

Characteristics of white-collar criminals: A Norwegian study

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Abstract

This article addresses the following research question: *What are the characteristics of white-collar criminals in Norway?* Our research is based on data from articles in Norwegian financial newspapers for one year where a total of 67 white-collar criminals convicted to jail sentence were identified. Our sample is analyzed and presented in comparison with especially U.S. literature on characteristics of white-collar criminals, which is believed to be both general and limited. Our contribution is also important, as studies of white-collar criminals so far has focused on case studies rather than statistical analysis of a larger sample. We find that the typically white-collar criminal is male, 46 years old, involved with first time crime of the amount of 30 million US dollars and convicted to 3 years of imprisonment. As a contradiction to previous literature on white-collar crime, we also find that they are not part of upper-class and highly educated. On the contrary, even though mostly being leaders, they are not highly educated, but have a position that gives them access to money. Consequently, we also find that manipulation and fraud is the most common form of white-collar crime in Norway.

Keywords: white-collar crime, characteristics of white-collar criminals, categories of business crime, descriptive statistics, jail sentences, archival analysis

Brief biographies

Petter Gottschalk is professor of information systems and knowledge management in the department of leadership and organizational behavior at BI Norwegian Business School. Dr. Gottschalk has published several books and research articles on crime and policing. He has been the CEO of several companies before becoming an academic.

Cathrine Filstad is Associate Professor in organizational Learning and knowledge in the department of leadership and organizational behavior at BI Norwegian Business School. She publishes and teaches organizational learning, knowledge sharing and leadership in organizations and the police force. She has written several books on these topics.

Characteristics of White-Collar Criminals: A Norwegian Study

Introduction

Sensational white-collar crime cases are regularly told in the international business press and studied in journals of ethics and crime. White-collar crime is financial crime committed by upper class members of society for personal or organizational gain. White-collar criminals are individuals who tend to be wealthy, highly educated, and socially connected, and they are typically employed by and in legitimate organizations. Ever since Edwin Sutherland introduced the concept of “white-collar” crime in 1939, researchers have discussed what might be included in and what might be excluded from this concept. The discussion is summarized by scholars such as Benson and Simpson (2009), Bookman (2008), Brightman (2009), Bucy et al. (2008), Eicher (2009), Garoupa (2007), Hansen (2009), Heath (2008), Kempa (2010), McKay et al. (2010), Pickett and Pickett (2002), Podgot (2007), Robson (2010), and Schnatterly (2003).

Most of these scholars apply anecdotal evidence to suggest what might be included in and what might be excluded from the concepts of white-collar crime and white-collar criminals. Examples of anecdotal evidence in the United States are famous white-collar criminals such as Bernard Madoff, Raj Rajaratnam and Jeffrey K. Skilling. While being relevant and interesting case studies, the generalizability of such case studies is questionable as done by some of the scholars mentioned above. What seems to be needed is a larger sample of white-collar criminals that can be studied in terms of average values as well as variation in white-collar characteristics.

Hence, the aim of this paper is to provide a larger sample and thorough analysis of the characteristics of white-collar crime criminals. Our research is based on a sample of 67 convicted white-collar criminals in Norway where we address the following research question: *What are the characteristics of white-collar criminals in Norway?* Business newspapers were selected as data sources, since media tends to expose white-collar criminals to a greater extent than other criminals, creating a picture of their different characteristics and personality.

The following sections are organized as follows. We start with definitions and a review of previous literature and how it characterizes white-collar criminals. We then outline different categories of white-collar crime. Our results and findings are presented and discussed in accordance to the characteristics of white-collar criminals in Norway, providing necessary comparison with US

Definitions of white-collar criminals

According to Brightman (2009), Sutherland's theory of white collar crime from 1939 was controversial, particularly since many of the academicians in the audience perceived themselves to be members of the upper echelon of American society. Despite his critics, Sutherland's theory of white-collar criminality served as the catalyst for an area of research that continues today. In particular differential association theory proposes that a person associating with individuals who have deviant or unlawful mores, values, and norms learns criminal behavior. Certain characteristics play a key role in placing individuals in a position to behave unlawfully, including the proposition that criminal behavior is learned through interaction with other persons in the upper echelon, as well as interaction occurring in small intimate groups (Hansen, 2009).

