

Crime sometimes pays

10/9/2020

Jennifer Taub is a banking law expert at Western New England University whose research focuses on “follow the money” matters. Her new book, “Big Dirty Money: The Shocking Injustice and Unseen Cost of White Collar Crime,” addresses the impact of corporate criminality on society. (Read The Times’s review, which says that it “explicitly and persuasively places the breakdown of enforcement and accountability in the context of money and class.”)

Ms. Taub spoke with DealBook about what makes white-collar wrongdoing different from other types of crime.

How did the notion of “white-collar crime” develop?

Indiana University academic Edwin Sutherland introduced the term in 1939, later refining it in his groundbreaking 1950 book, “White Collar Crime,” which focused on offenses committed by “a person of respectability and high social status in the course of his occupation.” The emphasis was originally on the offender’s social position but has since morphed to focus on the type of crime, now including offenses like tax evasion, investment fraud, bribery of public officials and money laundering.

White-collar crime isn’t punished like offenses characterized as violent. Why?

Great question. There is still a misconception that white-collar crime is either victimless or not violent. And yet we can see hundreds of thousands of victims over the years. We think of “violence” as the direct use of physical force against another person causing injury or even death. When it comes to certain white-collar crimes, instead of force, fraud is used and the result is often the same.

Take the millions who lost their homes to foreclosure after the toxic mortgage-backed meltdown and related financial crisis of 2008. No one brandished a gun and chased them out of their houses, but didn’t fraud and deception have that effect?

Why is it more difficult to prosecute white-collar offenses?

This is a fascinating, complex and sometimes frustrating topic. Intent is an element of most offenses, and jurors are often told to draw inferences from the circumstantial evidence to figure out what the accused knew. That’s much more complicated when dealing with complex financial matters than street crimes.

If the prosecutor shows a video of someone sprinting out of a store clutching a flat-screen television and security guards chasing behind, it's not so hard to infer intent. But it's harder to understand enough about accounting fraud or misleading investors for jurors to be comfortable determining that an executive knew the books were cooked.

Today's DealBook Briefing was written by Andrew Ross Sorkin and Lauren Hirsch in New York, Ephrat Livni in Washington, and Michael J. de la Merced and Jason Karaian in London

Copyright 2020
The New York Times Company
620 Eighth Avenue New York, NY 10018