
White Collar Crimes – A Detailed Analysis

*Siya Puri & Prof. (Dr.) Simranjeet Kaur Gill, School of Law,
CT University, Ludhiana.**

Abstract

This article investigates a detailed examination on white collar crime in India. In addition, to comprehending the gravity of white-collar crime in our nation. White collar crime is defined as offence done by qualified citizens from a wealthy social class during the days of their course of employment. The researcher has what distinguishes white collar crime from regular offences in this article. It is also known as the crime of the knowledgeable and highly qualified upper class. In this study, the researcher goes over the different kinds of white-collar crimes that have emerged in India over the past couple of years. Also, how it has evolved into a socioeconomic violence. Aside from that, there are crimes committed by people in various professions, such as medicine, training, and law. The paper demonstrates different Indian laws that address the sanctions for these kinds of offences.

White collar crime is defined as an offence committed by people from the upper sector of society and from a respectable subset of society. This crime occurs in the scope of employment. People committing this violent act typically have an improved knowledge of technology, their corresponding field, specialisms, and so on. White collar crime has changed massively in the last few years. They are also seen as dedicated in large organisations that cover a variety of programs. Thus, we can say that these offences are common to trade, marketing, training, health etc. Since the criminal pattern has shifted dramatically in the last few years, conventional crimes in the country have been partially replaced by white-collar crimes. The major distinction among white and blue violent act is that blue crime offenders are from the impoverished section of society, whereas white collar crime offenders are from the higher class and break a law in a quite effective fashion. They retain their social standing until the crime is revealed.

* Siya Puri is pursuing LLM from School of Law, CT University, Ludhiana.
Prof. (Dr.) Simranjeet Kaur Gill is Principal at School of Law, CT University, Ludhiana.

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I. Introduction:

When it comes to white-collar crime, it is a nonbelligerent crime performed for monetary benefit that frequently causes harm and damage to another person. These are not victimless crimes; instead, they severely damage families, decimate businesses, and leave victims in pain and misery. White-collar crimes is an umbrella term that encompasses, to name a few, financial crime, money laundering, market manipulation, embezzlement, and so on. White-collar crimes, or offences committed by the sophisticated section of our population, as the author refers to them, must include the below elements:

1. Passive in character
2. Act or omission resulting in damage (mental/ physical)
3. Intention to cheat
4. An innocent's unjust loss and the criminal's wrongful gain
5. Intended to enhance the offender financially
6. Results in financial distress to the victim
7. Not reliant on the use of tangible force/attack/physical damage

II. Historical Background

- Edwin Sutherland, an American sociologist, is the first one to describe violent racism in the globalised world. He characterized this violent act as being dedicated by an individual of high social standing as opposed to those who dedicate regular crimes while working for him.
- Morris made reference to the need for a change in focus on crime once more in 1934. He detained that anti-social operations committed by people of high status in the lesson of their vocation should be classified as a violent act and penalize.

- Finally, E.H. Sutherland, in his pioneer efforts, highlighted that these 'Upper Worked1 offences, which are dedicated by individuals of upper Socio-economic organisations in the course of operations - breaching the confidence, should be referred to as "White Collar Crime" in order to separate them from petty theft, which he referred to as "Blue Collar Crime"
- In 1941, the notion of White-Collar Crimes was introduced into criminologists about the first occasion.

III. Reasons For Growth Of White Collar Crimes

The wider populace believes that white-collar offenses are performed only for the sake of avarice, competitiveness, and a loss of employment volatility. Although the aforementioned variables are the primary causes of the increase in these criminal offences, there are a number of important aspects as well:

1. **Technical Knowledge-** White-collar crime is also a global phenomena as production has increased, and it is developing at an alarming rate in India as well. The growth of individual computers or laptops has worsened the situation because their use not only leads in the production of several thoughts, but also opens up chances for individual living in any part of the globe to perpetrate these offenses.
2. **Contesting-** It means that in order to prosper, there will always be struggle among the individuals, and only the strongest who can make adjustments will remain. White-collar crimes are frequently the result of the same goal. To succeed, they are willing to commit crimes such as forgeries, blackmail, and deception. Specialists are frequently economically rewarded and promoted inside organizations in exchange for short-term spectacular earnings. Some people are hesitant to break the law in order to enhance performance in comparison to others. People participating in such crimes are few in quantity, upward in the social order, and the consequences are enormous.
3. **Accessibility to Data-** The visibility of sensitive data about personal information, such as bank account numbers, assets, passcode, and so on, on their cell phones and computers

might incite criminal minds to utilise the knowledge for their own gain. Such white-collar criminals may attack wealthy individuals or bodies such as banks, gambling, and financial businesses, where large sums of money are exchanged on a regular basis. Thus, hackers can acquire login information, retina pictures, and other statistics that can readily trick biometric technology and then modify it for selfish gains.

