

A New Era of White Collar Crime

Libby Zygmunt

Abstract:

When the concept of white collar crime is discussed, it might not cause the same frightening feeling as other types of crime. Yet, this does not make its effects any less damaging. White collar crime began with pen to paper fraudulent activity, and it has evolved to be so much more complex than that. With the incorporation and evolution of technology occurring rapidly, the opportunity to commit white collar crime has broadened. This study will review the impacts of technology on white collar crime and project what white collar crime will look like in the future. To prove the hypothesis that the evolution of technology has had a large impact on white collar crimes, many factors are going to need to be examined. In order to avoid bias, we will look at sources from experts in the technology spaces, criminologists, and the criminals themselves. I plan to demonstrate that technology has expanded the boundaries of white collar crimes, making it much more possible for many types of damaging attacks to occur. Furthermore, I will highlight that these crimes will only continue to worsen and be more possible as technology continues to be incorporated into our homes and businesses.

Narrative:**1. Introduction**

As technology has evolved over time, it has affected many aspects of human existence in both a positive and a negative manner. Technology has made it possible for humans to have access to abundant resources. However, it therefore makes it possible for criminals to access resources that they should not have access to. Now, a merge between white collar crime and cybersecurity has formed. White collar crimes refer to the "...non-violent, illegal activities that are committed by individuals or businesses for financial gain or personal gain" ("White Collar Crimes - Cyber Security."). The term white collar crime was coined in the 1930s by Edwin Sutherland who was a sociologist and criminologist. Typically, it was used to refer to people of high social status. Prior to the introduction of this concept, no one thought high-class citizens would be capable of these types of crimes. Because of this, many companies sued Sutherland when he wrote a book about it ("White-Collar Crime." *Corporate*). Due to how his discoveries have aged and grown, Sutherland is more known now than ever (Holt). Some examples of this include fraud, insider trading, Ponzi scheme, embezzlement, counterfeiting, money laundering, and espionage. These can be committed by an individual or a corporation. To compare this to other types of crime, blue collar crime is more "straight on". Some examples of this might be robbery, burglary, etc. ("White-Collar Crime." *Corporate*). On the other hand, cybersecurity is defined as "...the organization and collection of resources, processes, and structures used to protect cyberspace and cyberspace-enabled systems from occurrences that misalign de jure from de facto property rights" (Craig). Technology has evolved rapidly. Faster than people could even wrap their heads around, companies began to store all of their secure personal information on the computer rather than over pen and paper. Before technology was as advanced as it is

today, physical controls such as a security guard and a lock were used to guard this information. Now access controls, such as firewalls and strong passwords are used to protect this data. While this might be more convenient, it definitely makes it possible for hackers and cyber criminals to have access to this personal data. Therefore, technology makes it more possible to steal this information. Because this evolution has happened so quickly, it makes it difficult to examine specifically how this evolution has occurred. How has the evolution of technology negatively impacted the evolution of white collar crime?

2. Background/Related Work and Motivation

The fusion between white collar crime and cyber security has led to the development of a new phrase: white collar cybercrime. “Recent cybercrime statistics indicate that with hundreds of millions worth of damage, cybercrime remains one of the primary threats facing nations, corporations and ordinary people” (Yip). This began as mass spam emails. Although these mass spam emails still exist, these crimes have evolved to be more complex and calculated. For example, corporate espionage refers to the translation of intellectual property or trade secret theft. In the past this meant hiding corporate secrets behind physical security such as vaults. Now companies hide secrets behind cloud storage, passwords, and firewalls. (“How Has Technology Impacted White Collar Crime?”) The FBI focuses a lot on intellectual property theft and piracy. This is robbing people of their companies, ideas, and creative expressions (“White-Collar Crime.” *FBI*). None of these types of crimes would be possible without technology. All of them are becoming more possible because of how advanced technology has become. A study done on the development of these crimes shows “...white-collar crimes that were not committed through computer technology were more likely to be incidents such as securities fraud while the

