

Contradictory assumptions surround the nature of victimisation from workplace and corporate crime, which has been relatively neglected in both victimology and the literature on these offences. While a major thrust of work on the 'crimes of the powerful' has been to reveal the harm done to 'powerless' victims, white collar crime in general is often represented as 'victimless'. Indeed, the absence of direct victimisation and apparent intent to harm are major reasons why corporate crime

cannot be 'measured' it is nonetheless instructive to explore which consumers, workers or members of the general public are likely to be harmed by which forms of corporate crime (Croall 1999).

Gendered victimisation

Victimisation may, for example, be gendered. Some of the most serious cases of corporate deviance such as the Dalkon Shield contraceptive and thalidomide have involved pharmaceutical products and services aimed at women's bodies, with other examples being cosmetic surgery and silicone breast implants, whose side effects have led to long term health problems (Finlay 1995). Large numbers of women, affected by idealised portrayals of beauty and femininity, consume a multitude of dietary and cosmetic products which may have adverse health effects and make fraudulent claims; the vast majority simply do not work and their marketing lies on the fine line between normal trading practices and fraud (Claybrook 1996). Moreover, women's assumed financial or technical incompetence makes them vulnerable to fraud, particularly when dealing with cars or financial products. Gendered divisions in the workplace are also

important. 'Men's work', such as building or working in the North Sea oil industry, is often dangerous work, associated with high rates of deaths and injuries frequently brought about by employers' neglect of regulations. 'Women's work' may involve exploitation in 'sweat shops' or health risks from working with chemical substances in, for example, the food industry (Croall 1999). Women workers are also vulnerable to exploitative forms of sexual harassment and abuse.

Age is also significant. The physical and sexual abuse of children and the elderly in institutions is a clear violation of the trust vested in caring professions. The elderly are also particularly vulnerable to diseases resulting from inattention to health and food regulations. In the outbreak of E-coli in Lanarkshire, attributed to a local butcher's failure to comply with hygiene regulations and cooperate with enforcement officials, 21 out of 450 affected died, all of them elderly (The Herald 20/8/98). The straightened financial circumstances of the elderly make them, and those in middle age, attractive targets for fraudulent financial schemes and pensions have featured in recent financial scandals such as the Maxwell case as well as pensions 'mis-selling' on the part of major financial institutions.

Young people are also vulnerable. The aggressive marketing of expensive 'designer' toys and goods aimed at children and teenagers creates space for cheap imitations and counterfeits which can be dangerous as well as fraudulent. Each Christmas sees warnings from enforcement agencies about toys which may poison or injure children. The recent deaths of two Glasgow students in a fire in an unregistered and dangerous property illustrates how students' need for cheap, temporary housing produces a particular vulnerability (The Herald 19/3/99). In another recent case a company was discovered to have exposed young workers to asbestos (The Guardian 13/4/99).

Social status and exploitation

Many of these examples are also related to economic and social status, the exploration of which reveals what Levi describes as a 'complex moral arena' in which

Corporate victims

Hazel Croall examines the range of people victimised by corporate fraud.

is seen as 'not really crime'. Incidents are represented as 'accidents' and victimisation is seen as coincidental, involving general categories such as consumers, workers or the general public, irrespective of social position. While victimisation

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rich and poor are offenders and victims (Levi 1995). Employers are the victims of some forms of workplace crime, particularly theft and embezzlement, whereas workers are most typically the victims of health and safety offences. While rich and poor consumers are ‘ripped off’, enforcement agencies often point to offences which ‘prey’ on the poorer consumer. Financial and cultural capital protects the better off, who are less likely to resort to buying cheap or dangerous imitations of designer brands and more able to make informed decisions. Knowledge and expertise are also crucial features of many offences, with those in possession of scientific and technical expertise such as garage mechanics, professionals and computer and financial specialists, being in a position to victimise ‘lay’ employers, employees or consumers (Croall 1999).