In contrast to Sutherland, Brightman (2009) differs slightly regarding the definition of white-collar crime. While societal status may still determine access to wealth and property, he argues that the term white-collar crime should be broader in scope and include virtually any non-violent act committed for financial gain, regardless of one's social status. For example, access to technology, such as personal computers and the Internet, now allows individuals from all social classes to buy and sell stocks or engage in similar activities that were once the bastion of the financial elite.

In Sutherland's definition of white-collar crime, a white-collar criminal is a person of respectability and high social status who commits crime in the course of his occupation. This excludes many crimes of the upper class, such as most of their cases of murder, adultery, and intoxication, since these are not customarily a part of their procedures (Benson and Simpson, 2009). It also excludes lower class criminals committing financial crime, as pointed out by Brightman (2009).

What Sutherland meant by respectable and high social status individuals are not quite clear, but in today's business world we can assume he meant to refer to business managers and executives. They are for the most part individuals with power and influence that is associated with respectability and high social status. Part of the standard view of white-collar offenders is that they are mainstream, law-abiding individuals. They are assumed to be irregular offenders, not people who engage in crime on a regular basis (Benson and Simpson, 2009: 39):

Unlike the run-of-the-mill common street criminal who usually has had repeated contacts with the criminal justice system, white-collar offenders are thought not to have prior criminal records.

When white-collar criminals appear before their sentencing judges, they can correctly claim to be first-time offenders. They are wealthy, highly educated, and socially connected. They are elite individuals, according to the description and attitudes of white-collar criminals as suggested by Sutherland.

Therefore, very few white-collar criminals are put on trial, and even fewer upper class criminals are sentenced to imprisonment. This is in contrast to most financial crime sentences, where financial criminals appear in the justice system without being wealthy, highly educated, or socially connected.

White-collar criminals are not entrenched in criminal lifestyles as common street criminals. They belong to the elite in society, and they are typically individuals employed by and in legitimate organizations. According to Hansen (2009), individuals or groups commit occupational or elite crime for their own purposes or enrichment, rather than for the enrichment of the organization on a whole, in spite of supposed corporate loyalty.

What Podgor (2007) found to be the most interesting aspect of Sutherland's work is that a scholar needed to proclaim that crimes of the "upper socioeconomic class" were in fact crimes that should be prosecuted. It is apparent that prior to the coining of the term "white collar crime," wealth and power allowed some persons to escape criminal liability.

Bookman (2008) regard Sutherland's definition as too restrictive and suggest that white-collar crime is an illegal act committed by nonphysical means and by concealment or guile, to obtain money or property, to avoid payment or loss of money or property, or to obtain business or personal advantage. Furthermore, scholars have attempted to separate white-

collar crime into two types: occupational and corporate. Largely individuals or small groups in connection with their jobs commit occupational crime. It includes embezzling from an employer, theft of merchandise, income tax evasion, and manipulation of sales, fraud, and violations in the sale of securities. Corporate crime, on the other hand, is enacted by collectivities or aggregates of discrete individuals.

Pickett and Pickett (2002) use the terms financial crime, white-collar crime, and fraud interchangeably. They define white-collar crime as the use of deception for illegal gain, normally involving breach of trust, and some concealment of the true nature of the activities. White-collar crime is often defined as crime against property, involving the unlawful conversion of property belonging to another to one's own personal use and benefit. Financial crime is profit-driven crime to gain access to and control over property that belonged to someone else.

Bucy et al. (2008) argue that white-collar crime refers to non-violent, business-related violations of state and/or federal criminal statutes, and they make a distinction between "leaders" and "followers" in white-collar crime.

White-collar crime can be defined in terms of the offense, the offender or both. If white-collar crime is defined in terms of the offense, it means crime against property for personal or organizational gain. It is a property crime committed by non-physical means and by concealment or deception (Benson and Simpson, 2009). If white-collar crime is defined in terms of the offender, it means crime committed by upper class members of society for personal or organizational gain. It is individuals who are wealthy, highly educated, and socially connected, and they are typically employed by and in legitimate organizations (Hansen, 2009).

Characteristics of white-collar crime

White-collar crime is a broad concept that covers all illegal behavior that takes advantage of positions of professional authority and power as well as opportunity structures available within business for personal and corporate gain (Kempa, 2010: 252):

Crimes such as embezzlement, fraud and insider trading, one hand, and market manipulation, profit exaggeration, and product misrepresentation on the other, add up to a massive criminal domain.

