Editorial

Recasting the concept of the economic criminal

Throughout human history there have been both stereotypes of "the criminal" and, as Miethe (1987) reminds us, of the offender–victim relationship. Thus, fear of crime has tended to be fear of strangers where normally the criminal was a male. Furthermore, as Gabor (1994) documented in his interesting book titled *Everybody Does It!*, the general public has stereotypes of different categories of criminals with armed robbers, for example, being perceived as having a "tough face" (Macrae, 1989). The same cannot, however, be said about economic criminals, i.e. those offenders who perpetrate financial crime or illegal acts aimed at obtaining a financial or professional advantage with economic gain being the main aim, of course.

The very concept of the "criminal" was undoubtedly recast by Edwin Sutherland when on the 27th of December in 1939 he addressed the American Sociological Association and introduced the term "white-collar crime" (WCC). The concept of WCC challenged both conventional theories of crime and stereotypes of criminals as basically being a low working-class tough male, socially disadvantaged, from a broken home and a neighbourhood in decay. That very same stereotype had been

- encouraged by sociological (Thrasher, 1927) and criminological (Shaw, 1929) studies that focused attention on social disorganisation, poverty and crime; and
- had been popularised in films.

Sutherland's concept, however, violated existing prejudices that aristocrats can do no wrong – which was famously expressed in the ancient legal view that a "King could do no wrong". It should be noted in this context that other authors before Sutherland (Bonger, 1916; Ross, 1907) had also focused on offences by businessmen and the elite.

In contrast to the traditional image of the working-class criminal, Sutherland's criminal is mainly a middle-class, respectable professional, of high social status who lives a privileged life in a good neighbourhood and enjoys authority. Interestingly though Sutherland's concept never achieved the centrality in criminological research he proposed. Concerning the heterogeneity of economic criminals, Kapardis and Krambia-Kapardis (2016, p. 288) found that "the idea of generating one profile that would apply to all fraud offenders has been proven unrealistic and nonfeasible in view of the heterogeneity of frauds and fraud offenders". Criminological studies continued to be dominated by a focus on common and street crime but ignoring the criminal careers of white-collar criminals (Weisburd and Waring, 2001) and assuming that white-collar criminals are repeat offenders (Weisburd *et al.*, 1993). Furthermore, Watkins (1977) advocated that Sutherland's high-status offenders when they come into contact with the criminal justice system, they generally avoid its most severe penalties.

However, a few decades later (2010–2020), the economic criminal changed from the individual to the company, and irrespective of country or industry, it seemed that many company officers were versatile and innovative in the methods used. Transparency International lists multi-nationals that have "been caught red-handed in systematic and widespread bribery schemes", including Airbus, Ericsson, Odebrecht, Rolls-Royce and Halliburton (Transparency International, 2020). Some other well-known cases diachronically are:

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- 1999: Royal Caribbean Cruises Ltd., one of the world's largest passenger cruise lines, pleaded guilty to 21 felony counts and agreed to pay a record $18m criminal fine for dumping waste oil and hazardous chemicals and lying to the U.S. Coast Guard [1].
- 2001: "the energy trader Enron had for years been hiding its huge debts by simply removing them from its balance sheet" (Lee, 2019).
- 2005: German manufacturer Siemens AG came under "scrutiny from Italy, Liechtenstein Switzerland, and the US when allegations emerged that the company was bribing officials in order to win bids" (Lee, 2019).
- 2013: Britain's biggest retailer, Tesco, overstated its profits by £263m (Butler, 2014).
- 2015: FIFA was being indicted by the FBI on allegations of racketeering, fraud, and various other charges like offering countries the chance to host international games for the right amount of money (BBC News, 2015).
- 2021: Airbus subsidiary GPT Special Project Management was ordered to pay £30m ($41m) after pleading guilty to bribing senior Saudi Arabian officials in an agreement to supply the Middle Eastern country's national guard with communications and electronic warfare equipment (Crosby, 2021).

The offender evolved from a white-collar offender (a doctor, lawyer, accountant) committing fraud to a large and powerful corporation and some with political connections to assist them in fulfilling their goals. In fact, it has been found that "more than fifty per cent of all Europeans now believe that the only way to succeed in business in their country is by exploiting political connections" (Mungiu-Pipidi, 2015 p. 1).

The next generation of economic criminals was brought to light by journalists, whistleblowers, WikiLeaks, Al Jazeera and the International Consortium of Investigative Journalists (ICIJ). The Panama Papers (ICIJ, 2016), Paradise Papers (ICIJ, 2017), Cyprus Papers (Aljazeera, 2020) and the Pandora Papers (ICIJ, 2021) are investigations exposing a shadowy financial system that benefits powerful billionaires, political leaders and the elite of the world. Members of the European Parliament pointed to the limited progress made in improving EU laws, the little work being done by Member State governments and the Commission to close loopholes that have been known for a long time as well as the "conflict of interest that high-level politicians mentioned in the Pandora Papers, such as EU ministers or heads of state, are facing, as they also sit in the fora that are meant to tackle tax evasion and tax avoidance" (European Parliament, 2021).

The European Parliament and many legislators may be looking to close the loopholes and enact more legislations to make it more difficult for economic criminals to enrich themselves and their family, but will they succeed? Is it not an oxymoron expecting legislators and investigators to point a finger at their party leaders or those that appointed them in their positions? It is even more worrisome that in an effort to cover their tracks and escape being caught, some politicians (Boland-Rudder, 2021) may create an "atmosphere of impunity" and fail to protect journalists or those threatened over writing or investigating political corruption and organised crime. The economic criminals shall no doubt continue to evolve and pose new challenges to all those who study, investigate or wish to regulate them.

Maria Krambia-Kapardis, Professor, Cyprus University of Technology, Limassol, Cyprus.

Maria Krambia Kapardis
School of Management and Economics, Technologiko Panepistemio Kyprou, Limassol, Cyprus

Note

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Further reading

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