4. **Justification-** Because the essence of these offence varies from conventional models, people find it difficult to recognise and comprehend them. As a result, criminals commit violent acts and afterwards convince themselves that their acts are not unlawful in character. Several stock traders who participate in insider trading consider it as a lesser crime in which no one is deceived. Sales representatives who bribe their customers believe they are just doing their work by bringing the transaction together while not causing any injury to anybody.
5. **Workplace Atmosphere-** Workplaces may provoke both positive and negative attitude from employee. When presented with moral decisions, environmental factors such as badly constructed employment rewards or administrative indifference to ethics might persuade people to act significantly varied. As a consequence, some people surrender to such temptation and violate their ethical principles, which leads to illegal behaviour. There is seldom a guidance to breach the law.
6. **Greed-** Humans are selfish creatures, as the pioneers of modern political thought, Machiavelli, correctly stated. He also stated that a guy may accept his father's death more quickly and readily than the losing his fortune. The same would be applicable for anyone planning to perpetrate any form of white-collar crime. Otherwise, why would a man who is stable financially and of high rank do such offences? Impatience is a sin which may result in an individual pursuing luxuries that have no bounds.

IV. Types Of White- Collar Offences

There are multiple kinds of white -collar crimes, but the ones mentioned below are the most common ones:

1. **Corporate Treachery-** As per the FBI, the number of corporate fraudulent activity they investigate constitute misstatement of financial records, insider trading, and strategies crafted to cover up public corruption operations and obstruct regulatory bodies such as the Securities and Exchange Commission from undergoing their investigations.
2. **Employee theft-** Employee theft occurs when an individual invested with money or property by an employer or another individual exploits their power to expropriate cash. When a worker discovers a means to divert business funds into their own financial institution, this is an example of theft. Other example is when a person uses corporate money for own private expenditures.
3. **Ponzi Schemes-** A Ponzi scheme, called after Charles Ponzi, a scammer who allegedly made \$250,000 each day via his postal voucher swindle in the 1920s, is a form of financial scam that offers huge returns with zero risk. Ponzi schemers or organisations spend their energy on acquiring new investment in order to pay off the earlier models. When new clients stop pouring in and the supply of new money stops, the plan collapses.
4. **Extortion-** Extortion happens when an individual blackmails another individual or an organization into handing up real estate, wealth, or skills. For example, criminals may force business owners to pay "security" fees. Another example when a coercion victim offers money to keep someone from officially disclosing facts that might jeopardise their image.
5. **Bankruptcy Theft-** Declaring bankruptcy might provide solace to an individual who is plagued by unmanageable debt. Nevertheless, this respite comes at the price of creditors, who can only collect a part of the debtor's non-essential property (or assets not necessary to maintain a household and a job). So, if a separator conceals property on purpose while putting out bankruptcy documents, they may be charged with bankruptcy theft.

V. White Collar Crimes In Various Occupations:

1) In Medical Field :

- Professionals fabricating phoney medical certifications.
- False and deliberate prolonging of therapy in order to boost expenses.
- Discrimination based on gender of the kid by doctors based on the patient's moral imperative to generate profit.
- Doctors stalling time in order to raise the supply of money in the invoices.
- The sale of sample drugs, which pharmacists are not permitted to do.

2) In The Practice Of Law:

- Forging falsified papers;
- Endangering the opposing party's testimony.
- Violating the moral guidelines of the legal field in order to acquire wealth.

3) In Schooling Sector:

Gathering large quantities of cash under the name of student contributions in order to admit them.

- Donations substitute performance based enrollment.
- massive amounts of money under the guise of government funding is also practiced.

VI. Legislation Curbing White Collar Crimes In India

The Indian Penal Code of 1860 is possibly India's first and most extensive codified criminal code. It doesn't directly contain the term "white-collar offenses," but it cooperates with several infractions that are directly connected to white collar crimes, such as corruption and fraud, counterfeit laundering of coins and federal seals, weights and initiatives offences, and food safety impurity infractions. Expropriation of public property and embezzlement, deception, fraud, and document-related crimes, and money forging.

1. **Fraud - Section 447** The Companies Act of 2013 imposes penalties for cheating advertising. This states that if a defendant is found culprit of a stealing offence, he will be incarcerated for at least six months and up to 10 years. In addition, he will pay a penalty that must not be about the same as the money engaged in the offense and might reach three times the amount engaged in the deception. If the offence was committed against the summary public's best interest, the prison sentence would not be less than 3 years.
2. **False Statement/Claim- Section 448** The Companies Act, 2013, states that: if a person knowingly makes a fake representation. He is accountable for his misbehaviour if he believes it is untrue and knowingly omits any important truth while understanding it is true. Such a misleading comments can be made by a refund, report certificate of registration, financial report, application, statement, or any other instrument needed for the avoid unnecessary in this Act or any rules enacted under it.
3. **Money Laundering-** In the instance of financial fraud, the Indian government has taken many measures to combat the issue. The Reserve Bank of India has issued instructions under the KYC (Know Your Customer) requirements, which lenders must carefully follow.
4. **Cyber Crimes-** To combat computer-related frauds, the Information Technology Act of 2000 was enacted to offer official status for the data encryption exchanged in business activities. Sections 43 and 44 of the Information Technology Act specify the penalties for the various wrongdoings. Viruses or malevolent hackers are introduced.
 - Illegal access and file transfer
 - Unlawful copying of any information extract
 - Detriment to a computer network or an internet connection.
 - Assisting someone in gaining unauthorized entry

- Refusal to grant an authorised individual access to the network

While the Information Technology Act does not address cybercrime specifically, there are several provisions in the Act that address white collar crimes. Aside from that, many problems persist unaddressed owing to an inability to focus. Many of them include:

- Inapplicability
- There is no required experience for employment as an adjudicating authority.
- Trying to hack terminology
- There have been no efforts taken to limit online privacy.
- Absence of a global co-operator
- Police officers' entry and inquiry powers are confined to public locations.
- There are no rules for investigating cybercriminals.

