

## CHAPTER 14: WHITE-COLLAR CRIME

As explained in the text, some theorists define white collar crimes as crimes that are committed by people who occupy a high social status. Nonetheless, it may be better to think of white collar crimes as crimes that can be committed by people who occupy positions of trust. For example, a bank teller's salary may not elevate him or her to a "high" social class. But a bank teller is trusted with other people's money and bank records of the same. Because of that trust, he or she may have the ability to commit a type of theft even though others do not.

There are a vast number of white collar crimes. Some of these are variants on theft, discussed in chapter 13, such as embezzlement, false pretenses, and fraud. There are also a number of white collar crimes that are the subject of federal laws, such as anti-trust violations and securities fraud. This chapter discusses only a few of the many white collar crimes found in the Ohio Revised Code: environmental crime, bribery, and corruption.

### **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 where the provisions governing "street crimes" are typically located. For example: Section 3704: Air pollution control (<http://codes.ohio.gov/orc/3704>)  
Section 3734: Solid and hazardous wastes (<http://codes.ohio.gov/orc/3734>)  
Section 6109: Safe drinking water (<http://codes.ohio.gov/orc/6109>)  
Section 6111: Water pollution (<http://codes.ohio.gov/orc/6111>)

These crimes are also governed by federal statutes, so an individual can be punished for both state and federal violations. 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; by dumping medical waste (i.e., 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 by 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 can be deemed "organized crime." (see <http://codes.ohio.gov/orc/2923.32>) Corrupt activity is defined as engaging in, or coercing or intimidating another person to engage in, a number of crimes, ranging from racketeering to murder, kidnapping, and theft. ( see <http://codes.ohio.gov/orc/2923.31>)

In Ohio, there are two recent corrupt activity cases of some renown.. 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 victims, who 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 that recently made headlines involved prominent politician and political contributor, Tom Noe. Noe 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. But shortly after the investment was taken over by Noe, it was discovered that the investment had a \$13 million shortfall. He was accused of stealing \$6 million from the funds, using that money make loans, pay off debts, and buy collectibles, homes, and cars. Noe was charged and convicted of engaging in a pattern of corrupt activity, theft, money laundering, tampering with records, and forgery. A copy of the indictment can be found at: <http://www.dispatch.com/2006/02/13/noeindict.pdf>

## **Bribery**

Chapter 2921 of the Ohio Revised Code is entitled “Offenses Against Justice and Public Administration.” It contains three statutes regarding 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 anyone from trying to influence a witness in an official proceeding. Finally, it prohibits a witness in an official proceeding from accepting a benefit from another person. Thus, the bribery statute covers individuals who wish to offer a bribe and individuals who are on the receiving end of the bribe. Bribery is considered a third-degree felony (Ohio Revised Code, §2921.02, 1986, available at <http://codes.ohio.gov/orc/2921.02>).

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, available at <http://codes.ohio.gov/orc/2921.03>). Additionally, Ohio law creates a special provision prohibiting the intimidation of a crime victim or witness or 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, available at <http://codes.ohio.gov/orc/2921.04>).

The retaliation statute prohibits an individual using force or threat of force to retaliate against a public servant for the performance of his or her 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, available at <http://codes.ohio.gov/orc/2921.05>).

## **REFERENCES**

Ohio Revised Code - <http://codes.ohio.gov/orc>

State v. McCain, 2002 Ohio 5342 (2002)

### REVIEW QUESTIONS

1. Which of the following is true with regard to white collar crimes?
  - a. they are crimes committed by people who occupy positions of trust
  - 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 type of crime is bribery?
  - a. fifth-degree misdemeanor
  - b. second-degree misdemeanor
  - c. fourth-degree felony
  - d. third-degree felony

### DISCUSSION QUESTIONS

Generally, critics complain that the prosecution and punishment of white-collar crime has been 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. Should white collar crimes should be treated as severely (or more severely) than street crimes? Provides some examples of white collar crimes that should be treated as severely, or more severely than street crimes. Are there others that should be treated less severely? Which ones, and why?

### WEB RESOURCES

- [http://topics.law.cornell.edu/wex/White-collar\\_crime](http://topics.law.cornell.edu/wex/White-collar_crime) - website of Cornell Law School provides information and examples of various white collar offenses
  
- [www.fbi.gov/whitecollarcrime.htm](http://www.fbi.gov/whitecollarcrime.htm) - website of the Federal Bureau of Investigation provides information and data about various white collar offenses