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White-Collar Crime

White-Collar Crime and Blue-Collar Crime

While lifting the veil of enigmatic criminogenic factors in the twilight zone of sociocultural and politico-economic plane, there appears a twinkling perspective to define delinquency, crime and recidivism. The analysis of numerous causative factors of crime leads to the conclusion that criminality is present at all levels of the society. The belief that the epicentre of the over all crime problem was that of the lower strata of the society was shattered by the concept of white-collar crime propounded by Prof. Edwin H. Sutherland in 1939. It is not merely the downs-and-outs, the unemployed, the victims of stratification, psychopaths and others who constitute the bulk of the criminal world but it is more on the upper echelons of the society who are in an advantageous position. 'It is axiomatic that all spheres of human activity have potential for criminality which depends upon the nature of opportunities presented to them'¹

The quantification of White-Collar Crime in a pluralistic society is not an easy task as its pervasiveness is deep-rooted and hibernate in the socio-economic echelons under the banner of 'respectability'. And therefore, White-Collar Crimes are also termed as 'hidden criminality'. Prof. Edwin H. Sutherland coined the terms 'White-Collar Crime' and 'White-Collar Criminals' as a less elegant and more scholar denunciation of the excuses of 'laissez faire' economies than Roosevelt's "male-factors of great wealth", Josephson's 'robber barons', Ida Tarbell's "Oil and Steel magnates", the "new rich", and the "new elite", Upton Sinclair's "meat packess", or Veblen's "Conspicuous consumers". The new phrase lent criminological credence and academic respectability.² It is further added that 'White-Collar Crime is the conventional crime of those in positions of trust and wealth'.³ These are crimes of the privileged class as contrasted to the traditional crimes such as theft, burglary, robbery, assault etc. which are known as 'Blue-Collar Crimes'

1. S. Venugopal Rao, Crime in our Society p. 49.
2. Simon Dinitz' Economic Crime, Criminology in Perspective. Essays in Honour of Israel Drapkin p. 41.
3. Ibid p.42

that are committed predominantly by the lower-class of the society. White-Collar criminals are the 'criminals of upper-class', who denude the economy of the nation and cause irreparable damage by exploitative tactics during the course of their occupation or business.

Sutherland believed with definiteness that the conventional explanation of crime on their causative factors was invalid because they have been based on the data drawn from a biased sample viz, ordinary crime. When ordinary crimes are lumped with these other sorts of crimes not ordinarily reported and acted upon, it is clear that we have a different order of behaviour or a different circle of behaviour to study and explain. More particularly, he holds invalid the theory that criminal behaviour is due to poverty or to psychopathic or sociopathic conditions associated with poverty. Such a theory emerges from the biased sample mentioned above; it does not apply to white-collar criminals, since they were not reared in slums or impoverished families and are not feeble-minded or psychopathic. Sutherland claims further that conventional theories of crime do not even explain lower-class crime.

According to Sutherland's explanation, criminal behaviour must be related to the general process that is found in lumpenproletariat crime as well as in white-collar crime:

The hypothesis which is here suggested as a substitute for the conventional theories is that white-collar criminality, just as other criminality, is learned; that it is learned in direct or indirect association with those who already practice the behaviour; and that those who learn this criminal behaviour are segregated from frequent and intimate contacts with law-abiding behaviour. Whether a person becomes a criminal or not is determined largely by the comparative frequency and intimacy of his contacts with two types of behaviour. This process may be called the white-collar criminality and lower-class criminality. Those who become white-collar criminals generally start their careers in good neighbourhoods and good homes, graduates from colleges with some idealism, and with little selection of their part, get into particular business situations in which criminality is practically a folkway and are inducted into that system of behaviour just as into any other folkway. The lower-class criminals generally start their careers in deteriorated neighbourhoods and families, find delinquents at hand from whom they acquire the attitudes toward, and techniques of, crime through association with delinquents and in partial segregation from law-abiding people.

