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White-Collar Crime: Should You be Afraid?

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While walking down the street, you peer into a newsstand and a single headline among hundreds of papers catches your eye. It reads "What Bernie Made Off With." The reason that this resonated with you is because the broker of your retirement fund is named Bernie Madoff. You rush over to the newsstand and practically tear it in half trying to get to the article so quickly. Upon reading the article, it becomes clear that all of his clients are now broke (including yourself). He has kept his clients' $65 billion for his own personal use (Yang 2014). You fall to your knees on the sidewalk, unable to comprehend the horrific news. Suddenly, some thoughts start racing through your head. You think, "Why would this man want to steal all of our money? Has something like this ever happened before? Why did the federal government not know about this any sooner? Even if he did steal all of my money, the government will pay it back to me, right?" This extreme example of white-collar crime can raise some key ideas that persist with all types of white-collar crime, whether we are referring to the U.S. government's negligent use of agent orange in Vietnam (Tracol) or the branch manager of a bank stealing $20 out of the teller drawer. White-collar crime is a very multifaceted phenomenon that needs to be studied in such a way to reflect its complexity.

Before I begin my discussion on white-collar crime, it's important to define the term. It can be looked at in a couple of different ways, both sociologically and legally. In 1939, Sociologist Edwin Sutherland provided the first sociological definition for white-collar crime: "Offenses by persons of respectability and high social status committed in the course of their legitimate occupation" (Henry and McGurrin 2013:1). This definition is a good way to start constructing the framework for which I will use to examine white-collar crime. An issue with this definition is that it is likely to incorporate some crimes that are much smaller in scope than what this paper explore. A more specific definition, provided by the Department of Justice and

the FBI is: "synonymous with the full range of frauds committed by business and government professionals. These crimes are characterized by deceit, concealment, or violation of trust and are not dependent on the application or threat of physical force or violence. The motivation behind these crimes is financial—to obtain or avoid losing money, property, or services or to secure a personal or business advantage" (fbi.gov 2017). Using the FBI's definition of white-collar crime allows us to relate more recent crimes to the more modern definition, rather than relying upon Sutherland's definition from 1939. Later, when this research gets to the savings and loan fraud cases from Florida, we will see that the FBI definition will relate much more to the individual cases, and especially the analysis of sentences imposed on the perpetrators of the white-collar crimes.

When discussing white-collar crime, everybody comes from a certain perspective. A few example perspectives are financial managers, law enforcement, the President of the United States, average middle-class Americans, and the list continues. What sorts of answers could we predict if a member from each one of these groups were asked this question: which type of crime is more harmful, street crime or white-collar crime? Financial managers might say that white-collar crime is more harmful because they understand the amounts of liquidity that companies and individuals within the companies have access to. Law enforcement might say street crime because this is the most-likely type of crime they will be responding to in the field. The President of the United States might be likely to say street crime because the "tough on crime" policy is very popular rhetoric for officials who hope to be elected into office. The important question is: how does America's general population perceive the harmfulness of street crime and white-collar crime? A study by Michel (2015) looked into public perception of the seriousness and punitiveness of violent street crime compared to harmful white-collar crime. When discussing

harmful white-collar crimes, the author is referring to white-collar crimes that result in physical harm, and he provides examples such as "selling tainted meat [or] neglecting to recall a potentially dangerous vehicle" (Michel 2015:128-129).

For his comparative study, Michel (2015) utilized an online survey machine that allows Amazon.com users to access the network and respond to surveys posted on the website. Provided on the survey were two scenarios involving violent street crime and three scenarios involving harmful white-collar crime. The two scenarios provided for violent street crime are one instance of homicide and one instance of forcible rape (Michel 2015). The three scenarios provided for harmful white-collar crime are consumer safety violations endangering children, illegal toxic waste disposal, and denial of risk and peril by failing to enforce safety measures on the workplace and to take responsibility for employees' toxic contamination (Michel 2015). An analysis of the survey responses indicated that the majority of people saw the two violent crime scenarios to be as serious as or more serious than the harmful white-collar crime scenarios (Michel 2015). When it came to punitiveness of the different scenarios, "participants were more inclined to select a non-criminal court for the perpetrators of white-collar offenses, which they perceived to be less serious than murder and forcible rape" (Michel 2015:135). When respondents discussed punitiveness and financial sanctions imposed on the criminals, they ended up recommending higher financial sanctions and less punitive sentences for the white-collar criminals with less financial sanctions and more punitive sentences for the violent criminals (Michel 2015).