Reassigning blame

As with conventional crime, victims are often blamed and may have to contest their status. Consumers have after all willingly purchased goods and services. Both consumers and workers can be blamed for neglecting safety regulations and the assumed drunkenness of the Hillsborough victims was initially said to have been a contributory factor to the disaster - vehemently denied by victim groups (Scruton 1999). In litigation surrounding the Dalkon Shield women were ‘blamed’ for being promiscuous and women who received silicone breast implants for cosmetic as opposed to medical reasons have been awarded lower damages (Finley 1996). Reactions to offences may be stronger where victims can be seen as ‘innocent’. One of the few prosecutions for corporate manslaughter followed the drowning of teenagers in Lyme Bay and reaction may be stronger when passengers rather than workers are killed as a result of the neglect of safety (Pearce and Tombs 1998).

These observations should not be taken to suggest that any par-

ticular group is more at risk, but they do indicate that victimisation from corporate crime reflects wider social divisions. Nor should racial and global inequalities be ignored as the example of Bhopal illustrates (Pearce and Tombs 1998). While some offences may have a random effect, exploring these aspects of victimisation reveals that corporate and workplace crime often preys on the relatively powerless. Such exploration also contributes to arguments that analyses of these areas of crime should focus on the activities involved rather than on the status of offenders (Ruggiero 1996), thus leading to the consideration of relationships between offenders and victims.

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The treatment of fraud raises important questions for the populist politics of law and order, determined as it usually is by the contents of the Home

The impact of fraud

Michael Levi assesses the impact of fraud on various groups.

Secretary’s and Chief Constables’ mailbags and by the headlines and leaders in the *Daily Mail* and *The Sun* (although the latter do include what are known in the trade as ‘widows and orphans’ frauds). Fraud is not only neglected in recorded and victim survey-measured crime, but also has been largely separated from organised crime, except where it can be represented as ‘the Mob’ moving in on legitimate business - as if ordinary business were always so legitimate (Nelken, 1997; Ruggiero, 1996). For victims to be taken seriously, it helps if one also has offenders who can be readily anathematised. Perceptions of fraud seriousness (and investigative difficulties) tend to trigger:

- policing and prosecution powers;
- investigative resources; and
- levels of punishment and disciplinary sanctions.

Causes and effects

Conservative as well as Labour governments have accepted that company and fraud investigators should have considerable powers in complex cases, although these have been reined in by the European Court of Human Rights, but fraud gets modest investigative resources and punishment (Levi, 1989). Nevertheless, as with other categories such as violent crime, causes and effects of fraud are extremely variable (Levi and Pithouse, forthcoming). Its impact can take the following forms:

“Fraud gets modest investigative resources and punishment.”

1. A direct effect on victims' health, sense of well-being, life and financial opportunities, as exemplified most obviously by 'widows and orphans' frauds such as Barlow Clowes and the Maxwell case, but also by the suppliers of credit, whether these be financial institutions or industrial firms. These victims, unlike the victims of investment frauds by firms authorised under the *Financial Services Act*, receive no compensation at all when they are defrauded. In the case of frauds committed against developing countries, this can have an inhibiting effect upon economic and social development, not least through the massive theft of development funds by leaders.

2. A direct effect on the sense of security of members of the public or other business people, as in the Nick Leeson/Barings Bank scandal, and investments/retirement cases. Though fraud is only one source of economic devastation, we have only to look at recent developments in Russia, Albania and, in a different way, Nigeria to see that both the experience and fear of fraud can harm widespread sections of society. Even in advanced industrial countries, with wider share ownership and increased need for private provision for old age and ill health, the proportion of the population who are affected by fraud, or who can imagine themselves as being affected, is much higher than it used to be. Large-scale fraud, in other words, is no longer just 'rich people's business' and this fits, or ought to fit, into the political agenda of New Labour, Liberal Democrats and Conservatives alike (though one would not think so, to look at the policing resources devoted to it).

3. Loss of business in international capital markets as a result of (a) increased insecurity about compensation in the event of fraud, and (b) more intangible factors, such as the stance taken by some Swiss bankers, after

revelations regarding Lloyd's insurance frauds and the Maxwell collapse, of 'we don't want to do business in your country because you allow all these crooks to operate'. Trust is an indispensable precondition of business, whether it is impersonal between strangers or personal between intimates or members of one's own ethnic group.

