

White-Collar Crime in the News

Michael Levi argues that although fraud is relatively under-reported as 'crime', some kinds of fraud and fraudsters are more readily 'demonised' than others.

Why is coverage of white-collar crime in the media important? Because the media influence public perceptions of harmfulness and 'the law and order problem'. The consequent effects may be wide spread, from enforcement resources, including policing powers; to the decision-making of tribunals, from Financial Services Tribunals to jurors; to the share prices and occupational opportunities for those sanctioned (even those who, like Bank of Credit and Commerce International (BCCI) employees, were never charged or disciplined for anything).

Knowledge of the effects of the media may enable us to re-frame policy, although knowing that jurors are prejudiced may lead to eliminating the jury, and replacing them by judges whose prejudices we would not be allowed to examine if they existed. Looking at the way white-collar crime is reported illuminates the question of bias against or in favour of some social groups. However, we have to pay attention to the variety of sub-types of white-collar crime (Croall 2001), and in particular to victim-offender prestige relationships lest we lose sight of differences when we take the category of 'crimes of deception' as a whole.

Media and crime studies agree that the demand for 'objective' news reporting and the continual time pressures of news production combine to generate an over-reliance on official sources which, in turn, serve to orient the media around the 'definitions of reality' that those 'accredited sources' provide. Since some high-status defendants are (or were) such accredited sources, they, like Peter Mandelson in a non-criminal but stigmatised context, are well placed to offer their 'reasonable' side of the story, except where, like the late Robert Maxwell, it is difficult to see what a sensible defence would look like.

Representing fraudsters and victims Stephenson-Burton (1996) notes that in 1992, one third of Serious Fraud Office cases were not reported at all in the newspapers, and that fraud constitutes around 1.5 per cent of all stories in the

press. Nowadays, it is rare to have a copy of the *Financial Times* without some international corruption and fraud scandals. Business people and investors need to know these things, and it is relevant to share prices. Cases with institutional victims very seldom receive any publicity in the popular (or 'tabloid') media, except where cybercrime is involved. As with violent crime, the media emphasise the polar extremes of cases with traumatised victims and offenders that can be portrayed as extravagant and uncaring. 'Fall from grace' lifestyle stories get almost as much attention. Somewhere in between are stories involving major corporate institutions with high public name recognition factors, from Guinness downwards (renamed Diageo afterwards partly because of the stigma associated with the case).

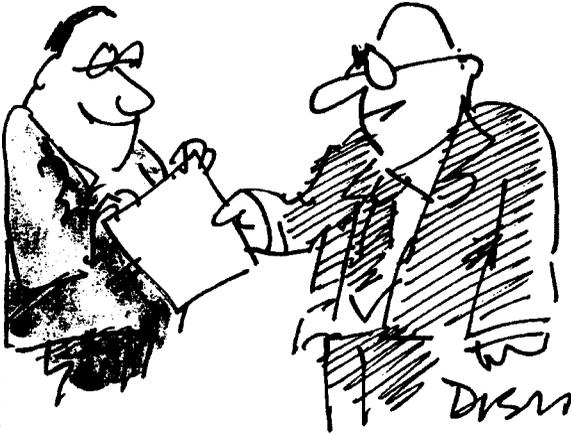
Attitudes to class

In order to create proper 'folk devils' one has to have truly innocent victims. The difficulty for 'City fraud' is that the 'suits' giving evidence for the Crown may be hard to distinguish from the accused. The coverage of the former Cabinet Minister Jonathan Aitken and of the 'Rogue Trader' Nick Leeson cases is particularly illuminating as a signifier of class and attitudes to it in the absence of sympathetic victims. In Aitken's case, in which he was jailed for perjury after having denied reports in *The Guardian* about his relationship with Saudi arms dealers, we had aristocrats who normally would be all for 'just deserts' rushing to express the view that he had 'suffered enough', while other newspapers, including the conservative *Daily Mail*, condemned his rehabilitation as phoney.

In the collapse of Baring's Bank and the role of the (relatively) lower-class 'rogue trader' Leeson, there was someone for almost everyone to identify with: a set of victims which included the Queen and other nobles; a central cast involving regulators in three countries who noticed nothing wrong; very upper-class senior bankers at Baring's whose 'money for nothing' annual performance bonuses were swelled enormously by Leeson's false profits from derivatives trading (about which they appeared to understand nothing and, until the collapse, to care less); and Leeson himself - described after sentence in *The Independent* as "The last oik of the British Empire" (4 December 1995).

Editors like to see a good hanging, so Leeson was scapegoated while his social superiors within Baring's merely faced disciplinary charges and director disqualification. *The Observer* (27 June 1999) reported one member of the Baring's family as saying: "In the final days, some people whom one thought had more decorum showed no backbone at all. I remember one director running round shouting 'I don't give a damn about the bank, all I want is my bonus!'"

Leeson's jail sentence was publicised in all the newspapers - including the *Daily Star* - along with ill-informed xenophobic comments in the tabloids about the conditions in Changi Prison in Singapore (which, in other contexts, many would positively commend for British criminals!). As usual, the plight



"Here's the unadulterated version - adulterate it."

of the losers received little prominence compared with the defendant, perhaps because they had not been ruined by the losses.

How do defendants adapt to public disgrace in the press? They try to place alternative views of 'what happened', which is often more ambiguous than for other crimes. They may even try to win over investigative journalists. Turkish entrepreneur Asil Nadir, who illegally fled the UK to avoid an 'unfair trial', persuaded 'scourge of fraudsters' Roger Cook that Nadir and all who worked for him were themselves victims of a malicious plot by the Serious Fraud Office and the Metropolitan Police. But the media sometimes treat white-collar suspects like 'organised criminals', rubbishing their commercial behaviour and family life.

Periodic agency data and annual report releases offer opportunities for publicity and potential deterrence, though unlike the US, there are few career-building opportunities to supplement the visceral pleasure in humiliating on camera the arrogant 'Masters of the Universe' (Wolfe, 1987). But more proactive, investigative journalism depends on the resources available to newspapers and television companies, their analysis of the impact that this sort of coverage will have upon their advertising revenue, and the appeal that they anticipate stories will have to their readership/viewing population. Fraud stories are hard to make televisual and both they and print stories often get killed because they are 'not news', though once any scandal breaks, some reporters feverishly race to find a fresh angle on it. This was particularly true of the Maxwell £400 million pension fund fraud case: editors who had been cowed for years for fear of libel writs rushed to damn him with headlines

like this one from *The Sun*: "Robert the Hood: Prince of Thieves". There are also plenty of hi-tech crime stories about credit card fraud, with which readers and viewers can identify, often damning the negligence of unpopular banks. In short, fraud is not a coherent signifier of images of disorder, pain, bodily invasion, *et cetera*, though some white-collar suspects can be demonised, and hostile images are available for some sub-types of fraud like those on 'widows and orphans'.

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