From the 408 responses provided by the survey participants, it can be concluded that "violent street offenses still seem to elicit a more pronounced societal response" (Michel 2015:137). Taking the information from this study, it seems as though public perceptions of

white-collar crime and violent street crime are similar to the ways the criminal justice system is likely to prosecute these crimes. However, some questions as to explaining public perceptions can be raised. Do people struggle to put all of the blame on certain individuals when the actions of a company are what produced criminal conduct? Is there some sort of common thought that people are more likely to be victims of street crime instead of white-collar crimes? Or, could it be that we see corporate criminal conduct as a result of negligence rather than street crimes being a result of purposeful action? Michel (2015) attributes most of the harsher perceptions of street crime to the negative label that is attached to street crimes. Since corporate crimes are shown to be committed by wealthy people of high power and status, that alone could be a contributing factor to the notion that financial sanctions and restitutions are a more fitting punishment for white-collar crimes. If consideration is made regarding the entire business that commits a white-collar crime, people could see long prison sentences or maximum-allowed restitutions to be more damaging to the company itself than helpful in reforming the guilty party (Michel 2015). Using this rationale, are Americans more concerned about the well-being of our capitalist economy than they are about punishing workers of a company who decided to expose its workers to asbestos or fail to recall an automobile with a known safety concern? Michel's study (2015) shows that American's perceptions of seriousness and deserved punitiveness of white-collar and violent street crimes are similar to the sentiments shown by politicians and news media. This goes to show that public figures and our news sources play a significant role in shaping people's perception of the criminal world around them.

Not only did Sociologist Edwin Sutherland come up with a definition for white-collar crime, he provided many different works that elaborated on the different phenomena of white-collar crime. In his work, he "exposed the fallacy of relying on official statistics to measure

crime because of their tendency to be systematically biased toward reporting a higher incidence of offending among persons of lower socioeconomic status" (Jennings and Miller 2006:82). Although this paper provides two definitions for white-collar crime, (one a sociological definition and the other a legal definition), Cliff and Parker (2017) argue that one of the reasons for a lack of statistical analysis on the phenomenon is that very few groups can agree on a definition. Lawmakers, law enforcers, the criminals themselves, and public officials are unable to agree upon a unified way to describe white-collar crime. Because of this, the individuals compiling statistics would not know what to include or omit from their data. I must address a question: if the criminal justice system was able to systematically formulate definitions for the eight index crimes recognized by the UCR, along with all other crimes in federal and state codebooks, what is stopping them from doing the same with white-collar crime? If we take the perspective of looking at the term white-collar crime as an umbrella term, similar to the way that the term "violent crime" is used, then policy-makers can assign definitions to the specific types of crime that fall within the white-collar umbrella. For example, the term "white-collar" would include crimes like embezzlement, insider trading, racketeering, and fraud. In this same way, the FBI has been able to categorize crimes into two major categories: violent crimes and property crimes. Under property crime, it lists burglary, larceny/theft, motor vehicle theft, and arson. Under violent crime, it lists murder, rape, robbery, and aggravated assault. What then, would keep data collectors from adding a white-collar category, and listing the most impactful crimes under that category?