4. Loss of legitimacy in both the political and criminal justice systems as a result of (a) a sense of betrayal in that reasonable expectations of system integrity in 'popular capitalism' have not been met, and (b) popular perceptions (whose accuracy varies in different societies and over time) that there is 'one law for the rich and another for the poor', and that those with friends in high places are untouchable for financial misconduct of a much wider scope than those which normally come to court.

This has had particularly obvious effects in Third World countries but, arguably, Italy and been badly hit by legitimisation, and there are media and public cries for 'tough justice' for elite offenders in countries such as China. In 1997, almost 40 per cent of the People's Congress voted to reject the Procurator's annual report, partly because of resentment that cases such as Chen Xi-Tong, ex-Mayor of Beijing, had not been prosecuted. This is evidence of the importance of popular legitimisation. Moreover, this alleged class bias is often used by 'ordinary' offenders, from burglars to credit card fraudsters, to

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justify their own continued offending and to point up the injustice of their own treatment compared with that of the elite.

Outside the 'widows and orphans' cases, there are 'market offences' such as insider trading, whose effects are fairly abstract, being directed more at the principle of protecting the integrity of information supplied to the market than at harms to any particular individuals (especially to any 'ordinary' individuals). This sometimes leads to complaints that what is being prosecuted is not (or ought not to be) criminal at all; it is simply adult commercial behaviour (even if the other party was deceived about what it was consenting to!).

Emotional effects of fraud

Another important dimension to

accompanies it. Some investors and depositors in securities scams and, to a lesser extent, BCCI, were concerned that other people saw them as greedy speculators who 'deserved what they got' because they were 'going for rates that were higher than the market and there has to be a greater risk if you are getting a higher return'. In other cases, such as Barings or Barlow Clowes, where victims think that they are in particularly low risk investments, the shock and the impact are especially great. Barlow Clowes investors repeatedly stated to me: 'the newspaper adverts stated that the firm was 'safe as the Bank of England'. Even though there was no objective basis for their feeling this way, many investors in a variety of schemes felt ashamed of having been duped and because others might regard them as 'greedy'; this is one factor that also discourages reporting to



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similarities there with the way that rape victims feel; many fraud and rape victims re-examine minutely whether they 'should have seen it coming' and whether their failure to have done so somehow makes it their fault rather than that of the offender(s). (Alternatively, some just put it down to experience and try to forget what happened.)

These effects can be very long term, even where investors are compensated. People new to investments may not absorb the financial warnings when they are buying what they regard as safe investments, or those investments may be completely fictitious; not only does fraud lead to broken dreams, it also closes off opportunities which, once passed, are irrecoverable. For older people, vulnerable anyway to loss of confidence in themselves, frauds can destroy happiness permanently, just as readily as any other crime such as mugging or a more serious burglary. Indeed, more so, because victims know that they have supplied funds or

goods voluntarily, and because the loss of their financial cushion makes meaningless all their lifelong savings and sacrifices. The sense of personal betrayal, of abused trust, was an almost universal theme among the individual victims whom I interviewed yet, unlike many other victims, they are not treated as are most other crime victims. Apart from where, as in the Maxwell pension fund case, they had no control over their victimisation, there is ambivalent sympathy for them. If they were denied the opportunity to pursue their grievances through the criminal justice system, this would contribute to their sense of alienation and self-blame.

Institutional victims are in a slightly different position. In some cases, were they to spend more money on fraud prevention, they could have avoided becoming victims (though whether that expenditure would have been cost-effective is another matter, and this counter-argument could apply to

the majority of crime victims). Yet contrary to the view that the police are the handmaidens of corporate capital, institutional victims receive marginal police or even governmental interest in the UK, except where their losses are system-threatening, which they seldom are. This in turn makes fraud an attractive option for those criminals who have the skills and nerve required to commit it. ■

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