6. Fugitive Economic Offenders Act, 2018- With such a background and frauds such as the Satyam scam, trying to flee Vijay Mallaya, 2G scams, and many more, it was in 2018 that the Government of India managed to pass the Fugitive Economic Offenders Act, 2018 to penalise financial violators who dedicate white collar crime in India and escape to other countries in trying to evade their criminal liability and rescue oneself from the authority of Indian Courts. The Act has a clause that allows the authorities to take the assets of any economic criminal in India who flees to another nation. It has a number of policies, including the designation of a "defaulter in relation of an individual." Acquisition of such an individual's money and bar over legal actions. The Act defines a "fugitive economic criminal" as "any individual against whom a notice of detention in respect to a Scheduled Offense has been granted by and Court in India, who is now runaway economic defaulter."

- has ran away from India in order to save himself from criminal prosecution, or
- being abroad, denying to comeback to India to face the consequences.

7. Enforcement agencies- When India first began to move steadily up the development scale, law enforcers such as the Central Investigating Agency (BI), Serious Fraud Investigation Office (SFIO), Enforcement Directorate (ED), Income Tax (IT), Department of Vigilance DFS of the Ministry of Finance, SEBI, RBI, and IRDA were

dutifully interested to achieve their functionality in order to overcome the demands of the changing trends. These organizations, which serve as the government's eyes and ears in battling white-collar offenders, are attempting to improve their capacities in respect of staffing, technology skills, and the spearhead of their efforts. They are either considering and have already decided on a strategy to deal with the surge in white-collar crime in order to protect the broader economic interests of diverse stakeholders.

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VII. Measures to Prevent White Collar Crimes

1. Implementing rules and regulations- The Indian government has enacted a number of regulatory rules, the violation of which constitutes white-collar crime. The Essential Commodities Act of 1955, the Industrial (Development and Regulation) Act of 1951, the Import and Exports (Control) Act of 1947, the Foreign Exchange (Regulation) Act of 1974, the Companies Act of 1956, the Prevention of Money Laundering Act of 2002, the Benami Act of 1988, and the Public Procurement Act of 2007. The Information Technology Act of 2000 was also established in order to counter computer-related white-collar offenses and offer formal protection to the certification of information shared in business activities. However, this is a continual cycle that must be updated with the introduction of new tactics used by thieves. The administration must be vigilant in discovering these offences and taking quick steps to enact new laws.

- 2. Enacting Tight Legislative Policies-** While enacting tough guidelines and restrictions is the first step in combating crime, guaranteeing strict, efficient, and prompt execution of the same will only have a palpable influence. White-collar crime is dealt with by governmental bodies such as the Central Bureau of Investigation, the Enforcement Directorate, and the SEBI. These authorities must guarantee that they have the necessary skills to deal with innovation offences, and that their information is updated periodically. Furthermore, the Central Vigilance Commission, the government's primary organisation involved in managing widespread corruption, must keep track of personnel in positions of power in order to guarantee integrity across the system.
- 3. Appropriate Training for Examining Police-** It is common for senior officers to comprehend the structure and procedures of white-collar crimes but are unable to use electronics to hunt down the perpetrator owing to the absence of preparation. It is critical to offer sufficient preparation to every examining officer in order for them to be successful in group investigations.
- 4. Raising Awareness-** The general public is unaware of such crimes and the rules and sanctions enacted to prevent them. There is an urgent need to inform and enlighten the common people. The digital and print media must be used effectively to promote consciousness about white-collar crimes and the provisions relating to victims of such crimes and seek the truth while inflicting no damage to the ecosystem or its inhabitants.

VIII. Conclusion & Suggestions

White collar crimes are those that undermine the country's economy overall. It endangers the economic growth through financial fraud, economic robbery, tax avoidance, and so on. It not only has a detrimental influence on a country's or individual's financial situation, but it also has a detrimental effect. Deception, bribery, and financial fraud are examples of crimes that have had a detrimental influence on society.

1. In Indian law, there is no proper concept of white-collar crime. The administration should not be lenient in dealing with these economic offences.
2. Enforcement for white collar crime should indeed be stiffer, as strong sentencing can significantly reduce the likelihood of such crimes occurring.
3. If the offence is particularly serious, the sentence may be increased to life without parole.
4. Because most of these crimes are largely undefined to the general population, recognition through any mode of communication is also required.

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