A second general process is social disorganization in the community. Differential association culminates in crime because the community is not organized solidly against that behaviour. The law is pressing in one direction, and other forces are pressing in the opposite direction.

Even before Prof. Sutherland, who was the pioneer, Edwin C. Hill read the paper entitled "Criminal Capitalists" in the International Congress on the Prevention and Repression of Crime at London in 1872, in which awareness depicted in damages caused to the society by the upper-socio-economic group and the exploitation by them. He stated the growing significance of real estate owners, investors and manufacturers and other 'honest' people.

While turning the pages of history it could be retraced that corruptive practices had been invogue ever since the civilized societies came into being. Corruptive methods differ in societies as finger prints differ in human beings. Different typologies and various modus operandi have been innovated by habitual corrupt officials. While glancing at the world scene we could come across the mention of corruption in the code of Babylonian King Hammurabi which is of 22nd century B.C. The historical retrospection throws more glimpses on the false evidences adduced by taking bribe. In as much as in the 14th century B.C. stringent punishment of death penalty (capital punishment) had also been awarded for bribery in the discharge of official judicial duties.

While making an in-depth study, it comes to surface that during the time of ex-potential Law-giver Manu, bribery and corruption appeared to be in the very low ebb or negligibly small. Probably, this may be due to the fact that the life was very simple, moral values were given top priority and self-contentment was preponderant. Various types of corruption and bribery are described in a vivid picturesque form by Kautilya in his Arthashastra.

During pre-Independence period when the East India Company started laying its roots on the Indian soil by establishing the British Rule, corruption propagated rampantly. Various types of clandestine transactions, bribery and corruption touched the height at the instances of Robert Clive and Warren Hastings who have been the Governor and Governor-General of Bengal respectively. With the monument of ill-gotten money and amassed wealth the inefficient administration, had protruded its head with indelible marks on the sands of time of the Indian history. Due to the corruptive maladministration, impeachment proceedings have been instituted against them. The Second World War added fuel to the fire with black marketing, embezzlement, bribery etc. With a view to combat the growing menace of corruption in public services due to mercurial down-fall of the moral values and disintegration of the social life, more effective provisions were needed. Accordingly, the Prevention of Corruption Act 1947 came into being. In the Indian Penal code from Sections 161 to 165 have already enumerated corruption elaborately. With the advent of amendment, Section 165-A IPC was added in the year 1952. One of the salient features of the Prevention of Corruption Act 1947 is Section 5(1) defined the 'criminal misconduct' of the public servants. In as much as provisions have also been made for the habitual commission of corruptive

Capitalism = 90% of total

practices. As corruption has been taking its leaps and bounds in public services, a committee had been instituted to look into the causative factors of corruption and bribery. The Santhanam Committee which was set up in 1964 submitted various recommendations *inter alia* the possession of disproportionate assets by public servants as a substantive offence. Thereafter, Anti-Corruption Law (Amendment) Act 1964 came into being. Hon'ble courts found it very difficult to inflict punishments due to certain intrinsic flaw in the Act. Quite a number of cases have been acquitted. With a view to surmount this problem and also to come with a heavy hand on the corrupters, the Prevention of Corruption Act 1988 came into being with stringent provisions in an exhaustive form.

Theories of Causative factors of Corruption

Corruption exists in different allotropic forms like, illegal gratification, bribery, pay-off, kick-back etc. To explain this, different schools of thought sketch out various theories. They are: (i) socio-economic theories, (ii) psychological theories, (iii) interactionist theory, (iv) operational theory, (v) structural theory, (vi) deviance, (vii) functional theory and so forth. It is also described as a human aberration and a crime. Social disorganisation, inflation, 'learned process', erosion of moral values, greediness, normlessness and lack of contentment are some of the significant causative factors.

Definition :

Dishonest intention of a public servant is defined in Sections 24 and 25 of IPC. Dishonestly abusing one's position as public servant has been held by the Supreme Court as that the public servant should be not merely a foolish or careless or negligent or rash person but should be a knave.

