

CHAPTER 14: WHITE-COLLAR CRIME

As stated in the text, crimes that are considered “white collar” have typically been considered “high status” offense due to the social class of those who commit them. Despite this, white collar crime can be committed by those of any social class who generally occupy positions of trust. For example, a bank teller’s salary may not put him or her in a higher social class, but the position of trust that the teller occupies puts them in a high status position. In effect, a bank teller is entrusted with other people’s money; therefore, offenses committed during the course of being a bank teller would be considered white collar offenses.

This chapter discusses certain types of white collar offenses – environmental crime, bribery, and corruption. Embezzlement, false pretenses, and fraud, types of white collar crime, were discussed in Chapter 13 as theft offenses. Additionally, numerous white collar offenses, such anti-trust violations and securities fraud, are federal crimes that are usually handled in federal courts. As a result, this chapter will focus on environmental crimes, bribery, and corruption as defined in the Ohio Revised Code.

Environmental Crime

Certain types of environmental crime are specifically prohibited under Ohio law; however, these crimes are found in different parts of the Ohio Revised Code than the typical “street crimes” discussed thus far. These crimes are found in the following sections:

- Section 3704: Air pollution control
- Section 3734: Solid and hazardous wastes
- Section 6109: Safe drinking water
- Section 6111: Water pollution

These crimes are also seen in federal statutes, so an individual can be punished for violation of these acts under Ohio or federal law. In Ohio, offenses found under these sections are usually dealt with by regulatory agencies – agencies that monitor individuals and businesses to ensure that they are complying with rules and regulations concerning clean air, clean water, etc. When regulatory agencies observe violations of these rules, they can refer violators to civil court or criminal court, depending on the provisions of the statute. For example, if an individual illegally disposes of solid or hazardous waste; for example, dumping medical waste (e.g., used needles) into lakes and streams, that individual faces a criminal punishment of fines and/or up to four years incarceration (Ohio Revised Code, §3734.99, 1994). On the other hand, if an individual violates provisions regarding safe drinking water; for example, dumping chemicals into the public water system, that individual faces civil penalties (Ohio Revised Code, §6109.33, 1993).

Corrupt activity

The Ohio Revised Code contains a section called “corrupt activity” that involves a number of offenses that would be deemed “organized crime.” Corrupt activity is defined as engaging in or coercing or intimidating another person to engage in a number of crimes, ranging from racketeering activities to murder, kidnapping, and theft. According to Niquette (2006), the corrupt activity statute is similar to federal racketeering laws that are often used against mobsters.

In Ohio, two well-known cases of engaging in a pattern of corrupt activity have occurred recently. In 2003, a group known as the “Circleville 30” was finally shut down by the Ohio Attorney General’s office. This group of about 30 individuals, named after the city in which they

conducted their affairs, was responsible for stealing, intimidating, and generally victimizing elderly individuals. For example, members of the group would approach elderly residents, push their way into their homes, and pretend to perform minor housework. The elderly residents offered little resistance, as the group members would bully and cajole their way into the homes and the victims were too frightened to resist. After the “work” was completed, the group members would demand payment of outrageous fees; if the victims could not pay, the group members threatened to take their homes away or even arranged to have the victims receive bank loans. The group members would also steal checks and items from the victims’ homes and use those proceeds to purchase drugs and other goods. This created a “pattern of corrupt activity” that led to many group members being sentenced to a number of years in prison. One of the group members, considered perhaps one of the most egregious members of the group, was sentenced to up to 30 years in prison (see *State v. McCain*, 2002 Ohio 5342, 2002, Ohio Fourth District Court of Appeal).

Another case is currently (as of 2006) being played out in the courts. This case involves a prominent coin dealer and contributor to a prominent political party who was given the job of managing and investing the state’s \$50 million rare coin investment. This investment was available to those employed with the Ohio Bureau of Worker’s Compensation. Shortly after the investment was taken over by the coin dealer, it was discovered that the investment had a \$13 million shortfall. It is alleged that the coin dealer stole as much as \$6 million from the funds, using that money make loans, pay off debts, and buy collectibles, homes, and cars. Currently, the coin dealer has been charged with engaging in a pattern of corrupt activity, theft, money laundering, tampering with records, and forgery (Niquette, 2006).

Bribery

The offense of bribery is found in Chapter 2921 of the Ohio Revised Code – Offense Against Justice and Public Administration. The bribery statute contains three main parts: bribery, intimidation, and retaliation.

The bribery statute involves a number of behaviors. First, it prohibits a person from trying to influence a public servant or party official. Second, it prohibits a public servant or party official from accepting a benefit from another person. Third, it prohibits the influence of a witness in an official proceeding. Finally, it prohibits an official witness from accepting a benefit from another person. Thus, the bribery statute covers individuals who wish to bribe others as well as individuals who are on the receiving end of the bribe. Bribery is considered a third-degree felony (Ohio Revised Code, §2921.02, 1986).

The intimidation statute deals with an individual who tries to “...influence, intimidate, or hinder a public servant, party official...in the discharge of the person’s duty.” This is considered a third-degree felony (Ohio Revised Code, §2921.03, 1996). Additionally, Ohio law creates a special provision for intimidation of a crime victim or witness and an attorney in a criminal action. If an individual uses force or threat of force to try to intimidate a victim, witness, or attorney involved in a criminal action, it is considered a third-degree felony. If an individual hinders or intimidates a victim from filing criminal charges or hinders or intimidates a witness from testifying, it is considered a first-degree misdemeanor (Ohio Revised Code, §2921.04, 1996).

Retaliation involves an individual using force or threat of force to retaliate against a public servant for the performance of public duties. Additionally, an individual cannot use force or threat of force to retaliate against a victim of a crime because the victim filed charges. Retaliation is considered a third-degree felony (Ohio Revised Code, §2921.05, 1996).

REFERENCES

Ohio Revised Code, www.ohio.gov/ohio/ohiolaws.html

Niquette, M. (2006, February 13). *Noe indicted in coin scandal*. Retrieved July 25, 2006 from www.columbusdispatch.com/news-story.php?story=166155

State v. McCain 2002 Ohio 5342 (2002)

REVIEW QUESTIONS

1. Which of the following is true with regard to white collar crime?
 - a. it only applies to offenders with a high social status
 - b. it encompasses crimes by businesses and individuals
 - c. it only applies to business transactions, not environmental pollution
 - d. it is primarily handled in state courts

2. What is the punishment level for bribery in Ohio?
 - a. fifth-degree misdemeanor
 - b. second-degree misdemeanor
 - c. fourth-degree felony
 - d. third-degree felony

DISCUSSION QUESTIONS

Generally, the prosecution and punishment of white-collar crime have been criticized as too lenient. Critics note that white collar crime claims more victims and is more expensive than all street crimes combined, yet the punishment for white collar offenses is less severe than punishments for street crimes. Do you feel white collar crimes should be treated as severely (or more severely) than street crimes? Provides some examples of white collar crimes that you feel deserve (or do not deserve) the punishment authorized.

WEB RESOURCES

- www.law.cornell.edu/wex/index.php/White-collar_crime - website of Cornell Law School provides information and examples of various white collar offenses
- www.fbi.gov/whitecollarcrime.htm - website of the Federal Bureau of Investigation provides information and data about various white collar offenses