WHITE-COLLAR CRIME

HEARINGS

BEFORE THE

SUBCOMMITTEE ON CRIME

OF THE

COMMITTEE ON THE JUDICIARY
HOUSE OF REPRESENTATIVES

NINETY-FIFTH CONGRESS

SECOND SESSION

ON

WHITE-COLLAR CRIME

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As you know, and we have been privileged to discuss these hearings and their objectives with both of you, together with the Attorney General, the FBI Director, and others, we view these long-range oversight hearings on "white-collar crime" as following logically from major hearings of the past on the concentration of economic power, organized crime, and antitrust law.

Of course, the key questions are "what is the nature of the white-collar crime problem," "what are our resources to deal with it," and "how are we going to greatly improve our approach to this problem by the end of this decade?" I think it is also important for this committee to try to ascertain the relationship that white-collar crime has with other crime problems in our society—such as street crime and organized crime—and the economic consequences that attend this phenomenon.

It seems to me there is one other notion that should inform these proceedings that was stated by Professor Geis quite succinctly at our first hearing. He said in closing out his remarks last month that he has tried over and over again to make the point that the test of our Nation's commitment to a climate of integrity is what we will do about the harm that is done to our people and our community by lies, fraud, deception, and the concealment of truth, in the private and also the public sector. I think that pretty well summarizes it.

The Federal Government, of course, has a number of potential criminal law enforcement mechanisms available for the prevention, detection, investigation, prosecution, and regulation of white-collar crime. I think none is more important than the division headed by the Deputy Attorney General.

The Chair notes that it has a request to cover this hearing by radio broadcast, photography, and other similar methods, and in accordance with committee rule 5, permission will be granted unless there is objection.

We will introduce into the record the prepared statement of the Deputy Attorney General, which will be incorporated in the record in full at this point. That frees you to make your most salient points.

[The prepared statement of Deputy Attorney General Civiletti follows:]

STATEMENT OF BENJAMIN R. CIVILETTI, DEPUTY ATTORNEY GENERAL

Thank you for the opportunity of appearing today to discuss with the Subcommittee the problem of white-collar illegality. At the outset of my remarks, I want to emphasize that the Department of Justice shares your concern with the problem of white-collar illegality and pledges its support in the months ahead in the Subcommittee's study of this difficult subject. We join in the hope expressed by the Chairman in his opening statement that what will emerge from these proceedings will be concrete ideas for legislative and executive reforms which will enhance society's understanding of white collar illegality and our ability to deal effectively with such illicit behavior.

Definition.—Although as a legal concept white-collar illegality has no significance and is not to be found anywhere in our legal codes or statutes, as a social abstraction it has great importance. Critical issues concerning public morality and society's commitment to a system of equal justice are raised as a result of these offenses and our response to them. It is therefore vital that we have the moral courage to examine and address these issues.

In 1976 the Justice Department adopted a working definition of white-collar illegality which focused on the main elements of those offenses. Under that definition, white-collar crime includes those classes of non-violent illegal activ-

ities which principally involve traditional notions of deceit, deception, concealment, manipulation, breach of trust, subterfuge or illegal circumvention.

Noteworthy of the fact that the definition is not limited to criminal offenses but is intentionally designed to encompass regulatory offenses which do not necessarily rise to the level of criminality. Although the Department's principal concern is with criminal offenses, it would be shortsighted to exclude from our concosideration the close association and frequent overlap between violations of regulatory mechanisms and criminal statutes. Moreover, in viewing white-collar enforcement alternatives, we must retain the flexibility to consider, where appropriate, regulatory sanctions as a possible means of control.

Our definition markedly departs from the traditional view held by many sociologists who have in the past stressed the social characteristics of the offender or the relationship between offenders and their occupations. That traditional academic approach does not accurately reflect the types of offenses and offenders encountered by the criminal justice system. Our experience has demonstrated that white-collar offenses are regularly committed by members of all social classes and are not the exclusive domain of the rich and powerful. Further, such offenses need not arise in the context of one's occupation, although admittedly they often do. The traditional approach was further rejected because it implicitly raises the spector of large enforcement agencies targeting whole segments of society for special enforcement emphasis—the innocent along with the guilty—a notion which is repugnant to our sense of fair play and equal protection under the law.