Cliff and Parker (2017) make an argument that "[m]any people have a general sense that they know what counts as white-collar crime and what does not, but they have no specifically articulated sense of what qualities separate the class of white-collar offenses from non white-

collar offenses" (2017:5). The gap in knowledge about white-collar crime, especially with many different definitions, "means that it's often difficult to compare data gathered by different white-collar crime stakeholders and that theoretical constructs in use by one group may be completely misaligned to the needs of another" (Cliff and Parker 2017:5). Instead of deciding upon one over-arching and universally-agreeable definition, scholars have recently attempted to collaborate and create guidelines that must be met for a crime to be considered white-collar. In 1996, the National White Collar Crime Center held a meeting where they would work toward creating a universal definition (Cliff and Parker 2017). First, the committee agreed upon elements that would make up a white-collar crime. These elements were decided to be: "a lack of direct violence against a victim," "the result of an opportunity to commit the crime afforded by the offender's status in an organization or their position of respect within the community, and "deception to the extent necessary to commit the criminal offense" (Gordon 1996, cited by Cliff and Parker 2017:5).

Among discussions of deciding upon the elements of white-collar crime, the scholars at the NWCCC conference considered parting ways with the term white-collar crime to change it to something that gave a more concrete definition, like financial crime or elite crime (Cliff and Parker 2017). This discussion must have paid off in a legal sense, because the 2015 version of the US Sentencing Guidelines contains a section titled "Economic Crimes." The sentencing guidelines used this heading to describe "theft, embezzlement, receipt of stolen property, property destruction, and offenses involving fraud or deceit" (USSG 2015).

After members of the 1996 conference agreed upon their elements of white-collar crime, they came together and came up with a new definition for the term. This definition is as follows: ""illegal or unethical acts that violate fiduciary responsibility of public trust, committed by an

individual or organization, usually during the course of legitimate occupational activity, by persons of high or respectable social status for personal or organizational gain" (Cliff and Parker 2017:6). Going into detail regarding the 1996 conference held by the National White Collar Crime Center shows how, even for a conference full of scholars with wide knowledge on the subject, it became extensive work just to attempt to fully define and describe the concept of white-collar crime. Understanding the difficulties of defining white-collar crime is essential to understanding the way our current United States criminal justice system handles data collection and prosecution of white-collar crime. The criminal justice system has resorted to defining the specific crimes associated with white-collar behavior to solve the issues that come with the term "white-collar."

One of the most complex components of white-collar offending for everyone to understand is: why would anyone exploit their positional power to increase their own financial gain or their company's financial gain? Pointing out the most obvious explanations first, we could use Gottfredson and Hirschi's (1990) general theory of crime that points to offenders' lack of self-control when discussing commission of crime (Spahr and Alison 2004). Individuals of high status and workplace power have many opportunities to commit larger scale white-collar crimes, like Bernie Madoff's Ponzi scheme debacle that lost $65 billion from his clients over the course of several decades (Yang 2014). When we use Hirschi and Gottfredson's general theory of crime as an argument, it changes the perspective of looking at white-collar criminality. Rather than looking at reasons for these social actors to choose to commit white-collar crimes, it shifts to look at how these actors can utilize self-control to keep themselves from committing such crimes of opportunity.

In the workplace, what if there were a certain environment that supported the commission of white-collar crimes? Spahr and Alison (2004:96) argue that "[s]ocio-cultural approaches support the notion that group norms act as the major contributory factor in workplace crime." As part of this argument, the authors suggest that the criminals may be committing these crimes in order to either remain stable in their workplace position or to help sustain company profits (Spahr and Alison 2004). Where we see the criminal culture come into play with white-collar crime is the criminals' assessment of their own crimes. They perceive their criminal actions to have no real associated injury. Sykes and Matza's (1957) techniques of neutralization can be applied to this situation. Their technique of neutralization called "denial of injury" is used by white-collar criminals to justify their actions by telling themselves that nobody is going to be hurt by their actions. In this sense, certain workplace environments can breed white-collar criminals that are conforming to the norms of committing crimes for workplace gain instead of the ways that street criminals disregard societal norms in the commission of their crimes. Spahr and Alison (2004) manipulated the dataset created by Pontell et al. (1994) in order to analyze the workplace position of the criminals in the dataset.