If white-collar crime is defined in terms of both perspectives mentioned above, white-collar crime has the following characteristics:

- White-collar crime is crime against property for personal or organizational gain, which is committed by non-physical means and by concealment or deception. It is deceitful, it is intentional, it breaches trust, and it involves losses.
- White-collar criminals are individuals who are wealthy, highly educated, and socially connected, and they are typically employed by and in legitimate organization. They are persons of respectability and high social status who commit crime in the course of their occupation.

In this paper, we apply this definition of white-collar crime, where both characteristics of offense and offender identify the crime. Therefore, white-collar crime is only a subset of financial crime in our perspective: White-collar crime is violation of the law committed by one holding a position of respect and authority in the community who uses his or her legitimate occupation to commit financial crime (Eicher, 2009).

White-collar crime contains several clear components (Pickett and Pickett, 2002):

- *It is deceitful.* People involved in white-collar crime tend to cheat, lie, conceal, and manipulate the truth.
- *It is intentional.* Fraud does not result from simple error or neglect but involves purposeful attempts to illegally gain an advantage. As such, it induces a course of action that is predetermined in advance by the perpetrator.
- *It breaches trust.* Business is based primarily on trust. Individual relationships and commitments are geared toward the respective responsibilities of all parties involved. Mutual trust is the glue that binds these relationships together, and it is this trust that is breached when someone tries to defraud another person or business.
- *It involves losses.* Financial crime is based on attempting to secure an illegal gain or advantage and for this to happen there must be a victim. There must also be a degree

of loss or disadvantage. These losses may be written off or insured against or simply accepted. White-collar crime nonetheless constitutes a drain on national resources.

- *It may be concealed.* One feature of financial crime is that it may remain hidden indefinitely. Reality and appearance may not necessarily coincide. Therefore, every business transaction, contract, payment, or agreement may be altered or suppressed to give the appearance of regularity. Spreadsheets, statements, and sets of accounts cannot always be accepted at face value; this is how some frauds continue undetected for years.
- *There may be an appearance of outward respectability.* Fraud may be perpetrated by persons who appear to be respectable and professional members of society, and may even be employed by the victim.

PricewaterhouseCoopers is a consulting firm conducting biennial global economic crime surveys. The 2007 economic crime study reveals that many things remain the same: globally, economic crime remains a persistent and intractable problem from which US companies are not immune as over 50% of US companies were affected by it in the past two years.

Percentage of companies reporting suffering actual incidents of fraud according to PwC (2007) were:

- 75% suffered asset misappropriation
- 36% suffered accounting fraud
- 23% suffered intellectual property infringement
- 14% suffered corruption and bribery
- 12% suffered money laundering

Schnatterly (2003) argued that white-collar crime can cost a company from 1 to 6 percent of annual sales, yet little is known about the organizational conditions that can reduce this cost. She found that operational governance, including clarity of policies and procedures, formal cross-company communication, and performance-based pay for the board and for more employees, significantly reduces the likelihood of a crime commission.

McKay et al. (2010) examined the psychopathology of the white-collar criminal acting as a corporate leader. They looked at the impact of a leader's behavior on other employees and the

organizational culture developed during his or her reign. They proposed a 12-step process to explain how an organization can move from a legally operating organization to one in which unethical behavior is ignored and wrong doing promoted.

Categories of business crime

White-collar crime can be classified into categories as illustrated in Figure 1. There are two dimensions in the table. First, a distinction is made between leader and follower. This distinction supported by Bucy et al. (2008), who found that motives for leaders are different from follower motives. Compared to the view that leaders engage in white-collar crime because of greed, followers are non-assertive, weak people who trail behind someone else, even into criminal schemes. Followers may be convinced of the rightness of their cause, and they believe that no harm can come to them because they are following a leader whom they trust or fear. Followers tend to be naive and unaware of what is really happening, or they are simply taken in by the personal charisma of the leader and are intensely loyal to that person.

Next, a distinction is made between occupational crime and corporate crime in Figure 1. Largely individuals or small groups in connection with their jobs commit occupational crime. It includes embezzling from an employer, theft of merchandise, income tax evasion, and manipulation of sales, fraud, and violations in the sale of securities (Bookman, 2008). Occupational crime is sometimes labeled elite crime Hansen (2009) argues that the problem with occupational crime is that it is committed within the confines of positions of trust and in organizations, which prohibits surveillance and accountability. Heath (2008) found that the bigger and more severe occupational crime tends to be committed by individuals who are further up the chain of command in the firm.