The reference in our definition to the non-violent nature of white collar offenses is intended to refer only to the method of commission of such offenses and not their actual impact on the community. Although the violence associated with street crimes is highly visible and immediate, white-collar offenses may inflict far more violence on their victims and the community at large. Consider for example the mining company official who bribes a federal inspector to ignore hazardous condition, thereby exposing countless miners to possible death and injury. Or the government contractor who knowingly supplies defective airplane parts to the Air Force, thereby exposing our pilots to unnecessary risks. Or the doctor who prescribes a panoply of risky and unnecessary medical tests for his Medicaid patients in order to inflate his claims to HEW. From this perspective, white-collar illegality cannot be equated directly to nonviolent behavior; the potential violence associated with such offenses is merely postponed and less visible.

For purposes of targeting our efforts to deter, detect, investigate and prosecute, our definition has proven useful and was adopted, with minor changes, by the Economic Crime Committee of the American Bar Association. We will concede, however, that it is open to challenge for being overly broad. For example, included in its literal reach would be some crimes that none of us would want to classify as white-collar illegality—such as phony narcotics transactions in which milk sugar is substituted and sold as hard drugs.

To complete our specific definition, we can further classify the white-collar crime field into four broad categories based on the identity of the victims: frauds against the government, including corruption; frauds against consumers; frauds against businesses; and corporate illegality. Combining these classifications with our focus on the elements of the offenses, we hope to be in a better position effectively to target those classes of offenses and schemes which warrant priority treatment.

Magnitude.—Current statistical data reflecting the extent and magnitude of the white-collar offense problem is unfortunately inadequate and open to serious challenge. A long-range solution to this data collection problem will be creation of a Bureau of Justice Statistics; we are currently working on an interim data collection system for white-collar offenses referred to the Department which, when in place, will enable us more accurately to assess the characteristics of all cases within the federal criminal justice system.

Notwithstanding the paucity of reliable data in the field, it is safe to conclude that the actual dollar loss suffered as a result of white-collar crime offenses exceeds the loss sustained as a result of so-called street crimes. We know for example that federally insured banks now lose three times as much from white-collar crime as from armed robberies. The Federal Government itself is by no means immune to white-collar crime; in fact, the Federal Government is often a prime target. The General Accounting Office has recently placed the estimate

of fraud and abuse against the government at several billion dollars annually. This estimate does not include anti-trust offenses or the vast area of procurement fraud in our Defense and related contracting areas.

Further, a fraudulent scheme often has indirect economic consequences that are more devastating than the direct loss. Consider for example the errant bookkeeper who defrauds his or her employer and forces the firm into bankruptcy. Coworkers are thrown out of work, while creditors may be forced into bankruptcy themselves as a result of their inability to secure payment.

Some in our society erroneously assume that white-collar offenses affect only the money or property rights of affluent individuals or the public or private institutions who can well afford the loss. Such offenses, however, have both a direct and indirect impact on all social classes and often inflict their greatest harm on the poor, the infirm and other segments of society that can least afford it. Further, the impact of white-collar illegality extends beyond simply pecuniary loss. Corruption of government officials can affect the quality of our food and the safety of our homes. Such illegality also has invidious effect on the public's perception of the integrity of our political, economic, social and governmental institutions. Official corruption invariably involves breaches of trust, either in the legal or moral sense, and such offenses generate in the public a deep sense of betrayal and disappointment. When an elected official accepts a bribe, a bank official abuses his position for personal gain, a corporate officer engages in illicit activity, or an employed worker fraudulently obtains unemployment insurance benefits, we as citizens feel cheated. Such public perceptions are fertile ground for the development of widespread public cynicism and a conviction that the entire economic and political system is corrupt and lacks integrity. It is precisely because white-collar offenses have the capacity to subvert the basic assumptions of our institutions and drain our national will that I consider white-collar illegality to be one of our most urgent law enforcement problems.

Finally, the reaction of the criminal justice system to white-collar offenses is often viewed by the public as a measurement of our sincerity in justly administering the law. When a ghetto youth is jailed for stealing a used car while a prominent securities advisor who misapplies hundreds of thousands of dollars in funds held in trust is placed on probation, the public cannot be faulted for wondering whether a dual system of justice is operative, one for the affluent and influential and another for the weak and disadvantaged.

In view of the volume of white-collar offenses, it is readily apparent that our enforcement commitment against them must be strong and constant. Historically, the response to such offenses at all levels of law enforcement—federal, state and local—has been inconsistent and sporadic. In the past, throughout the criminal justice system only minimum allocations of our scarce resources have been specifically earmarked for combatting white-collar offenses. Where administrative, civil or criminal sanctions are available, their utilization has been more often than not determined by individual choice and not in accord with any articulated, considered and well coordinated enforcement program.