The researchers saw that Hirschi and Gottfredson's general theory of crime was not able to be applied because application would require a higher number of lower-level employees being convicted of their crimes (Spahr and Alison 2004). This was based on the rationale that self-control is not as common among low-level employees, thus expecting to see them having more instances of white-collar crime. However, the researchers do point out that that the reason for this dataset (Pontell et al. 1994) showing more directors/officers committing the crimes could be the high dollar amounts involved in each of the crimes. Had Pontell et al. analyzed crimes with

lower monetary amounts, Hirschi and Gottfredson's general theory of crime might have been more applicable.

In the savings and loan (thrift) industry, the US government assumes the responsibility of taking over failing thrift companies to ensure continued stabilization of the national economy. In charge of taking over these failed thrifts is the Resolution Trust Corporation (RTC). From the time it first began taking over failing thrifts in 1989 until the year 1992, it "merged, sold, or assumed management of 652 failed thrifts" (RTC 1992, cited by Pontell et al. 1994:383). During these four years of RTC action, taxpayer losses amounted to roughly $84 billion while the government spent around $196 billion in the pursuit of resolving these failed companies (RTC 1992, cited by Pontell et al. 1994). Because of the action taken by the federal government from 1988 until 1992, "2,942 defendants were indicted, resulting in 2,300 convictions in major financial institution fraud cases" (Pontell et al. 1994:383).

All this information contains some moving parts. First, the US Government assumed control of failing savings and loan companies to protect the clients of those companies and to help keep the economy stable. Second, when government entities took control of the failing companies, they started investigating and uncovered many instances of fraud that led some of these companies in a negative financial direction. Analyzing this scenario from a more general perspective, we see a substantially large investment of taxpayer dollars that are used to stabilize the failing companies. To the common person, one is inclined to wonder if that is the best thing for the government to do. But, knowing that federal intervention of these companies led to 2,300 financial fraud convictions in about four years, should we be thankful for the government's use of tax dollars to combat white-collar crime and promote a healthy economy? Overall, this venture used by the government was extremely beneficial in the long term, even if people have a

hard time stomaching the fact that $84 billion of taxpayer money was spent in the short term. Based on this information, just how big of a problem is financial fraud? The Resolution Trust Corporation indicate "that fraud is far more pervasive than some current estimates suggest and that the cover-ups and complex transactions designed to keep regulators at bay were often themselves an integral part of the fraud" (Pontell et al. 1994:384). The researchers came to the conclusion, based on RTC data from 1992, that financial fraud must be discovered before companies collapse in order to diminish its negative impact because investigating the companies after they go under does not reveal all pertinent information about their fraudulent acts (Pontell et al. 1994).

The above narrative makes it sound as if the federal government easily comes across white-collar crime, especially in the savings and loan industry. However, there are hurdles that the government must circumnavigate in order to arrest and/or convict financial criminals. Pontell et al. (1994) conducted a qualitative analysis within federal law enforcement agencies regarding the logistics of investigating and clearing cases of financial fraud. In 1989, George Bush's administration created legislature called the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA). This was the first step the federal government made in the direction of reforming America's financial sector (Pontell et al. 1994). In order for the act to gain some traction and for companies to take it seriously, there were three primary groups empowered with regulating financial companies. These three groups were the Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Resolution Trust Corporation. Lastly, the most important component of the FIRREA of 1989 was the enforcement power it provided to the US federal government. One of the key enforcement powers it provided was the civil forfeiture provision, which allows enforcement agencies to "seize defendants'

assets before conviction in an effort to salvage funds before they are transferred off-shore, are consumed, or otherwise 'disappear'" (Pontell et al. 1994:390).

Before the FIRREA of 1989 was passed, several events occurred that led to the need for government action. The savings and loan industry underwent many deregulations that gave more freedom to companies in how they may invest depositors' funds (Fetini 2008). Specifically, Fetini (2008) of Time Business suggests that the poor choices of customer investments were made in "risky real estate ventures and junk bonds in an effort to reap maximum profits." This sort of speculative investing is what led to the ever-so-famous savings and loan crisis of the 1980s. Since more savings and loans companies had been established than ever before, and there were little rules regarding how customer money was invested, As a result of the deregulation and careless use of customer money, we see how the Bush administration was led to pass the Financial Institution Reform, Recovery, and Enforcement Act of 1989.