According to Sutherland, White-Collar Crime is "crime committed by person of respectability and high social status in the course of his occupation." Further improvement was done and redefined. 'White-Collar' crime as "a person of the upper socioeconomic class who violates the criminal law in the course of his occupational professional activities."⁴

Sutherland's definition of white-collar crime touches only a limited area and is very restrictive as it does not include crimes outside a person's occupation. To quote but a few are 'false income tax returns, fraudulent advertisements, infringement of patents etc. Herbert Edelhertz defines white-collar crime as "an illegal act or series of illegal acts committed by neo-physical means and by concealment or

4. E.H.Sutherland 'White-Collar Criminal' address in American Sociological Society in 1939.

guile, to obtain money or property, to avoid the payment or loss of money or property or to obtain business of personal advantage."⁵

White-Collar crimes are "illegal acts characterized by quite, deceit and concealment" and are not dependent upon the application of physical force or violence or trends thereof. Further, they may be committed by individuals acting independently or by those who are part of a well-planned conspiracy. The objective usually is the obtaining of money, property or services; avoiding the payment or loss of money, or securing business or personal advantage."⁶

"White-collar criminality in business is expressed most frequently in the form of misrepresentation in financial statement of corporations, manipulation in the stock exchange, commercial bribery, bribery of public officials, directly or indirectly in order to secure favourable contracts and legislation, misrepresentation in advertising and salesmanship, embezzlement and misapplication of funds, short weights and measures and misgrading of commodities, tax frauds, misapplication of funds in receivership and bankruptcies. These are what Al Capone called "the legitimate rackets". These and many others are found in abundance in the business world".⁷

What are legitimate rackets?

Implications of White-Collar Crimes

The modern society with an unremitting quest for materialistic rewards compromises with white-collar crimes as an integral part of the 'unethical' business practice and not as crimes.

According to V.R.Krishna Iyer J.

"Economic offences often are subtle murders practised on the community or sabotage of the national economy".⁸

1. Financial Loss to the Public

The financial loss to society from white-collar crimes is probably greater than the financial loss from burglaries, robberies, and larcenies committed by persons of the lower socio-economic class. The financial cost of white-collar crime is probably several times as great as the financial cost of all the crimes which are customarily regarded as the "crime problem".⁹

5. Edelhertz, Herbert 'The Nature, Impact and Prosecution of White-Collar Crime'.
6. Paul M. Whisenand, Crime Prevention Publication p. 344.
7. E.H. Sutherland, "White-Collar Criminality," American Sociological Review, Vol. 5, No.1(1940), p. 2-5.
8. V.R. Krishna Iyer—Address in seminar on Current Trends in Criminology. Vigyan Bhawan, New Delhi — Feb. 22-24, 1974.
9. Ibid p. 2-5

2. Social Damage to Morale and Institutions

Ordinary crimes cause some inconvenience to the victims and occasionally, in flagrant cases of bodily attack or when repeated in quick succession, cause a general community disturbance. White-collar crimes destroy morale and promote social disorganization. Since the crimes are generally violations of trust, they create and extend feelings of distrust.¹⁰

The impact of white-collar crime is so much diffused in the society as a whole and it apparently appears that the single individual victim is only marginally affected as it is evenly spread out on the whole of the community. And because of this reason a conscious realization has not taken place. Even if the offender is caught on some of the offences like misrepresentation, frauds etc. the courts normally place the reliance on 'caveat-emptor' i.e., 'let the buyer beware' which is expressed in prevalent attitude. While the white-collar criminal commits the crime within the ambit of the law and exploits the victims, it is worth while to mention that the community themselves in most of the times knowingly contribute mainly to the commission of white-collar crime such as illegal gratification, black marketing etc. Such white-collar crimes cause irreparable damage to social relation at a larger scale.

