



WCCRC FOCUS

White Collar Crime Research Consortium
Volume 4, Issue No. 5

INSIDE

PRESIDENT'S REMARKS

Now that the new year has begun, it is time to consider changes in our field of study.

We will likely see growing interest in white collar crime research as it relates to the intelligence community and terrorism. What we know about embezzlement, fraud, and conspiracy for white collar crimes may have something to offer for those targeting terrorism.

We hope to announce a call for proposals for the second year of our mini-grant series this Spring. Please watch for it.

The deadline for abstracts for presentations at the annual meeting of the American Society of Criminology in April 1. The meeting will be held in Chicago in November. See www.asc41.com for more information. Proposals for entire, coherent panels are especially encouraged.

The European Society of Criminology has released a "call for papers" for its second annual meeting in Toledo, Spain, to be held September 5-7, 2002. Paper abstracts for presentations are requested in many areas, including white collar crime. The conference Web site is www.esc-eurocrim.org/index.

Please contact me with any questions or ideas as the year progresses.

Jay Albanese
President
jsalbane@vcu.edu



MEMBER NEWS

Books and Articles

David Shichor, Larry Gaines, and Richard Ball. *Readings in White-Collar Crime.* Prospect Heights, IL: Waveland Press, 2002.

Frank Hagan (Mercyhurst College) has had the 5th edition of *Introduction to Criminology* (Belmont, CA: Wadsworth, 2002) published and is completing the 6th edition of *Research Methods in Criminal Justice and Criminology* (Boston: Allyn and Bacon, 2003) that will be released this Summer. He has also published (with **David Simon**) *Organized Deviance* in Bruce Jacobs, ed, *Investigating Deviance. The Nacirema Undergraduate as Criminal*, (with Peter Benekos) *Journal of Criminal Justice Education*, Spring, 2002. He is also presenting a paper on the Robert Hannsen Spy case at the ACJS Meetings in Anaheim this Spring and will be on sabbatical beginning mid February.

Research Projects

Sally Simpson (University of Maryland) received a 2-year (fiscal years 01-03) grant from the National Institute of Justice to study environmental compliance. The project is titled, *Assessing Punitive and Cooperative Strategies of Corporate Crime Control.*

Research Programs

Computer Security Officer Program: As part of his research on the legal aspects of computer-related crime, Weber State University assistant professor **Scott R. Senjo, JD, Ph.D.** has been selected to instruct the Legal Module of a 5-day certification course titled *The Computer Security Officer Program*. For program details, contact Dr. Senjo at ssenjo@weber.edu.

MESSAGE FROM WCCRC PRESIDENT

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ABSTRACTS

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Teaching News

Raymond Michalowski is teaching an undergraduate course on Environmental Crime for Northern Arizona University. The course gives considerable attention to the role of corporate and organizational deviance in the violation of environmental protection legislation. The course will likely be available on the Web again for Fall 2002. If you have students interested in the topic, they might be interested in taking the class. ☘

MANUSCRIPT REQUEST

Raymond Michalowski is editing a book series titled Critical Issues in Crime and Society for Rutgers University Press, and would very much like to entertain manuscripts dealing with white collar, political, organized, and corporate crime. You may contact him at Raymond.Michalowski@nau.edu if you are interested. ☘

WE WANT YOUR SYLLABI

Debra Ross (Buffalo State College) is leading a WCCRC initiative to develop a compendium of course outlines/syllabi to help inform both new and old instructors in putting together courses and seminars in the general area of white collar crime (including organized, computer, occupational, corporate crime, etc.). Given the different definitional approaches taken, such a compendium would be both interesting and useful. Please send her via e-mail any kind of text file with course information that you wish to contribute. Her address is rossde@buffalostate.edu. ☘

GETTING OUR MONTHLY NEWS UPDATE?

In November 2001, the WCCRC began sending via e-mail a monthly news update regarding the Consortium and white collar crime-related news, books, and articles. If you have NOT received these, please notify John Kane at jkane@nw3c.org, so that we may check your e-mail address. ☘

ABSTRACTS FROM ARTICLES YOU MAY HAVE MISSED

U.S. Dept. of Justice, Office of Justice Programs, Office for Victims of Crime, *Victims of Fraud and Economic Crime: Results and Recommendations From an OVC Focus Group Meeting* (Washington, D.C.: Office for Victims of Crime, 2000).