The Administration has recognized the seriousness of white-collar illegality and is mobilizing the law enforcement system to confront the problem. We know that these offenses have no single cause and cannot be resolved by any single solution. What is needed in the enforcement area—and what the Department is seeking to develop and implement—is a national and comprehensive enforcement strategy focusing on the key elements of prevention, detection, investigation, prosecution and swift punishment. At this time I would like to review each of those elements with the Subcommittee.

1. PREVENTION OF WHITE-COLLAR ILLEGALITY

A large portion of white-collar illegality is probably preventable. In this regard all segments of society have a role to play—government, the business community and the private citizen. Public opinion must be mobilized and community perceptions changed so that the white-collar offender is no longer perceived as some clever, albeit misguided, David outwitting an impersonal and indifferent governmental or corporate Goliath.

One of the most important aspects of prevention involves public awareness of the indica or "badges" of fraud. The public and the business community must learn to recognize the tell-tale signs of white-collar crime schemes and to quickly report their existence to the appropriate authorities.

The tell-tale signs are many and include: promises of unusual and guaranteed returns; fancy company titles with only mail drops for offices; the bargain no-one-else-can-match; back-dating and post-dating of documents. All such badges of fraud should be repeatedly publicized to businesses and to the public. To be able to recognize the badges of fraud is the first step in preventing white-collar crime.

This situation is highlighted in the health industry where we encounter doctors properly rejecting solicitation by unscrupulous operators to participate in fraudulent schemes to manipulate the Medicare and Medicaid programs. Although the vast majority of doctors reject such offers, few report them to law enforcement authorities so as to enable us to identify and perhaps frustrate such schemes.

In a similar fashion corporations, professional groups and associations must recognize their community obligation to develop and enforce strict codes of conduct for their officials and members. A corporate official who suffers administrative civil or criminal sanctions as a result of lawless behavior should be routinely stripped of his position and face the strong condemnation of his peers, rather than be excused for having committed a mere "technical violation."

The government also can play a key role in preventing fraud and abuse in the first instance. For years we have routinely enacted sweeping social benefit legislation without adequate consideration of methods for minimizing the opportunities for fraud and abuse. The scenario is all too familiar—identification of a social problem, enactment of legislation to address the problem and an outpouring of funds, followed in several years by disclosures of widespread fraud and abuse permeating the program and finally, remedial legislation designed to prevent such illegal behavior. In the case of the Medicaid program, this entire process took some twelve years and no doubt cost the government untold billions of dollars. We can break this cycle if we address the enforcement issues at the inception of the program and build in mechanisms to guard against potential fraud.

In this regard, the Department of Justice proposes that an enforcement impact statement be prepared to accompany any social benefit legislation. The impact statement would address such critical questions as:

a. The opportunities for fraud and abuse created by the design of the program;

b. Available checks built into the program to minimize abuse;

c. Whether federal, state or local governments will be responsible for enforcement;

d. The capability of the law enforcement system, including investigative and prosecutive agencies as well as the courts and the prison system to handle the anticipated increase in workload;

e. The appropriateness of any administrative, civil and criminal sanctions created by the program.

Federal agencies responsible for administering such programs must also be sensitive to their obligation to minimize opportunities for fraud and abuse when they promulgate regulations. Even a well designed benefit program can be destroyed by ambiguous regulations which invite abuse and fraud. Program prevention does not have to mean simply "red tape" and need not necessarily "chill" the program.

It is precisely because of the pivotal role of the agencies in our efforts to control white-collar illegality that the Department of Justice has strongly supported the concept of an agency Inspector General. The essence of that concept is that the audit and investigative functions of each agency will be combined under one unit reporting directly to the highest level of the agency. We anticipate that the Inspector General will give a new thrust and impetus to agencies actively to seek out fraud and corruption, as well as abuse and waste. The Justice Department plans to work with the Inspectors General to help them establish standards and procedures to minimize program abuse.

2. DETECTION

The second area of white-collar enforcement that must be improved upon is detection. Program managers and agency officials must learn to view fraud and corruption detection as a positive aspect of their responsibilities rather than as a negative reflection on the program or agency.