		Role	
		Leader	Follower
Actor	Occupational	Occupational crime as leader	Occupational crime as follower
	Corporate	Corporate crime as leader	Corporate crime as follower

Figure 1. Categories of white-collar crime depending on role and actor

Corporate crime, on the other hand, is enacted by collectivities or aggregates of discrete individuals. If a corporate official violates the law in acting for the corporation it is considered a corporate crime as well. But if he or she gains personal benefit in the commission of a crime against the corporation, it is occupational crime. A corporation cannot be jailed, and therefore, the majority of penalties to control individual violators are not available for corporations and corporate crime (Bookman, 2008).

In legal terms, a corporation is an unnatural person (Robson, 2010: 109):

Corporate personality functions between an insentient, inanimate object and a direct manifestation of the acts and intentions of its managers. Nowhere is this duality more problematic than in the application of traditional concepts of criminal law to business organizations. The question of whether business organizations can be criminally liable - and if so, the parameters of such liability - has long been the subject of scholarly debate. Whatever the merits of such debate, however, pragmatic considerations have led courts and legislatures to expand the panoply of corporate crime in order to deter conduct ranging from reprehensible, to undesirable, to merely annoying. In the context of organizational behavior, criminal law is the ultimate deterrent.

Corporations become victims of crime when they suffer a loss as a result of an offense committed by a third party, including employees and managers. Corporations become perpetrators of crime when managers or employees commit financial crime within the context of a legal organization. According to Garoupa (2007), corporations can more easily corrupt enforcers, regulators and judges, as compared to individuals. Corporations are better organized, are wealthier and benefit from economies of scale in corruption. Corporations are better placed to manipulate politicians and the media. By making use of large grants, generous campaign contributions and influential lobbying organizations, they may push law changes and legal reforms that benefit their illegal activities.

Occupational crime is typically motivated by greed, where white-collar criminals seek to enrich themselves personally. Similarly, firms engage in corporate crime to improve their

financial performance. Employees break the law in ways that enhance the profits of the firm, but which may generate very little or no personal benefit for themselves when committing corporate crime (Heath, 2008: 600):

There is an important difference, for instance, between the crimes committed at Enron by Andrew Fastow, who secretly enriched himself at the expense of the firm, and those committed by Kenneth Lay and Jeffrey Skilling, who for the most part acted in ways that enriched the firm, and themselves only indirectly (via high stock price).

While legal corporations may commit business crime, illegal organizations are in the business of committing crime. Garoupa (2007) emphasized the following differences between organized crime and business crime (i) organized crime is carried out by illegal firms (with no legal status), the criminal market being their primary market and legitimate markets secondary markets, (ii) corporate crime is carried out by legal firms (with legal status), the legitimate market being their primary market and the criminal market their secondary market. Whereas organized crime exists to capitalize on criminal rents and illegal activities, corporations do not exist to violate the law. Organized crime gets into legitimate markets in order to improve its standing on the criminal market, while corporations violate the law so as to improve their standing on legitimate markets.

Criminal opportunities are now recognized as an important cause of all crime. Without an opportunity, there cannot be a crime. Opportunities are important causes of white-collar crime, where the opportunity structures may be different from those of other kinds of crime. These differences create special difficulties for control, but they also provide new openings for control (Benson and Simpson, 2009).

While occupational crime is associated with bad apples, corporate crime is associated with systems failure. Bad apples theory represents an individualistic approach in criminology, while systems failure theory represents a business approach in criminology (Heath, 2008: 601):

If the individualistic approach were correct, then one would expect to find a fairly random distribution of white collar crime throughout various sectors of the economy, depending upon where individuals suffering from poor character or excess greed wound up working. Yet, what one finds instead are very high concentrations of criminal activity in particular sectors of the economy. Furthermore, these pockets of crime often persist quite stubbornly over time, despite a complete changeover in the personnel involved.