'It also highlighted that when political power is held by, or influenced by, vested business interests, there is bound to be some differentiation in their favour, not merely in law-making, but more vitally, in law enforcement'.¹¹

"The case for free enterprises loses its relevance in the Indian setting of object poverty and wholesale deprivation. The need for protecting the consumer who is a helpless victim of the socio-economic system demands unequivocal punitive legislation converting all exploitative practices which have had some degree of acceptance hitherto into criminal acts. Thus, all violations relating to essential commodities, price control, adulteration, hoarding and black-marketing deserve to be treated as blatant crimes irrespective of the status of the offender".¹²

3. Privileged class deviance

'The close linkage of white-collar crime with capitalist structure of society, the supportive relationship between it and political and administrative corruption, and the inadequacy of the existing legal system to cope with its universality and complexity'.¹³

10. E.H. Sutherland, "White-Collar Criminality," American Sociological Review, Vol. 5 No. 1(1940), p. 2-5.
11. S. Venugopal Rao, Crime in our Society p. 67-68.
12. Ibid p. 67-68
13. S. Venugopal Rao, Crime in our Society p. 73.

The term 'official deviance' includes within its ambit every sort of misuse of official power, both political or non-political in nature. Caste oppression and violence against Harijans or Tribals could be instances of such caste privileged deviance. Bureaucratic corruption and favouritism, sale of property before the stipulated period, change in land use pattern, unauthorized construction, undervaluation of house and land price are generally done in collaboration with the government or corporation officials.

The caste exploitation and the landlord class excesses have been a part of rural India for a long time. The Belchi Massacre, the Pipra Massacre, the Narainpur Massacre and many less known instances of caste violence indicate the resolving social conflicts through deviance is still a practice amongst social groups in India.

4. Trade unionists deviance.

The phenomenon of deviance in industries and trading centers has become a legend. Extortions, assaults and murder have become a style of trade union operations not for settling scores with the employers and the trade union factions, but, for terrorising, intimidating and winning the allegiance of the workers as well. Certain deviant patterns of behaviour directed against women like bride-burning, witch-hunting, wife-beating, rape etc., can be explained in terms of the sex-privileged position of the male perpetrators.

Criticism of Sutherlands' definition

The white-collar crime as defined by Prof. Sutherland attracted sharp criticism from various eminent criminologists.

1. The criticism is that only persons who are guilty of violating the criminal law provisions and convicted by the criminal court are criminals. The white-collar crimes, no doubt are violations of penal law. They are not handled by criminal courts but mostly by Commissions, Administrative tribunals, Boards etc., In the strict legalistic sense, the offenders of white-collar crimes cannot be termed as criminals as the cases normally do not result in the conviction.
2. According to legal exponent Paul W. Tappan "if persons who commit white-collar crimes are branded as criminals the legal definition of crime has to deviate and digress to include even the moral values of the administrator in the place of 'clarity and precision' of the legal definition".
3. It is further conferred that the criminal proceedings provide the safeguards granted to the offender beyond any reasonable doubt lies with the prosecution. The proceedings of the white-collar crimes are conducted by the Administrative tribunals, Boards etc., after conducting due investigations, hearings and award of punishments.

4. Another criticism against the definition of Sutherland is that white-collar crimes are not necessarily committed during the course of one's business by an upper-class society only.
5. Sutherland propounded that an act is not a crime unless it is punishable by State. The punishment not necessarily be awarded by a Criminal Court only. He further contends the white-collar crimes are undoubtedly crimes as they are harmful to the society and various punishments are prescribed for the offences which speak of the legal sanction. He further emphasized that an unlawful act which is 'punishable' is much more important aspect than it is 'punished'.
6. Sutherland further advocated that even in criminal courts the criminal may not have the privilege of a defence counsel if the criminal happens to be a poor man. Similar is the safeguards in the case of white-collar criminals who appear before the Administrative tribunal. This contention is not in consonance with the safeguards guaranteed under the constitution and criminal courts are not prejudiced due to the absence of defence counsel.
7. 'Mens rea' or 'guilty mind' is the important element of a crime. As most of the white-collar crimes do not require *mens rea* writers like Jerome Hall do not recognize the white-collar crimes as real crimes and treat them as 'regulatory offences' only.