white-collar cybercrimes were more likely to be committed by younger offenders and target small businesses and business owners” (Payne). This demonstrates that the newer generations are developing new crimes utilizing technology. On this subject, other people have contributed to the idea that white collar crime and technology are correlated. There are some studies and articles written about this topic. However, many of these articles and studies do not analyze what these types of crimes might look like in the future and how they will expand. According to a study on white collar cybercrime, “...white-collar cybercrime is a relatively new concept for cyber criminological analysis and is currently a rarity within the academic literature” (Hamerton). One theory that should be analyzed is how white collar cybercrimes might spread into the “internet of things”. This includes physical objects with sensors that have software, processing abilities, etc. that connect to the internet. For example, smart appliances. If cyber criminals get access to these technologies, they can find out the most personal information about us because they are violating the privacy of our homes, the place we feel the most comfortable and safe. Because these crimes have become so abundant, it is important to consider how people are punished for them. According to a textbook on technology enabled crime, “One important characteristic that tends to distinguish technology-enabled crime from ‘terrestrial crime’ is the matter of jurisdiction (Choo). There are heavy penalties for these types of crimes. However, the problem is these potential sentences coax defendants into entering into plea bargains with the government rather than taking a risk and going into trial. Federal prosecutors stack offenses resulting in higher sentences leaving the criminals with no real options. Furthermore, many people are charged with crimes that they weren’t even aware of (Admin).

3. Methods

In order to carry out this study to have the most effective and unique results, I will interview a variety of sources to get firsthand facts from different types of experts. First of all, I strive to interview criminologists. Criminologists are able to read the behavior of the criminals in order to understand their mindsets and possible motives when they committed the crimes and after they were caught. Not to mention, many criminologists have been experts in their fields long enough to live through the incorporation of technology into these crimes. Therefore, I can ask them questions like, “Have you seen a change in the type of person who commits these crimes over the years?” I also want to interview experts in technology. Experts in technology have an insight perspective on both the evolution of technology and how the criminals are committing these crimes. Accordingly, I may ask them “How do you think these crimes might look in the future?” Furthermore, I want to interview the criminals themselves. The criminals may provide firsthand insight on how they committed the crime, why they committed the crime, and what they sacrificed because they committed the crime. When interviewing white collar criminals, it is important to keep in mind that they are often of high social class and very intelligent, typically more intelligent than the interviewer themselves. When interviewing them, it is better to play the role of an informed innocent, a babe in the woods and play this IQ difference to your advantage. Let the criminal “teach” you about what they did (Hobbs). In a study done by Harvard students, it was recommended to do research on who you want to interview and write them a letter before even attempting to interview them. In this letter, it is important to make positive remarks on their career. When interviewing them, it is recommended to develop trust with the criminal first, rather than asking personal questions. Furthermore, the study highlights that phone calls have proven to be more effective because they can happen more frequently and allow time for reflection in between each interview (Ordway). On top of interviews, many white

collar criminals have written autobiographies. These could be a strong source. All of these sources will have a variety of insights. By combining their ideas, I can form an unbiased analysis.

4. Expected Results

From this research and analysis, I expect to uncover some ways that potential victims can protect themselves from these crimes. By knowing so much about them, patterns may be uncovered, and we may be able to get into the criminals' heads. I can also do this by bringing awareness to these crimes. Many people, usually those most vulnerable, aren't even aware that they are at risk of these types of crimes. So many people put all of their trust into technology, so they do not hesitate when they are in danger online. As a result, the funding to protect people from these crimes is low. In a study done on the private policing of white collar crimes it is stated, "Future research may help professionalize the business of private policing of economic crime" (Gottschalk). Increasing the policing of these crimes will reduce the rate of them. Furthermore, I expect to reiterate and summarize what these types of crimes may look like in the future. Overall, I want to confirm the correlation between technology and white collar crime: the evolution of technology has caused an increase in white collar crimes.