It is certainly an interesting issue whether to view white-collar misconduct and crime as acts of individuals perceived as 'rotten apples' or as an indication of systems failure in the company, the industry or the society as a whole. The perspective of occupational crime is favoring the individualistic model of deviance, which is a human failure model of misconduct and crime. This rotten apple view of white-collar crime is a comfortable perspective to adopt for business organizations as it allows them to look no further than suspect individuals. It is only when other forms of group (O'Connor, 2005) and/or systemic (Punch, 2003) corruption and other kinds of crime erupt upon a business enterprise that a more critical look is taken of white-collar criminality. Furthermore, when serious misconduct occurs and is repeated, there seems to be a tendency to consider crime as a result of bad practice, lack of resources or mismanagement, rather than acts of criminals.

The 'rotten apple' metaphor has been extended to include the group level view of cultural deviance in organizations with a 'rotten barrel' metaphor (O'Connor, 2005). Furthermore, Punch (2003) has pushed the notion of 'rotten orchards' to highlight deviance at the systemic level. Punch (2003:172) notes, "the metaphor of 'rotten orchards' indicate(s) that it is sometimes not the apple, or even the barrel, that is rotten but the *system* (or significant parts of the system)".

Including rotten apple and rotten barrel in Figure 2 expands Figure 1.

		Role	
		Leader	Follower
Occupational	Rotten apple	Occupational apple leader	Occupational apple follower
	Rotten barrel	Occupational barrel leader	Occupational barrel follower
Corporate	Rotten apple	Corporate apple leader	Corporate apple follower
	Rotten barrel	Corporate barrel leader	Corporate barrel follower

Figure 2. Categories of white-collar crime depending on role, actor and level

White-collar crime involves some form of social deviance and represents a breakdown in social order. According to Heath (2008), white-collar criminals tend to apply techniques of neutralization used by offenders to deny the criminality of their actions. Examples of neutralization techniques are (a) denial of responsibility, (b) denial of injury, (c) denial of the victim, (d) condemnation of the condemners, (e) appeal to higher loyalties, (f) everyone else is doing it, and (g) claim to entitlement. The offender may claim an entitlement to act as he did, either because he was subject to a moral obligation, or because of some misdeed perpetrated by the victim. These excuses are applied both for occupational crime and for corporate crime at both the rotten apple level and the rotten barrel level.

Criminal liability for legal entities does normally imply a court sentence of fine or disruption of operations. Criminal liability for a person normally implies a fine or jail sentence.

Methods

To identify a substantial sample of white-collar criminals and to collect relevant information about each criminal, there are several options available. However, in a small country like Norway with a population of only five million people, there are limits to available sample size. One available option would be to study court cases involving white-collar criminals. A challenge here would be to identify relevant laws and sentences that cover our definition not only of white-collar crime, but also required characteristics of white-collar criminals. Another available option is to study newspaper articles, where the journalists already have conducted some kind of selection of upper-class, white-collar individuals convicted in court because of financial crime. Therefore, the latter option was chosen in this research.

There are two main financial newspapers in Norway, “Dagens Næringsliv” and “Finansavisen”. In addition, the newspaper “Aftenposten” regularly brings news on white-collar criminals. These three newspapers were studied on a regular basis from early 2010 to early 2011 to identify white-collar criminals. A total of 67 white-collar criminals were identified during this year. A person was defined as a white-collar criminal if the person seemed to satisfy general criteria mentioned above, and if the person was sentenced in court. For this study it was considered sufficient that the person was sentenced in one court, even if the person represented a recent case that still had appeals pending for higher courts. A sentence was defined as jail sentence. Therefore, cases of fine sentence were not included in

the sample. As our research is based on newspaper articles written by journalists, the reliability and completeness of such a source might be questioned. However, most cases were presented in several newspapers over several days, weeks or even months, enabling this research to correct for initial errors by journalists.

Findings and Discussions

As suggested in the research literature, most white-collar criminals are men. This is confirmed in our sample of 67 persons, which includes only 2 female criminals and 65 male criminals. Most anecdotal cases such as Madoff, Rajaratman and Schilling are men in their 50-ties. This is confirmed in our sample where the average age is 51 years old when convicted in court. The youngest was 20 years and the oldest was 68 years old. A distinction is made between age when convicted and age when committing crime. On average, a person was convicted 5 years after the crime, thus the average age when committing crime is 46 years old.

All persons in the sample received a jail sentence for white-collar crime. The longest jail sentence is 9 years and the shortest is 26 days, while the average is 2.75 years imprisonment. Compared to famous US cases mentioned above, these sentences are quite modest. However, in a Norwegian context these jail sentences are quite substantial, only passed by organized crime and murder. The sum of money involved in sample crime cases varied, with an average of 175 million Norwegian kroner that is approximately 30 million US dollars.