Some of the critics like Donald J. Newser were supporting Sutherland's definition of white-collar crime while writers like Dr. Gilbat Geis, vehemently criticizes the same.

Causes of White-Collar Crimes

1. "White-Collar Crime has to be placed on the same footing as 'mass disobedience' of laws in climate of public opinion, which looks upon astute business practices as necessary for successful performance even if they are illegal. The result is 'mass neutralization' of law and order which gives rise to a group norm which approves white-collar crimes as a 'normal response' particularly when the social and power status of the offender gives him a distinct advantage in the practical operating of the law".¹⁴
2. As per the Law Commission's report. "The inability of all sections of society to appreciate in full the need (of high standard of ethical behaviour) results in the emergence and

14. S. Venugopal Rao — Contemporary trends of Crime-Perspectives in Criminology p. 57-58.

growth of white-collared and economic crimes, renders enforcement of law, themselves not sufficiently deterrent, more difficult".¹⁵

3. The 29th Law Commission enumerated the various factors for the increase of white-collar criminality as follows:
 "The advances of technological and scientific development is contributing to the emergence of 'mass society'. With a large rank and file and a small controlling elite, encouraging the growth of monopolies, the rise of a managerial class and intricate institutional mechanism. The inability of all sections of society to appreciate in full, this need results in emergence and growth of white-collar and economic crimes".
4. The economic growth and industrial progress throughout the globe is one of the most important causes for the rise in white-collar crime.
5. The welfare activities launched in the post-independence period in India included control on the production and distribution of goods to reach the common general public. To quote but a few of such regulations are Imports and Exports (control) Act 1947, Foreign Exchange Regulation Act 1947, Essential Commodities Act, 1955, Industrial (Development and Regulation) Act 1951, Companies Act, 1956 etc.
6. The socio-economic status of the white-collar criminals acts as an insulation from the clutches of sentencing. By means of most powerful influence the white-collar criminals get away from the rigors of law. The general public also show deaf-ears and apathetic to white-collar crimes which facilitates the latter for propogation.
7. Criminal Law administrators and judges are also allegedly sympathetic towards white-collar criminals which results in their scotch-free-go.
8. White-collar criminals are tactful, intelligent and stable under the cover of high-social status. Their tentacles extend to top ranking public servants, press and imposters as saviours of the general public.

15. Report of Law Commission of India 1966.

9. As Sutherland himself rightly said "the social disorganization on account of individualistic policies and competitive economy are the real causes for this type of criminality". No doubt white-collar crimes are not merely the reflections of the society's attitude towards various types of crime but also the guarantee and acceptance or approval of its culture.
10. ^{NO} Anti-white-collar crime legislation should be preponderant and the enforcement should be emphatic. The white-collar criminals should be dealt with a strong and iron-hand and judicial attitude should be that of punitive.

Rationalization of white-collar crimes and Sutherland's 'Differential Association' theory :

Sutherland tried to explain the white-collar crime on the basis of "differential association" hypothesis though it ended inconclusive. Some of the white-collar crimes have accepted 'normal' procedure which is an integral part of the occupational subculture. The business tactics adopted are not regarded as offences. He explained this by using biographical or autobiographical descriptions of date. There was a "diffusion of criminal behaviour" from one situation to another.

Mary Cameron's study reveals that most of the middle class shoplifters resisted that they were compelled to admit their behaviour as theft. The act they considered was mere 'fun' or 'naughtiness'. Similar case holds good for the juveniles who steal the scooter or motorcycle which they brand it as 'joy riding' which is merely a 'fun' or 'frolic'.

