Introduction

Logan et al. (2017) argue that public support for the prosecution and imprisonment of white-collar offenders is on the rise. However, some studies show an association between political ideology and punitive philosophies, where conservatives favor greater control and punishment of traditional street crime as compared to liberals (Unnever and Cullen, 2010). Features of each political perspective suggest that the association seems reversed when it comes to white-collar crime. Reducing and punishing white-collar offenders may seem more important to liberals than to conservatives (Unnever et al., 2009). This reversal of attitudes is in line with the switch hypothesis (Zimring and Hawkins, 1978).

Logan et al. (2017: 1) further argue that the number of people incarcerated for white-collar offenses in the United States has been steadily rising for the past two decades:

There are now more white-collar offenders in jail or prison than ever before, and public support for the prosecution and imprisonment of white-collar offenders is on the rise. The United States Sentencing Commission reports an increase in the rate of white-collar offenders sentenced to federal prison. For example, between 1997 and 2009, the incarceration rate for fraud rose from 64.8 to 74.9 and has remained stable through 2015.

This book is concerned with the convenience triangle in white-collar crime. Convenience is an attribute in the motivational dimension of illegal financial gain, in the organizational dimension of opportunity to commit and conceal financial crime, and in the behavioral dimension of willingness to act out the offense. In the motivational dimension, crime can be convenient to avoid threats and exploit possibilities. In the organizational dimension, offenders carry out crime conveniently and hide offenses among legal transactions. In the behavioral dimension, an offender can find it convenient because of low self-control or because there is no apparent victim. The convenience triangle suggests that these three dimensions can reinforce each other to make white-collar crime even more convenient.
White-collar crime is a term that was first introduced by Sutherland (1939: 2):

White-collar criminality in business is expressed most frequently in the form of misrepresentation in financial statements of corporations, manipulation in the stock exchange, commercial bribery, bribery of public officials directly or indirectly in order to secure favorable 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 receiverships and bankruptcies. These are what Al Capone called “the legitimate rackets”. These and many others are found in abundance in the business world.

We apply this definition by emphasizing that the white-collar offender has legitimate access to resources to commit and conceal crime in the course of occupational and professional activity. White-collar crime is committed during the course of legitimate occupational activity by persons of high and respectable social status for personal or organizational gain. Individualistic white-collar crime benefits that individual, while corporate white-collar crime benefits the organization more directly than the individuals who committed the offense (Craig and Piquero, 2017).

White-collar crime is hard to detect, and detection is obviously a precondition for any prosecution. It is usually obvious when a street crime has occurred, while financial crime by the elite is usually less apparent (Cullen et al., 2006: 346):

The difference in visibility is tied directly to the nature of the crimes involved in each offense category. Missing property, a mugging, or an assault are forced upon a victim’s attention. By contrast, the very structure of most corporate acts insulates workers or citizens from knowledge of their victimization. Typically, corporate offenders are not present physically at the scene of the crime, and the effects of their victimization are diffused over time.

One may assume that convicted white-collar criminals have never done it before, and that they will never do it again. The latter assumption refers to recidivism, which authorities typically measure in terms of new convictions. However, since detection of elite crime is difficult, one can assume that recidivism is much more frequent than the official statistics lead us to believe. Piquero et al. (2016) studied recidivism among white-collar offenders by identifying factors that can have an impact on its frequency. They found that steady employment was associated with a higher likelihood of membership in a low-rate (as opposed to a medium-rate) offending trajectory in a 10-year follow-up period.

In this book, we intentionally repeat some paragraphs and chapter sections across chapters, so that the reader is able to jump in and read what seems
most interesting, without having to move sequentially through the book. This particularly occurs in the case studies, where we repeat a short version of the theory of convenience every time, as the theory relates to each case study.

The center of attention in this book is Chapter 5 where you learn about the convenience triangle. For each of the six causal relationships in the triangle a case study demonstrates the potential causality. In addition to these case studies for each relationship, this book has a number of case studies on convenience. There are eight case studies, which start with the case of deviant property sales at the Sheriff Office in Philadelphia in Chapter 10 and end with attorney misconduct at BP Deepwater Horizon’s claims office in Chapter 17.

White-collar crime is convenient to commit and conceal in a professional setting by offenders. Therefore, offenses are hard to detect. Whistleblowers often play an important part in detection. It is important to protect whistleblowers against retaliation. The importance of whistleblowers as sources of information is emphasized in Chapter 2, and the issue of the damaging effects of retaliation is emphasized in Chapter 3. Because of the danger of retaliation against whistleblowers, the author of this book stumbled into action research as described in Chapter 1.

Organizational opportunities for white-collar crime vary among public and private sectors. As an example, Chapter 4 presents characteristics of religious organizations, where leaders can be both managers and priests.

When a suspicion of white-collar crime occurs in an organization, the organization may hire fraud examiners from a global accounting firm or a local law firm to conduct an internal investigation. Fraud examiners are to reconstruct past events and sequences of events. They are to answer questions regarding what happened, how it happened, who did what to make it happen or not happen, and why it happened. Chapter 6 describes a case of a failing fraud examination, while Chapters 10 to 17 are all based on reports of investigations by fraud examiners.

Those few detected, investigated, prosecuted and convicted white-collar offenders often argue that going to jail or prison is too tough for them. They are used to a life of prosperity and influence, and they cannot survive incarceration without serious damage to their health. This is in line with the special sensitivity hypothesis. However, the opposite special resilience hypothesis suggests that incarcerated white-collar offenders will do just fine in prison. This topic is covered in Chapter 7.

Autobiographies by convicted white-collar offenders are an interesting source of information regarding convenience in motive, opportunity and willingness. A famous German chief executive officer (CEO) wrote his autobiography that receives attention in Chapter 8.
Victims of white-collar crime comprise a diverse group of institutions and individuals. Chapter 9 discusses the issue of whether the government should compensate victims for losses from white-collar crime.

Chapter 18 returns to the whistleblowing and retaliation descriptions in Chapters 1, 2, and 3 by presenting the case of public procurement where fraud examiners conducted an internal investigation in the municipality.

Finally, Chapter 19 summarizes a number of fraud examinations in terms of executive deviance described in reports of investigations. Motivational factors for misconduct include individual threats, organizational threats, individual possibilities, and organizational possibilities. The opportunity structure consists of the danger of challenging powerful individuals, lack of audits by controllers, inappropriate accounting techniques, no transparency, decentralization, blind loyalty, and distortion of culture. Personal willingness arises from lack of knowledge, belief that misconduct is a temporary measure, belief that goals are more important than means, and feelings of innocence.