Abstract: Like victims of violent crime, fraud and economic crime victims may suffer psychological and emotional harm and stress-related physical effects in addition to financial damage. Victims of economic crime need protection from further harm; information about rights, remedies, the criminal justice process and legal advocacy; practical assistance and referrals to people and agencies for help with short- and long-term problems such as mental health counseling and financial assistance. Most importantly, they need to see justice done and offenders held accountable. The bulletin contains priorities for helping victims of fraud and economic crime; ways the Federal Government can lead the support; a suggested plan of action at the national level; and a response to the action plan from the Office for Victims of Crime.
www.ojp.usdoj.gov/ovc/publications/infores/fraud/victfraud.pdf

Japan Ministry of Justice, Research and Training Institute, *White Paper on Crime 2000* (Tokyo, Japan, 2001)

Abstract: Results revealed that the number of penal code offenses increased more or less consistently since 1975 and reached a new postwar high of 2,906,051 reported offenses in 1999. The most common offense was larceny, followed by traffic professional negligence, embezzlement, property destruction, fraud, bodily injury, and extortion. The number of persons cleared for penal code offenses excluding traffic professional negligence has remained at around 300,000 since 1989. Correctional institutions held 56,133 inmates, including 45,606 convicted inmates, on December 31, 1999. The number of juveniles cleared for penal code offenses declined following 1984, increased after 1996, and declined again in 1999. The National Tax Administration made 148 accusations of violations of income tax law, accessions tax law, corporation tax law, and consumption tax law and transferred them to public prosecutors' offices. Other violations involved the commercial code, anti-monopoly law, securities and exchange law, patent law, trademark law, copyright law, and unfair competition prevention law. The number of members of organized crime groups was about 83,100 on December 31, 1999, an increase of 1,800 from the previous year.

Tage Alalehto, *Act of Economic Crime: The Logic of Dirty Business and Normative Restrictions in the Swedish Restaurant Industry* **Journal of Scandinavian Studies in Criminology and Crime Prevention** Volume 1, Issue 2 (2000).

Abstract: This article discusses reasons why respectable businessmen commit economic crime from within the Swedish restaurant industry. The interview sample consisted of 119 restaurateurs and 12 representatives of authorities such as tax, police, accountants, and prosecutors. The typical restaurateur in Sweden is a man and probably a Swede. In general, restaurateurs see their business conditions as really difficult with the chief strategy of competition being a price war. The competition in a price war leads to a downgrading pressure on prices which leads to decreasing margins of profit. In order to survive this, the restaurateur has to reduce his trade costs in order to continue being competitive in the market. Almost 80 percent of the informants in this survey consider that restaurateurs in general devoted their time to unfair competition, irrespective of type of restaurateur (such as restaurant size, ethnic character of style of restaurant). Almost 50 percent of the informants said that "fiddling" with the cash register was the most common method of cheating to keep costs down. Cheating with the cash register also made it possible to cheat with other items of expenditure, such as purchasing black-market liquor and raw materials. The restaurateur developed a black budget that he used for black-market purchases and seeks to balance the black and white budgets separately so that officially it looks all right and consistent to the authorities. There was an overall feeling of uncertainty among the majority of the informants that the risk of being caught was fairly high. If the restaurateur commits a crime and gets caught, he is labeled as a criminal and loses his image as an honorable businessman. The act of committing economic crime has less to do with him being greedy than it has to do with keeping his social status, standard of life, and dignity. ☘

NEW STUDY FINDS U.S. RETAILERS LOSING \$32 BILLION TO THEFT

Losses from employee theft reach record levels

BOCA RATON, Fla., Nov. 23, 2001 — With retailers already in the midst of one of the most challenging sales climates in years, a new retail study reports that inventory theft could further erode retail profits, especially during the critical holiday shopping season. Inventory "shrinkage," a combination of employee theft, shoplifting, vendor fraud and administrative error cost the nation's retailers \$32.3 billion last year, according to the recently released National Retail Security Survey, which analyzed theft incidents from 116 of the largest U.S. retail chains. The annual survey was conducted by the University of Florida with a funding grant from ADT Security Services, Inc., a unit of Tyco Fire and Security Services (NYSE: TYC; LSE: TYI; BSX: TYC).

UF criminologist Richard C. Hollinger, Ph.D., who directs the National Retail Security Survey, said results indicate that in 2000, retailers lost 1.75 percent of their total annual sales to these problems, up from 1.69 percent last year.