It is erroneous to assume that crime detection techniques developed in response to so-called street crimes are or could be applicable to white-collar offenses. In

contrast to more "common" crimes, white-collar offenses are low visibility crimes. Victims may never be aware of their victimization, as in fraudulent charity solicitation schemes or antitrust and other consumer violations, or they may only learn of their victimization years after the commission of the actual offense.

Criminal investigative agencies, such as the FBI, the Postal Inspection Service or local police departments, historically have been reactive in their approach to crime. They respond only to specific allegations of wrongdoing and rarely embark on efforts to ferret out such offenses on their own initiative. Nevertheless, the covert nature of white-collar illegality requires us to move from a reactive enforcement posture in which we wait for a complaint to be filed by a "victim" to a proactive posture in which we affirmatively seek out and pursue the tell-tale signs of white-collar illegality even absent the filing of a formal complaint. I am pleased that law enforcement agencies throughout the country are readily adopting such a proactive approach.

To combat the white-collar criminal, the FBI has found it necessary to look for new investigative tools. Techniques new to these investigations are the use of the undercover agent and the undercover operation. Undercover techniques have been extremely successful and have been used in instances where it is believed considerable impact will result. An undercover operation is approved in the Department following a determination that the operation will meet necessary legal requirements, will be cost effective, and will have an impact on the white-collar criminal element.

As part of our effort to detect signs of possible fraud and abuse of our government programs as soon as possible, the Department of Justice, in conjunction with program agencies, has ongoing a series of pilot projects using computer screens to pinpoint areas of possible fraud and abuse. One such effort, called Project Integrity, is designed to identify medical providers who may be abusing the Medicaid and Medicare programs based on a computer assessment of their claim submissions. Another effort involves computer matching of the federal payroll records with the welfare rolls. The third project involves computer matches of federally funded unemployment insurance rolls to determine if employed individuals are receiving benefits to which they are not entitled.

What makes these programs unique is that for the first time federal program agencies are assuming a proactive posture and devising techniques for detecting instances of possible fraud and abuse rather than waiting to investigate complaints of suspected illegality. Although these projects are still in their early stages, preliminary indications are very encouraging.

Organization changes alone within the program agencies will not bring under control the problem of fraud on the government; skilled and well-trained investigators and auditors are also essential. During the House's consideration of the Inspector General Bill, the question of investigative and audit resources was thoroughly explored. By and large those hearings revealed that all of the agencies are lacking in investigative capability, although some agencies are better than others. We trust that in the immediate future this problem will be corrected.

Nor will merely increasing the numbers of agency investigators and auditors be sufficient. The Department of Defense, for example, has over 4,000 investigators and 6,000 auditors; yet it is still a prime victim of serious fraud and abuse. Perhaps of far more importance than the actual number of investigators available to the agencies is the investigators' skill and expertise. Experience has demonstrated that in order to handle sophisticated white-collar offense, investigators have to possess the ability to penetrate complex schemes, reconstruct intricate financial transactions and follow logical audit trails.

The Department of Justice recently devised and is currently making available to federal program agencies a "mini course" on criminal investigations. Intended to be incorporated in standard agency investigator training programs, the course is presented by experienced Criminal Division personnel and concentrates on investigative requirements necessary to support a successful criminal prosecution. I am glad to report that the course is being well-received by the agencies and that currently we are preparing a parallel course specifically keyed to government audit personnel which should be avilable in early fall of this year.

3. INVESTIGATIONS

Investigations of significant white-collar illegality are often difficult and time-consuming as a result of the need to reconstruct the questioned transactions and

establish the requisite criminal intent by the subjects when they performed the questioned acts. Often investigators must look at not merely a single discrete act constituting the offense, but an entire course of conduct spanning months and even years. Relevant evidence may be spread out across the nation or around the world. Unlike street crimes where the crime is evident and the investigation focuses on establishing the identity of the culprit, an investigation of white-collar illegality centers primarily on determining if a crime actually occurred.

Allocating investigative resources, whether in the FBI, Postal Inspection Service or Internal Revenue Service, therefore becomes critical. Many white-collar crime cases have little potential deterrent effects, but pose no unusual investigative obstacles. More significant cases require a commitment of appreciable investigative resources, with no assurances that a successful criminal prosecution can be developed. The Department of Justice has chosen as a matter of policy to focus our resources primarily on those cases which are perceived to have maximum impact and deterrent value. In furtherance of this approach, the FBI has adopted a "quality over quantity" program to ensure that major cases are afforded maximum investigative priority. At the same time the Bureau has been recruiting more accountants and is shifting a greater portion of its agent personnel into white-collar crime investigations. Convictions recorded in the FBI-White-Collar Crime program for fiscal years 1974 and 1975 totaled 2,923 and 3,543 respectively. In contrast, recorded convictions in this area in fiscal years 1976 and 1977 were 4,307 and 4,239 respectively, a significant increase, especially considering the "quality over quantity" approach. The increase is largely the result of increased FBI efforts in the white collar area.

