICABLE CALIFORNIA AND FEDERAL LAW

State Index

Embezzlement: California Penal Code (CPC) section 503 et seq. (embezzlement).Only include incidents if alleged or estimated losses (for crimes reported) and proven losses (for crimes prosecuted) exceed $10,000.

Corporate (securities) crime: California Corporations Code (CCC) sections 25110, 25401, 31110, 31201, 316 (sale of unregistered securities; fraud in the sale of securities; sale of unregistered franchises; fraud in connection with the sale of franchises; unlawful purchase, sale of distribution of shares by corporate directors).

Insider loans/concealed deals: California Financial Code (CFC) sections 1591, 3351, 3354, 3366, 3376 (trust companies or banks - mingling trust funds with corporate assets; loans to or overdrafts by officers or employees; buying property from interested director, officer or employee; concealing transactions from directors).

Investment/sales fraud-real estate: CPC sections 487, 532 (grand theft by false pretenses, obtaining real estate by fraud).

Investment/sales fraud-other: CPC section 487 (grand theft by false pretenses).

Bribery: CPC section 67 et seq. (bribery).

Federal Index*

Embezzlement: 18 United States Code (USC) sections 641, 656 (embezzlement). Only include incidents if alleged or estimated losses (for crimes reported) and proven losses (for crimes prosecuted) exceed $10,000.

Corporate (securities) crime: 15 USC section 78; and 17 Code of Federal Regulations (CFR) sections 240.106-5, 16b (securities fraud; insider trading; short selling stock).

Bank fraud: 18 USC sections 215, 656, 1005, 1014, 1344 (bank bribery; theft, embezzlement, misapplication of funds or false entries by bank officer, director, agent or employee; false statements on loan or credit applications; check kites; fraudulent appraisals).

Mail fraud: 18 USC section 1341 (mail fraud).

Wire fraud: 18 USC section 1343 (wire fraud).

* **Jurisdictional criterion for federal offenses:** Federal index should list crimes by the state in which they are investigated and eventually prosecuted by the FBI regional office and U.S. Attorney's district office.