^{4 types} Classification and Types of white-collar crimes

According to Edl Rertz, white-collar crimes are classified in terms of the "general environment and motivation of the perpetrator". He classified white-collar crimes in the following four categories:

1. Personal crimes: Crimes by persons operating on an individual for personal gains in a non-business context.
2. 'Abuses of trust': Occupational crimes in violating the duty of loyalty and fidelity to the employer or client.
3. 'Business Crimes': Crimes incidental to and in furtherance of business operations.
4. 'Con games': White-collar crime as a business of the central activity of the business.

The following illustration will give an idea as to what are the types of white-collar crime.

1. (a) Tax evasions.
(b) Credit card frauds.
(c) Bank and Postal frauds.
(d) Frauds of social security welfare.
(e) Insurance frauds.
2. (a) Embezzlement of self-dealing business.
(b) Fraud against Govts.
3. (a) Food and drug violations.
(b) Deceptive advertising.
(c) Malpractices in medical profession.
(d) Illicit liquor sale, Narcotic drugs, etc.
(e) Commercial espionage.
4. (a) Land transaction frauds.
(b) Charity and religious endowment frauds.
5. (a) Crimes by lawyers, fake claims etc.
(b) Bribery and graft by public servants.
(c) Hoarding, black-marketing, adulteration etc.
6. (a) Foreign exchange racket and smuggling.
(b) International crime.
(c) Human organ racket.

White-collar crimes in India

In trade and industry: White-collar criminality is quite rampant in India. The Santhanam Committee report gives a detailed and elaborate account of the criminal behaviour of the so called men of respectability, such as business tycoons, industrialists, contractors, top-ranking public servants etc. While turning the pages of the report, it reads as follows:

“Corruption can exist only if there is some one willing to corrupt and capable of corrupting. This willingness and capacity to corrupt is found in a large measure in the industrial and commercial classes. It is these persons who indulge in evasion and avoidance of taxes, accumulate large amounts of unaccounted money by various methods such as obtaining licences in the names of bogus firms and individuals and trafficking in licence suppressing profits by manipulation of transactions of immovable property. It is they who maintain an army of liaison and contact men, some of them live, spend and entertain ostentatiously”.

The committee report gives a vivid picturesque factualities in the following lines:

“Business communities in India of large and small merchants are basically a dishonest bunch of crooks nowhere in the world do business men get rich so quickly as they do in India”

The report of the Vivian Bose Commission of Inquiry 1963 tears off the black curtains of fraud, manipulative techniques adopted in the falsification of records and accounts for the personal gains at the expense of public investments. Tax avoidance by Dalmia Jain group of companies is an indelible example of fraud.

பொருள் வசூல்

Hoarding, profiteering and black-marketing of essential commodities

The traders have caused serious and irreparable damage to Indian economy and inexplorable sufferings to the common people. Such traders are heartless anti-social criminals who deserve stringent penal action.

Violation of Foreign Exchange Regulations and Import and Export Act

This is more prevalent among businessmen. This is done by under invoicing of export goods and over invoicing of import goods thereby denuding the national economy.

Adulteration

This includes the food and drug adulteration which causes irreparable damage to health and playing with lives of the common lot. It is due to the artificial scarcity created by manufacturers and also due to the ignorance and poverty of the consumers who go in for cheap medicine. Pharmaceutical Enquiry Committee is of the opinion that the spurious drug trade in India has increased tremendously. In as much as the Prevention of Food Adulteration Act has failed notoriously due to the faulty lifting of samples, and defective reports and undue delay in the examination by experts which frustrate the prosecution of the offenders who play with the lives of several thousands of innocent citizens.

The 47th Law Commission Report reads as under:

“Lack of legal expertise may even result in an unjustified acquittal, where, for example the inspector is temporarily thrown off his step by a clever if rather spacious, legal point of procedural manoeuvre”.