Average taxable income for each convicted person according to publicly available lists for 2009 was 571.000 kroner, tax 244.000 kroner and wealth 2 million kroner. For some, these numbers represent personal financial statements before imprisonment, while for others it is during imprisonment, and yet others after release from prison.

The number of persons involved in each white-collar crime case prosecuted in court varies from 1 person to 6 persons, with an average of 2 persons. The organization, typically a business entity, where the crime occurred, has an average of 185 employees with an annual turnover of 291 million kroner. 58 criminals worked within a business organization, while 9 criminals worked in the public sector. In terms of detection, 21 persons were detected by

internal controls, internal audits and colleagues reporting misconduct internally. 46 persons were detected externally by journalists, public authorities and whistle-blowers.

In the total sample of 67 convicted white-collar criminals, we find 9 chairmen of the board, 36 chief executive officers, 3 chief financial officers, 3 chief accountants, 3 external auditors, 3 PR consultants, 3 corporate lawyers, and 9 others.

White-collar crime might be classified into categories of financial crime as suggested by Gottschalk (2010), who made distinctions between fraud, theft, manipulation and corruption. In our sample, there are 42 cases of fraud, 1 case of theft, 22 cases of manipulation, and 2 cases of corruption. In terms of court proceedings, 21 cases were settled in district courts, 38 cases were settled in courts of appeal, while 8 cases were settled in Supreme Court.

Hansen (2009) suggested that certain characteristics play a key role in placing individuals in a position to behave unlawfully, including the proposition that criminal behavior is learned through interaction with other persons in the upper echelon, as well as interaction occurring in small intimate groups. We found no support for his suggestion and proposition in the current sample. Quite opposite, most convicts operated on average only with one other person and had attended no small intimate group sessions to learn criminal behavior.

Brightman (2009) differed slightly regarding the Sutherland definition by including all non-violent acts committed for financial gain, regardless of social status. While Sutherland was focusing on members of the upper echelon in American society, the Norwegian society as well as the American society has no stable aristocracy anymore. Very few make it to the top of society and let their children inherit their positions in society. Most top-level positions in society are temporal in nature. This is different from societies almost a century ago. In this line of reasoning, Brightman makes a valid point of including non-permanent social status of criminals. However, his opening up for all non-violent financial crime cases finds no support in our sample, as most individuals in the sample were temporarily enjoying respect and fame in their local societies. Most convicts were individuals with power and influence that is associated with respectability and high social status.

The sample of 67 convicted white-collar criminals supports Benson and Simpson (2009) idea that the persons are irregular offenders, not people who engage in crime on a regular basis. Only a few in the sample had been convicted before, which is unlike the run-of-the-mill common street criminal who has had repeated contacts with the criminal justice system. As

suggested by Hansen (2009), white-collar criminals are not entrenched in criminal lifestyles as common street criminals. Therefore, as suggested by Sutherland referred to by Brightman (2009), most white-collar criminals can correctly claim to be first-time offenders when appearing before their sentencing judges.

As a consequence, Benson and Simpson (2009) found that very few white-collar criminals are put on trial, and even fewer upper class criminals are sentenced to imprisonment. In our sample of 67 convicted white-collar criminals, we find no support for this idea of dismissal of first-time white-collar criminals. Since this sample consists of well-known individuals often exposed in media long before police investigations are completed or court proceedings have started, there is no evidence to suggest that few white-collar criminals are put on trial. The only idea supported in the sample, is that both investigators and prosecutors spend a lot of time and effort to prepare each case for court proceedings.

It is often argued that white-collar criminals are highly educated. We find no support for this argument in our sample. The majority of the sample seems to have no college education at all.

In line with Pickett and Pickett's (2002) analysis, financial crime cases are concealed for a long time, and many cases remain hidden indefinitely. This is important to note, as 67 persons were revealed, while many more remain concealed. It is suggested by the police and criminologists in Norway that a maximum of 1 out of 10 – maybe only 1 out of 100 – white-collar criminals are ever caught and brought to justice. It is left to personal speculation what might be the difference between prosecuted and non-prosecuted criminals.

In the context of leader versus follower, almost all of the persons in our sample have to be classified as leaders rather than followers. In the context of occupational versus corporate crime, almost all of the persons in our sample were involved in occupational rather than corporate crime. The latter result may come as no surprise, as corporate crime typically is sentenced by a fine rather than prison, which is not included in the sample.

