As I write this the dog days of summer find the American and world economies slumping badly, policymakers and legislators in various postures of antagonism and disarray, and citizens struggling through with ever stronger sentiments of fear and loathing (if recent polling is to be believed). Waves of white collar crime commonly crest during economic booms only to be caught out during busts (I know: a sorry double entendre). But such crime is an ‘equal opportunity’ exploiter in economies trending in either direction, as the spate of mortgage foreclosure frauds reminds us.

Unfortunately I now have personal experience with this. A close senior member of my extended family was victimized by a very costly investment fraud this year and last that stole a large portion of her retirement assets. It was master-minded by her long-time investment advisor who crucified the trust built up over many years of saving and investing. While there is no saving grace in the ordeal, it has given me a front-row seat on law’s responses to such events. Since March I have been regularly engaged with any number of civil-side lawyers, the FBI, federal prosecutors, and SEC enforcement officials. To date the results are that my relative is now a named plaintiff in a class action lawsuit in the Southern District of New York and the SEC in Manhattan has opened an investigation of the investment advisor’s activities. All of the attorneys have counseled that the prospects of financial recovery are dim.

What is not in the offing is criminal prosecution, although the lawyers have agreed that the apparent facts strongly suggest criminal liability. My experience sharpens the familiar questions about the relatively infrequent use of criminal penalties in cases of financial fraud by powerful parties, but in a sense it surprised me nonetheless. Consider the contrast: No matter the size of the theft, the FBI investigates all bank robberies in the U.S., sometimes catching perpetrators and other times not. In my relative’s case we have probable cause to believe federal crimes have been committed, we know who the lead perpetrator is, we know where he is, and he has effectively stolen many times over what the average bank robber gets away with. And yet federal criminal authorities at all appearances have passed on the matter, at least to this point. Their priorities, resources and rewards apparently lie elsewhere.

The experience has raised a research and policy issue that had not before occurred to me: the treatment of victims in cases of white collar crime, a matter that would seem ripe for scholarly investigation. A good many years ago now the American criminal justice system incorporated—however imperfectly—concerns
Remarks (cont.)

for the rights and psychological needs of victims of conventional crimes. Especially with so many white collar crimes being handled outside the criminal justice system—by regulatory agencies and class action and individual lawsuits—it is likely that the emotional needs of white collar crime victims are most often unaddressed in the legal system. My experience inside the system this year indicates that such basic needs as simply to be kept informed by the criminal justice and regulatory authorities of the status of investigations are commonly sacrificed to the agencies’ bureaucratic values and routines. There are any number of important research questions embedded here, ones in which both policymakers and academic researchers may well take interest.

Speaking of white collar crime research, one final note. At last November’s Consortium lunch at the American Society of Criminology’s meeting I advocated for a national information systems architecture to provide an ongoing and wide-ranging white-collar crime database. Several Consortium members later began a discussion of ideas for the content and means of achieving this, and we expect to develop these ideas further in the months ahead. Happily we are not alone. This summer a number of Consortium members and other scholars were invited to make presentations to a National Research Council (NRC) seminar on ‘The Future of White-Collar Crime Research.’ Upon consideration of the various themes discussed during the June seminar, the NRC’s Committee on Law and Justice has recently decided to focus its energies on the problem of the inadequate data infrastructure for white-collar crime research and policy-making. The Committee is presently working out just how to proceed, and is likely to sponsor a workshop on the issue, ultimately to prepare recommendations. During the seminar Jim Lynch, director of the Bureau of Justice Statistics, expressed his support for building a much broader white-collar crime database, and the NRC Committee is interested to work with Consortium members on this prospect. If you are interested to join our current working group on the subject, please be in touch.

In the meanwhile, best wishes for your safe and rested return to the duties and exhilarations of fall semesters.

(Editor’s note: look for remarks from WCCRC Vice President Michael Levi on p. 5)

Member News & Announcements

Dr. Richard Ball coauthored the book *Criminological Theory: Context and Consequences*, published by Sage and now in its fifth edition. The latest publication includes an entirely new chapter on white collar crime.