"Given that the surveyed portion of the retail economy annually transacts over \$1.845 trillion dollars, this percentage of loss is worth over \$32 billion," Hollinger said. "This means that the single largest category of larceny in the United States is the crime that occurs in retail stores. This figure is larger than motor vehicle theft, bank robbery or household burglary combined."

According to the study, retail security managers attributed more than 46 percent of their losses to the thefts of disgruntled workers. In comparison, 31 percent of retail losses were the result of shoplifters. The remainder of annual retail losses are due to paperwork errors (17.6 percent) and theft by vendors (5.8 percent). Translated into U.S. dollars, retail employee theft costs retailers \$14.9 billion annually, while shoplifting costs \$10 billion.

"With the uncertainty in consumer confidence and warnings of a slow shopping season, retailers need to look beyond the selling floor to increase and protect their profits," said Mike Snyder, president of ADT Security Services. "Technologies such as anti-shoplifting systems, digital video surveillance and point of sale monitoring solutions, tied together with remote and central station monitoring, will help retailers contain some of these losses without sacrificing good customer service."

According to Hollinger, results of the survey should serve as a wake-up call to the retail industry that shrinkage continues to be a significant source of revenue loss amounting to billions of dollars. "In today's environment of heightened awareness about increased security measures it's becoming increasingly important for retailers to address the security lapses that allow these kinds of losses. In the end, it is the consumers who will have to pay the price for shrinkage in the form of higher retail prices." Hollinger concluded.

ABOUT ADT

Celebrating its 127th anniversary, ADT Security Services, Inc., a unit of Tyco Fire and Security Services, is the largest single provider of electronic security services to five million commercial, federal, and residential customers throughout North America and Europe. ADT's total security solutions include intrusion, fire protection, closed circuit television, access control, and critical conditioning monitoring and integrated systems. ADT's Web site address is www.adt.com. Tyco Fire and Security Services is one of the major businesses of Tyco. ☘

UPCOMING EVENT

The National White Collar Crime Center is in the process of arranging a working meeting for WCCRC members. We plan to hold the luncheon in Anaheim, CA, at the Academy of Criminal Justice Sciences annual conference. The ACJS conference will take place Wednesday, March 6, 2001 through Saturday, March 9, 2001. The luncheon will be from 11:30 until 12:45 on Friday, March 8. Room location to be determined, but it will be at the Disneyland Hotel. If you would like to attend the meeting and have not already made arrangements, please contact John Kane at 877-693-2874, ext. 302 or email him at jkane@nw3c.org.

NEW WCCRC MEMBERS

The WCCRC would like to welcome the following individuals who have joined the consortium since November 2001:

Joel Garner	Joint Center for Justice Studies, Inc.
Sameer Hinduja	Michigan State University
Paul Klenowski	Salem International University
Sam McQuade	Rochester Institute of Technology
Nicole Leeper Piquero	University of Florida
Rudy Prine	Valdosta State University
Scott Senjo	Weber State University
Michael Siegfried	Coker College
Kevin Wang	Florida State University

NW3C RESEARCH SECTION PERSONNEL

Updates

- ♦ Gina Keeney has joined the research staff as a Part-time Legal Researcher. She is currently a second year student at the West Virginia University College of Law.
- ♦ Jeff Lybarger, Research Technician, has resigned from his current position and has accepted a role as an Internet Fraud Analyst with the Internet Fraud Complaint Center (IFCC). While we are certainly sad to see him go, we are glad his talents and abilities are still serving the NW3C in this new capacity.
- ♦ We are hiring three new research positions during the month of February, and we will provide a staff update in the next edition of the Focus.

Contact Information

All personnel can be reached at (877) 693-2874 and then that person's extension.

John Kane	Research Manager	x302	jkane@nw3c.org
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Ryan Brown	Research Assistant	x228	rbrown@nw3c.org
Gina Keeney	Part-time Legal Researcher	x243	gkeeney@nw3c.org

EDITOR'S NOTE

The WCCRC Focus is a publication of the White Collar Crime Research Consortium (WCCRC). It welcomes articles and announcements relevant to individuals and organizations involved in white collar crime or related research. The National White Collar Crime Center sponsors, funds, and coordinates the activities of the WCCRC. Please direct comments, suggestions, and materials to: Editor John Kane, jkane@nw3c.org, Ph. 877-693-2874, ext. 302, Fax. 304-291-2282.