References/Works Cited:

Admin. "Computer Crimes Rising on List of White Collar Offenses." *Whitecollar Attorney*, 21 Oct. 2020,

<https://whitecollarattorney.net/blog/computer-crimes-rising-in-white-collar-offenses/>.

Accessed 6 October 2022.

Choo, Kim-Kwang Raymond, et al. *Future Directions in Technology-Enabled Crime: 2007-09*.

Australian Institute of Criminology, 2007.

Craig, D. Diakun-Thibault, N., & Purse, R. 2014. Defining Cybersecurity. *Technology*

Innovation Management Review, 4(10): 13-21. <http://doi.org/10.22215/timreview/835>.

Accessed 6 October 2022.

Gottschalk, Petter. *Investigating White-Collar Crime: Evaluation of Fraud Examinations*.

Germany, Springer International Publishing, 2017. Accessed 6 October 2022. .

Hamerton, Christopher (2020) White-collar cybercrime: evaluating the redefinition of a

criminological artifact. *Journal of Law and Criminal Justice*, 8 (2), 67-79.

(doi:10.15640/jlcj.v8n2a6). Accessed 6 October 2022.

Hobbs, Dick. *The Sage Handbook of Fieldwork*. SAGE, 2009.

Holt, T.J. and Kennedy, J.P. (2019). Technology's Influence on White-Collar Offending, Reporting, and Investigation. In *The Handbook of White-Collar Crime*, M.L. Rorie (Ed.).
<https://doi.org/10.1002/9781118775004.ch28>. Accessed 6 October 2022.

“How Has Technology Impacted White Collar Crime?” *Beckham Solis, Attorneys at Law* |
Beckham Solis, Attorneys at Law, 26 Apr. 2022,
<https://www.duimiamilawyer.com/blog/2022/04/how-has-technology-impacted-white-collar-crime/>. Accessed 6 October 2022.

Ordway, Denise-Marie, and About The Author Denise-Marie Ordway She joined The Journalist’s Resource in 2015 after working as a reporter for newspapers and radio stations in the U.S. and Central America. “Interviewing White-Collar Criminals: 6 Tips from Harvard's Eugene Soltes.” *The Journalist's Resource*, 8 Dec. 2020,
<https://journalistsresource.org/economics/interviewing-white-collar-criminals-bernie-mad>

off/.

Payne, B. K., & Pitman, L. (2022). Technology, White-Collar Cybercrime, and White-Collar Crime: An Analysis of Utah's White-Collar Crime Registry Data. *Journal of White Collar and Corporate Crime*, 0(0). <https://doi.org/10.1177/2631309X221128622>.

Accessed 6 October 2022.

“White-Collar Crime.” *Corporate Finance Institute*, 27 Oct. 2022,

<https://corporatefinanceinstitute.com/resources/esg/white-collar-crime/>. Accessed 24 November 2022.

“White-Collar Crime.” *FBI*, FBI, 3 May 2016,

<https://www.fbi.gov/investigate/white-collar-crime>. Accessed 6 October 2022.

“White Collar Crimes - Cyber Security.” *GeeksforGeeks*, 31 Jan. 2022,

<https://www.geeksforgeeks.org/white-collar-crimes-cyber-security/>. Accessed 6 October 2022.

Yip, et al. "The Digital Underground Economy: A Social Network Approach to Understanding Cybercrime." *EPrints Soton*, 1 Oct. 2012, <http://eprints.soton.ac.uk/id/eprint/343351>.

Budget: \$700-\$900

Travel Expenses: \$550-\$750

I will need to travel in order to interview a variety of subjects.

Consists of:

- Flight: \$200-500
- Rental Car: \$50
- Hotel: \$300

Interviewing Technology: \$50

I will need certain tools to document my interviews.

Digital Voice Recorder + tax: \$50