Major investigations of suspected white-collar crimes frequently require that a multi-agency investigative team be created to draw upon the expertise of various agencies in unravelling a convoluted series of illegal financial transactions. It is not unusual for a special team to be created comprised of investigators from the FBI, Postal Inspection Service, the SEC and one or more program agencies, to focus on a single matter. Our efforts in this regard have been somewhat frustrated by the 1976 Tax Reform Act, which severely restricts our ability to utilize the expertise of the Internal Revenue Service on such team projects.

4. PROSECUTION

The overall success of our curent efforts to prosecute white-collar offenses will necessarily be affectel by the legal weapons at our disposal. At this time there are gaps in our arsenal which need to be filled by new legislation. Many such statutes have already been proposed and are awaiting Congressional action. These proposals would, among other things: a) specifically proscribe computer fraud and abuse; b) clarify internal corporate responsibility, thereby preventing high officials from escaping personal criminal liability by hiding within the corporate maze; c) provide prosecutors with an effective injunctive procedure for stopping criminal schemes as soon as they are detected, rather than waiting until sufficient evidence is gathered to institute criminal proceedings and; d) outlaw pyramid sales schemes.

Merely having appropriate statutes on the books will not, however, be sufficient to control the problem. Vigorous prosecution of significant cases is required to achieve maximum deterrence and impact. That is why one of the Attorney General's first actions after he asumed office was to announce that white-collar crime prosecutions were one of his top priorities and to direct all United States Attorneys to devise three-year enforcement programs for white-collar crime and public corruption, as well as for his other priorities of organized crime and illicit drug trafficking. Such an initial step was essential because the vast majority of white-collar prosecutions, excluding anti-trust prosecutions, are handled by the United States Attorneys. At the same time, we expanded the Fraud Section and Public Integrity Sections of the Criminal Division which provide overall policy direction and support, including supplemental litigating support, to United States Attorneys in the area of white-collar crime prosecutions. Further expansions of these Sections were projected for FY 1979 until the House of Representatives rejected our budget requests.

At the present time most of the larger United States Attorneys' offices have established specialized white-collar crime units to focus on these offenses. Utilizing the team approach I earlier mentioned, these Units have proven to be effective mechanisms for attacking specific white-collar crime problems within their district. To supplement this effort and to address multi-district problems,

we also use specialized task forces that draw upon resources from the Criminal Division, selected United States Attorneys offices and relevant investigative agencies. Prosecution task forces, for example, are already focusing on foreign corrupt practices, land fraud, naval procurement fraud, military meat procurement fraud and coal frauds. Additionally, we are considering creating a task force to focus exclusively on energy-related frauds and abuses throughout the country. We are also considering creation of a corruption task force for identified districts that have particular problems combatting corruption in their area.

We recognize, however, that a more comprehensive approach to the problem is required if we are to have a larger impact in this area. Accordingly, we have under active consideration a proposal designed to ensure that maximum available prosecutive and investigative resources are directed at significant white-collar crime cases. The basic outlines of the proposal include the following:

a. Specialized white-collar crime units are to be formed in 29 federal districts around the nation;

b. Each unit will consist of no less than three attorneys, at least one of whom will be a Criminal Division attorney;

c. Each non-unit district will be affiliated with one of the unit districts and will be serviced by the Criminal Division attorney(s) assigned to the Unit:

d. The Criminal Division component of each unit will perform several functions including:

1. Maintain liaison with all relevant investigative agencies and wth state and local prosecutors.

2. Discern emerging white-collar crime problems within the jurisdiction,

3. Provide training an dtechnical expertise for affiliated office personnel;

e. All relevant investigative agencies will designate a senior agent to maintain liaison with the Unit. On a pilot basis, agencies will be requested to assign full-time agents directly to the Units.

f. Each Unit will work exclusively on priority cases. National needs and the peculiar characteristics of the district will be taken into account in establishing unit priorities.

g. To ensure that only major cases are worked by the Units, case initiation reports will be filed which will discuss the potential impact of the case.