Whether convicted criminals were rotten apples or belonged to a rotten barrel can only intuitively be judged based on newspaper reports and court rulings. It seems that in most cases, the rotten-apple approach is dominating public opinion and court proceedings, while more thorough study indicates that surprisingly many organizations have more than only one

rotten apple. This is particularly likely, when considering that only 1 out of 10 – or even 1 out of 100 – criminals are brought to justice.

Important is to note that the media in terms of newspapers and television programs reveal a substantial number of white-collar criminals. Typically, an individual who is employed in the organization or a supplier to the organization develops suspicion towards an executive. He or she does not choose the internal whistle-blowing strategy, as whistle-blowing typically is supposed to be done to executives that might themselves be involved in the crime. Instead, he or she gets in touch with a journalist on an anonymous basis.

When comparing to sensational white-collar crime cases especially in the United States, jail sentences in terms of imprisonment years in Norway are quite modest. The average jail sentence of 3 years indicates both that white-collar crime is not considered too serious, and also that jail sentences in Norway are typically limited in the number of years. Cases of child sexual abuse, for example, are normally punished with one or two years, rape three or four years, illegal drug trade five or six years, and murder ten to fifteen years, where typically only eight or nine years are actually served in prison.

In comparison, white-collar offenders in the United States have faced sentences far beyond those imposed in prior years. For example, Bernard Ebbers, former CEO of WorldCom, was sentenced to twenty-five years; Jeffrey Skilling, former CEO of Enron, was sentenced to twenty-four years and four months; and Adelphia founder John Rigas received a sentence of fifteen years, with his son Timothy Rigas, the CFO of the company, receiving a twenty-year sentence. Podgor (2007) argues that these greatly increased sentences result in part from the employment of the United States sentencing guidelines structure, which includes in the computation of time the amount of fraud loss suffered. Although the sentencing guidelines have some flexibility resulting from the recent Supreme Court decision in *United States v. Booker*, the culture of mandated guidelines still permeates the structure and, as such, prominently advises the judiciary. Equally influential in these sentences is the fact that because parole no longer exists in the federal system, the time given to these individuals will likely be in close proximity to the sentence that they will serve.

Despite short jail sentences, white-collar crime cases are taken serious by the court system as well as the prison service. Also in the public, there are no excuses accepted for their crime.

When released from prison, very few are able to regain their positions in society in terms of prestige, network and financial freedom. When asked what they found to be the worst, whether media attention, imprisonment years, family collapse or financial ruin, answers differ. Many seem to apply techniques based on neutralization theory (Siponen and Vance, 2010).

In line with Heath (2008), white-collar criminals in this sample tend to apply techniques of neutralization to deny the criminality of their actions. Examples of neutralization techniques found in interviews with Norwegian white-collar criminals include (a) denial of responsibility, (b) denial of injury, (c) denial of victim, (d) condemnation of the condemners, (e) appeal to higher loyalties, (f) everyone else is doing it, and (g) claim to entitlement.

It is often expected and assumed that auditors and others in charge of financial control should detect and prevent financial crime in general and white-collar crime in particular. However, as is evident from this sample, auditors are not very good at detecting crime. Rather, the media with its investigating journalists seem to do a better job at detecting white-collar crime.

Conclusion

The purpose of our study was to collect data on white-collar criminals outside traditional jurisdictions such as the United States to thoroughly address the characteristics of white-collar criminals in Norway. Norway is often labeled the best country to live in, according to the United Nations, but still Norway suffers from white-collar criminals. Concerning the characteristics of white-collar criminals in Norway, we find that 67 percent were in leader positions, as leaders and not followers. Given, we would suspect that they also were highly educated. That was not the case, on the contrary only a few of them were. Hence, we conclude that our result is in contradiction to previous litteratur within white-colleair crime suggestion them to be part of upper-class and being higly educated. We suggest that they criminal behavior is more a result of access and being trusted with a powerful position that gives access to money. This is according to our finding that for the most they are quilty of fraud and manipulation, not as part of a criminal lifestyle and lifecyrcle, mostly they are one time criminals as opposed to street criminals. That leaves us with the typical Norwegian white-collar criminal as a male, 46 years old when committing the crime, involved in crime for 30 million US dollars, and convicted to 3 years of imprisonment.

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