An Examination of White-Collar Crime

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Introduction

Most often, when people think of crime, it is those of a violent manner that come to mind. However, some of the most damaging criminal acts can happen in boardrooms or behind the screen of a computer. White collar crime is defined by Siegal (2023) as “any business-related act that uses deceit, deception, or dishonesty to carry out criminal enterprise.” These kinds of crimes are non-violent and, in most cases, financially motived. Criminologists, however, do not restrict the definition to those in the upper class but rather acknowledge that members of all social classes may engage in white-collar crimes (Siegal 2023). Victims of white-collar crimes can be the competing organizations, the organization that an employee works for, or can even be as widespread as the general public. Despite the significant impact and damage these types of crimes can cause, they are less likely to be reported than crimes of a more violent nature, an idea that is attributable to the idea that getting involved does not hold any value due to the mindset that nothing can truly be done. (Shahbazov et.al 2023). As digital systems, large corporations, and financial institutions continue to grow and evolve, both acknowledging and understanding white collar crime is more crucial than ever.

Health Care Fraud

Health care fraud can be committed in a wide variety of ways, and can be committed not only by patients, but also medical providers and others whose goal is to intentionally deceive the health care system for monetary gain (Federal Bureau of Investigation n.d.). Offenses of this type that are committed by physicians often surround the billing of services. Upcoding, for example, is the act of a medical provider billing for a more expensive service than what was actually received. This can go even further with what is known as phantom billing, which is billing for a service visit or the use of supplies that was never received.

On the patient side, fraud is often committed by means of identity theft or identity swapping. This can either mean a patient is using another person's health insurance or the patient is directly impersonating a health care professional. With impersonation of this kind, a person can not only provide or bill for health services without a license but also forge prescriptions with the intent to sell and distribute the drug or for personal use.

White-Collar Crime Within Businesses

A large amount of white-collar crime occurs within businesses, involving deceptive or unfair practices. Ponzi schemes are considered offenses of this type. In these schemes, organizers recruit new investors by promising high returns and no risk. Returns are then paid to earlier investors using capital from newer investors rather than from the actual profit of the investment and the organizers take a large portion of the money into hidden bank accounts for personal monetary gain. Ponzi schemes are prone to collapse

Insider trading is a common type of white-collar crime that is committed by employees of a business and often concerns stocks within the stock market. Insider trading depends on information asymmetry, a knowledge gap between people outside of a business and the employees within one (Cosemans and Frehen 2025). These employees utilize their insider information about their employer's intended business decisions in order to buy or sell their own company's stock. Insider trading is considered to be a type of chiseling, which involves an ongoing conspiracy to use one's business position to cheat institutions or individuals by providing them with faulty good and serves or by providing services that violate legal controls on business practices (Siegal 2023).

Another common type of white-collar crimes is embezzlement, which is the fraudulent usage, selling, or movement of either money or property that has been placed in one's trust or that belongs to one's employer. In Moore v. United States, the Supreme Court noted that embezzlement differs from larceny in that the original taking of the property was lawful, or with the consent of the owner rather than initial felonious intent at the take of the taking. (United States Department of Justice n.d.).

Corporate Crime

On a larger scale, corporate, otherwise known as organizational crime, can occur. Crimes that fall under this umbrella involve situations in which powerful institutions or their representatives willfully violate laws meant to restrain institutions from doing social harm in order to further the business interests of those who control said companies (Siegal 2023). This category of white-collar crime is made up of a wide variety of different offenses. Some acts that are included under corporate crime are price fixing, false advertisement, environmental protection law violation, and the illegal restraint of trade. The United States Department of Justice has a multitude of different subdepartments, and office meant to prosecute corporate crime specifically whose number can be attributed to Congress's constant expansion of laws governing corporate conduct. This expansion is most often a result of company and institution scandals and incidents (Park 2017).

Consequences Pertaining to White-Collar Crime

Punishments for white-collar crimes committed by individuals, businesses, or corporations vary depending on the specific offense, but can include fines, imprisonment, and restitution to victims. Crimes of this nature result in a more costly economic impact than other categories of crime, and can endanger employees through unsafe working conditions, injure consumers because of dangerous products, and cause pollution issues for communities (Meier and Short 1982). When one person, or a group of people can be identified as the perpetrators of the crime and held accountable, incarceration is a potential punishment as well.

Corporate crimes or crimes committed by businesses as a whole entity face slightly different punishments, as no one person in these cases can be prosecuted. Instead, the organization is punished primarily by lawsuits, fines, restitution, and the resulting financial and reputational loss. In cases where a large, well-established corporation is at fault, a successful prosecution can be difficult. Park (2017) attributes this to the limited resources that prosecutors have, their tendency to only bring forth cases they believe they can win, and the high evidentiary standards in federal criminal court. Furthermore, Werle (2019) notes that there are companies that could be defined as “Too-Big-to-Jail”, meaning that they may be seen as too valuable to the economy for prosecutors to hold them accountable for their crimes. This idea presents a serious legal gap that implies that if a company holds enough power and enough capital, then they can get away with these harmful white-collar crimes.

Conclusion

White-collar crime presents a unique and often underestimated threat to not only economic stability, but also public wellbeing and trust. Unlike more well-known kinds of crimes, white collar offenses are typically non-violent in nature. However, these offenses can have far-reaching consequences, such as serious financial issues for individuals, corporate collapse, and the erosion of both institutional trust and integrity. By examining the various forms of white-collar crime like fraud, embezzlement, insider trading, and organizational crime, the overall damage to the general public and the severity of these crimes can be seen. As society continues to evolve, the need for corporate accountability and effective preventative legislation towards corporations and large financial institutions is greater now more than ever.

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