We are still in the process of evaluating the proposal to determine if it is the most effective approach to maximize our prosecutive efforts.

One remaining point concerning white-collar crime prosecutions relates to training of prosecutors. We have embarked on an aggressive training program specially designed for Assistant United States Attorneys. These programs vary from courses dealing with specific white-collar crime problems such as fraud in HUD program, to more general white-collar crime seminars which cover a broad range of issues. In an attempt furthe rto coordinate the work of the prosecutor with that of the FBI, we are also experimenting with joint training programs.

5. SENTENCING AND PUNISHMENT

Treatment of convicted white-collar offenders is a difficult and often emotionally charged public issue. As "rehabilitation" has little relevancy for many such offenders, questions can be raised about the efficacy and purpose of penal sanctions in white-collar crime cases. I submit that such sanctions can play a vital role in our attempts to control white-collar crime.

Whatever the deterrent effect of the criminal law, it may have its greatest impact on white-collar offenders. White-collar crime offenses generally involve careful planning by the offender and a conscious weighing of the costs and anticipated benefits. At present, the anticipated benefits of many white-collar crimes can be measured in the millions of dollars by some potential offenders. We must increase the cost of such crimes by ensuring punishment more severe than only the possible loss of reputation and community standing. Imposition of heavy prison terms joined with apropriate fines should be the rule, with probation and early parole reserved only for the most exceptional cases. Only by "recriminalizing" white-collar crime offenses can we hope to deter would-be offenders.

In the anti-trust area, in particular, we have decided aggressively to seek stronger sentences. In December 1974, Congress made violation of the Sherman Act a felony and substantially increased the maximum penalties. The Antitrust Division has been placing a greater emphasis on criminal investigations and prosecutions of price-fixing, and has adopted internal guideines for sentencing rec-

ommendations in felony cases. The guidelines provide for a base sentence of 18 months and set out certain aggravating and mitigating factors to be taken into consideration.

Imposition of severe punishments in white-collar crime cases would also serve to assure the public that justice is truly being administered equally in this country. It is hard to justify incarcerating the ghetto youth for theft of a car while simultaneously admitting to probation the corrupt government official or corporate official who has betrayed his trust and milked the public for millions of dollars.

Inconsistencies in jail terms must be eliminated. Toward that end, the proposed revision of the Federal Criminal Code contains sentencing guidelines and provides added protection for appellate review of sentences outside the guidelines.

We must deal with many complex problems in order to mount a more effective law enforcement effort against white-collar crime.

Thank you. I will be glad to answer any questions you may have to ask me.

Mr. CONYERS. With that, we will allow you to begin your remarks. Welcome to the subcommittee.

TESTIMONY OF BENJAMIN R. CIVILETTI, DEPUTY ATTORNEY GENERAL, ACCOMPANIED BY MARK RICHARD, CHIEF, FRAUD SECTION, CRIMINAL DIVISION

Mr. CIVILETTI. Thank you, Chairman Conyers, and thanks for the opportunity to appear today to discuss with the subcommittee the problem of white-collar crime or illegality.

At the outset of my remarks I want to emphasize that the Department shares your deep concern with the problem of white-collar illegality and pledges its support in the months ahead in the subcommittee's study of the difficult subject. We join in the hope expressed by you in your opening statement that what will emerge from these proceedings will be concrete ideas for legislative and executive reforms which will enhance society's understanding of white-collar illegality and our mutual ability to deal effectively or more effectively with such illicit behavior.

If agreeable to you, I would like to highlight parts of my written testimony rather than simply reading it in its entirety; I will skip those parts which need not be highlighted, and call particular parts to your attention.

Mr. CONYERS. That will be quite all right.

Mr. CIVILETTI. Thank you.

Definitionally, having read the first session of the committee's work and appearances, and also having reviewed the white-collar crime report or response developed by Miriam Saxon, an analyst in the Social Legislation, Education, and Public Welfare Division of the Congressional Research Service of the Library, for the subcommittee, I need not discuss in great detail the substantial number of different definitions and different viewpoints with regard to the white-collar crime. The differences are without great meaning. They are helpful, in their variety, they are helpful in understanding the multitudinous variety of white-collar crime offenses and to help understand that in devising solutions to white-collar crime those solutions differ, depending upon what type or types or categories of white-collar crime we may be addressing with any particular plan in mind.

With regard to the magnitude of the problem, the Department of Justice has no computer nor does it have any statistical genius which is

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