Dr. Ball is a professor at Penn State Fayette, The Eberly Campus in Uniontown, Pennsylvania. There, small classes enable him to get to know his students personally as they learn about the crimes of the wealthy and powerful. His interests range from white collar crime to biosocial criminology and the criminology of consciousness. Among his favorite quotes is “the rich get richer and the poor get prison,” from Jeffrey Reiman. He may be contacted at rab26@psu.edu.
Coauthors Nicole Piquero, Andrea Schoepfer, and Lynn Langton received the White Collar Crime Research Consortium’s Outstanding Publication Award for their paper “Completely Out of Control or the Desire to Be in Complete Control? How Low Self-Control and the Desire for Control Relate to Corporate Offending.” Piquero was on hand to be recognized at the WCCRC luncheon in March, in conjunction with the Academy of Criminal Justice Sciences annual meeting in Toronto.

Speaking of awards... WCCRC president Peter Yeager is accepting nominations for the four awards given each year by the WCCRC: the Gil Geis Lifetime Achievement Award, the Young Career Award, the Student Paper Award, and the Outstanding Publication Award (book or journal article). The deadline for nominations is September 15. If there is someone you would like to nominate, please send a letter of nomination and, where relevant, a copy of the paper(s) or book to be considered (electronic versions preferred) to:

Peter Yeager  
Department of Sociology  
College of Arts and Sciences  
Boston University  
Boston, MA  02215  
pcyeager@bu.edu

Please keep in mind that award recipients must agree to give a short presentation at the luncheon where the awards are received.

Nicole Piquero is in the news again, having recently made a career move to Dallas, Texas. There, deep in the heart, she is a professor of criminology at the University of Texas. Her new email address is npiquero@utdallas.edu. Congratulations, Nicky!

Will Stadler of the University of Missouri has been designated the white collar crime committee member for the Academy of Criminal Justice Sciences annual meeting scheduled to take place in New York City in March 2012. Stadler would like to encourage consortium members and other colleagues to submit papers dealing with white collar, financial, or organizational crimes for presentation at the meeting. For more information, please go to http://www.acjs.org/pubs/167_668_2915.cfm.

Frank Hagan is working on a paper concerning the film “Kill the Irishman,” which will be presented at the next Academy of Criminal Justice Sciences meeting in New York City. Hagan was close to the extraordinary events depicted in the film; in fact, many of them unfolded literally right above his head. The film, Hagan writes, “deals with events that took place when I was living in Cleveland working on my doctorate at Case Western Reserve University. Unbeknownst to me at the time, I was living downstairs of a hitman for the Danny Greene mob (an Irish mob that was responsible for bombing and killing 23 members of the Mafia in Cleveland). The Italians hired Ray Ferritto (a hitman from Erie) to kill (blow up) Danny Greene. Ferritto ironically later lived a block from me in Erie and his testimony put away most of the Cleveland Mafia.”
New Members

Jose Neves Cruz, University of Porto, Criminology (josec@direito.up.pt)
Lance deHaven-Smith, Florida State University, School of Public Administration and Policy (ldehavensmith@fsu.edu)
Christopher Hinson, Tallahassee Community College, Political Science (chris.l.hinson@gmail.com)
Morris Suttles, Buffalo State College, Criminal Justice (msuttles@hotamil.com)

Articles


Vice Presidential Remarks
by Michael Levi

It has been an interesting year. Around the advanced financial services economies of the world, regulators have been made to address the question of why didn’t they do more to avert the financial crisis, and the answer of the more sophisticated of them was to say that there was no political appetite to allow them to ‘get tough’ on major banks. Alan Greenspan expressed far more incredulity than Adam Smith would have done that corporate executives would be so willing to gamble with other people’s money, against the interests of their own shareholders. This suggests that John Kenneth Galbraith, let alone organizational sociology, ought to have had greater pride of place in economists’ reading lists, even before the current fashion for behavioral economics.