Violation of Tax Laws

Even though the words tax-evasion and tax avoidance appear to be synonymous there is a clear-cut demarcation line. The former implies non-payment of tax which is due to be paid up and the latter the spreading of total income in such a manner so that it does not incur tax liability legally. The loss incurred to the State exchequer due to violation of tax is tremendous. It is an undaunted fact that the

actual tax paid is only a fraction of the total income and the rest goes as 'black money'. The Santhanam Committee Report has given a flow-sheet of tax evasion by various groups which tolls several crores.

There is no dearth of Tax Regulatory Acts. Enforcement machinery is also in full swing with action. Despite the fact the white-collar criminals manoeuvre and succeed in accumulating the 'black money' and converting them into 'white money' by various methods. This menace has become unquellable and has serious repercussions in the economy of the country.

Corruption in Govt. and Politics

Corruption is a global phenomenon in the government and politics. In spite of the fact that Prevention of Corruption Act, 1988 is in vogue some of the unscrupulous public servants amass wealth and possess disproportionate assets by their notorious acts. The meagre salary given by the government, the recurring and pressing needs of life and greed for modern luxury are but a few reasons for corruption. Corruption is epidemic which can be found in almost all the offices even though their magnitude, degree and proportion may differ from place to place. The political corruption includes the grafts, abuse of good offices, violation of election laws etc., Tul Mohan Ram episode, Mundhra and Sirajuddin affairs involving high ranking officials like Cabinet Ministers are but a few examples of political corruption of recent age.

White-collar Crimes in Professions

Violation of professional ethics and criminalizing the professional and technical expertise leads to white-collar criminality in professions.

Medical Profession

Issue of false medical certificates, purposely prolonging the treatment with ulterior motives for money, illegal abortions, secret services to criminals for their acquittal, quack doctors practising as experts and administering medicines and injections without knowing the repercussions on the life of the patients are some of the white-collar crimes committed by them.

Legal Profession

Aiding and advising organized criminal gangs, preparing false and fabricated claims, fabricating evidences, delaying the litigation by colluding with opposite party, adopting unscrupulous tactics, and violating all ethical norms of the legal profession are some of these types. Barnes and Teeters speak of the distinction between a 'criminal lawyer' and a 'lawyer criminal'.

Engineering

The underhand dealings in getting the tenders passed for contractors, suppliers, showing oversight of the use of sub-standard materials for constructions, falsification of records, such like frauds are a few examples of white-collar crime in engineering profession.

Educational Institution

The worst affected are the private educational institutions which are run with govt. aid. They normally make fake and bogus enrolment of students. Meagre salary to teachers while getting the signature for full salary, defrauding the large sums of government grant, issue of fictitious, bogus and manipulative certificates and collection of unauthorized donations are some of the white-collar crimes. Issuance of fake degrees and diplomas by the unrecognized institutions is also more prevalent.

Black Money, Dirty Money and Money Laundering Techniques

In the underground economies of the world, there exists two principal types of funds: "black" money and "dirty" money. Black money is not obtained from illegal activities; it is simply money that is exchanged or held in secrecy to avoid income taxes or to circumvent currency restrictions that a particular country may have in force.

Dirty money, on the other hand, is obtained through completely illegal means. It can be hidden, but it cannot be used by the holder until it is transformed to "clean" money so that its origins are concealed. The illicit trafficking in narcotic drugs generates enormous quantities of "dirty" money.

Money laundering is a term used to describe the process whereby cash from illegal activities is converted to an alternate form in a manner that conceals its origin, ownership, or other potentially embarrassing factors. While laundering schemes can be of varying degrees of sophistication, all are designed to accomplish the same purpose.

Smurfs are also employed to convert cash in small denominations to large bills—this is sometimes referred to as "refining" dirty money.¹⁶

Conclusion

Some of the white-collar crimes which attracted the attention of the criminologists in the recent past are focused as follows:

1. Smuggling—this is the most deadliest white-collar crime which denudes the national economy.

16. S/Sgt. B.W. Bowie, Drug Enforcement Directorate, Royal Canadian Mounted Police.

who are smurfs