As the first non-American (and determined to remain so, unlike Bill Bratton, who appears willing to change nationality to command the Metropolitan Police) to hold office at the WCCRC, it has been fascinating to watch the parallels and differences between the American scene and ours, in Britain and the rest of Europe. In the UK, prompted by an earlier study led by me (Levi and Burrows, 2008*), the new National Fraud Authority has made some serious efforts to track the cost of fraud but is primarily prevention focused. The UK Financial Services Authority has a new (compare with the SEC’s renewed rather than new) interest in enforcement and prosecution, though not in pursuit of any individuals or corporate bodies heavily implicated in the global financial crisis. The lack of governmental enthusiasm in a variety of Western legal regimes for a just deserts approach to white-collar crime control will not come as any surprise to Consortium members, but its consistency in the face of widespread public hostility to bankers is an interesting exception to populist policing and prosecution that will keep our journals busy for some time.

I have just returned from the International Society of Criminology conference in Japan, where I joined Henry Pontell and others on an interesting panel on the financial crisis, and joined Japanese colleagues in a panel on the criminological implications of the recent Fukushima nuclear explosion (as well as visiting Hiroshima on the anniversary of the Bomb – a moving experience).

I am honored to serve as your Vice-President. We have been working with some of our members on considering the data development and other issues that Peter Yeager mentioned in the last issue, and look forward to sharing some thoughts with you at the ASC panels and, of course, our annual lunch.

(A longer technical report is available at http://www.cardiff.ac.uk/sosci/resources/ACPO%20final%20nature%20extent%20and%20economic%20impact%20of%20fraud.pdf.)
The NW3C Research team played a large role in NW3C’s move to its new Fairmont, WV facility in April. (Please take note of the Fairmont office’s new address listed below.) While the Research team adapts to its new surroundings, we are still searching for a new Research Director to take the place of former Research Manager John Kane. John left NW3C in March to do consultation work for the Federal Bureau of Investigation. If you are interested in learning more about the position of Research Director, please contact NW3C Deputy Director Mark Gage at mgage@nw3c.org.

NW3C is gearing up for the upcoming WCCRC luncheon to be held in conjunction with the 2011 American Society of Criminology meeting in Washington, D.C. This time we’re bringing a booth! Be on the lookout for emails regarding the exact time and location of the luncheon. We hope to see you there!

Contact Us

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Editor’s Note
The Focus is a publication of the White Collar Crime Research Consortium (WCCRC). It welcomes articles and announcements concerning white collar crime research or related scholarly work. NW3C sponsors, funds, and coordinates the activities of the WCCRC. Please direct comments, suggestions, and materials concerning the newsletter to Rodney Huff (rhuff@nw3c.org).
The A-CAPPP focuses upon the complex global issues of anti-counterfeiting and product protection of all products, across all industries, in all markets to effectively detect, deter, and respond to the crime. Linking industry, government, academic, and other stakeholders through interdisciplinary and translational research, education, and outreach, the A-CAPPP serves an international hub for evidence-based anti-counterfeit strategy. The A-CAPPP, led by the School of Criminal Justice, draws upon the vast intellectual resources of a world-renowned research university.

Examples of Our Current White Collar Crime Research

- Severity and Comprehensiveness of State Intellectual Property Laws
- Nature and Risk of Pharmaceutical Counterfeiting in the U.S
- Correlates and Reporting of On-Line Product Counterfeiting Victimization
- Toward a Counterfeiting Criminology—Examining the Viability of Product Counterfeiting as White-Collar Crime
- Content Analysis of “Accredited” versus “Non-Recommended” Pharmaceutical Websites: Implications for Consumers Purchasing Medicine Online

Significant Opportunities for Students

Competitive, multiple-year graduate assistantships to pursue a Ph.D.
Summer and hourly support
Mentoring by and collaboration with internationally acclaimed researchers
Research and publishing opportunities
Professional development seminars
Creating/enhancing a personal area of expertise
Leading courses and seminars
Networking with experts in industry, government, and academia

For additional information or to discuss possible partnership opportunities, contact Dr. Jeremy Wilson, Director of the A-CAPPP, at 517-432-2204 or visit www.a-cappp@msu.edu