Methodology

Because of the increased government power granted to the US Government by the FIRREA of 1989, law enforcement agencies have had increasing involvement in adequately dealing with white-collar crimes, especially in the savings and loan industry. Taking this into consideration, the dataset created by Pontell, Calavita, and Tillman (1999) will be ideal for use in analysis of government response to white-collar crime from 1988-1992.

Participants

This research project utilizes secondary data analysis, there are no current participants associated with the subsequent analysis that took place. Therefore, approval from the Institutional Review Board was not necessary and did not take place.

Description of Dataset

The dataset created by Pontell et al. (1999) consists of crimes within the savings and loan (thrift) industry originating in Alaska, Alabama, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Iowa, Illinois, Indiana, Kansas, Kentucky, Louisiana, Massachusetts, Maryland, Michigan, Minnesota, Missouri, Mississippi, North Carolina, North Dakota, Nebraska, New Jersey, New Mexico, Nevada, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Texas, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, Wisconsin, and Wyoming.

Included in the dataset (Pontell et al. 1999) are the court docket number (which has been extracted to ensure confidentiality of defendants), the number corresponding to the district of where the offense was committed, the state, date of indictment, the name of the offense committed, the fraud amount (in US dollars), and the total amount lost (in US dollars). Frequency tables of the relevant variables will be available as appendices to this report.

Measures/Variables

In the dataset, all information was derived from the criminal docket provided by each prosecuting court. Of each category (docket number, district number, state, indictment date, offense, fraud amount, and loss amount), the fraud amount and loss amount were the only variables that the original researchers (Pontell et al. 1999) had to investigate and compute in order to provide accurate information.

Court Docket Number: This variable was kept out of the publicly-accessible version of the dataset. The reason for doing this was to ensure that there was no breach of confidentiality in the criminal proceedings or in the time after convictions/sentencings were completed.

Prosecuting District: Each case includes a number representing the district where that specific crime was prosecuted. For the purposes of this project, it was omitted from any analysis.

State: With each case, there is an indication of the state where the crime took place. This state is also where the crime was prosecuted. The dataset uses state abbreviations to label this variable, rather than using the entire name of the state.

Date of Indictment: Every crime represented on the dataset comes along with the date on which the defendant was indicted. This also was not used for this specific analysis. However, it can be used by individuals who have access to the court dockets if they were looking at patterns that show within timelines of criminal proceedings in savings and loan fraud cases.

Offense Committed: One of the most integral pieces of information from the dataset is the section that explains what offense was committed for each case. This can be used to look into correlations between offense committed and fraud amount. In this project, a Chi-Square test was performed to determine if a correlation exists between offense committed and fraud amount (in US dollars). This will be discussed in the analysis section.

Fraud Amount: This figure represents that total amount (in US dollars) that the defendant in each case was involved with while committing their crime. In many cases, but not all, the fraud amount and the loss amount are the same dollar amount.

Loss Amount: This figure is different from the fraud amount figure in that it includes monetary amounts that were lost by the company, not only just the amount of money that was part of the fraudulent scheme.

Data Analysis

The dataset created by Pontell, Calavita, and Tillman (1999) is the source of all of the analytical data utilized by this project. This set of data was manipulated and computed using SPSS statistical software.

Because of the large scope that this dataset covers, it was deemed feasible to use statistical analysis to determine correlations between two sets of variables demonstrated in the dataset. To begin, descriptive statistics were created for the fraud amount of every variable in the dataset. The reason that this was the only variable where descriptive statistics were computed is because it was the only variable that was more complex than the nominal-level. From the descriptive statistics of the fraud amount (N=646), we can see that the average amount of fraud (in US dollars) is $7,101,753.35. This is a decent indicator of the severity of the savings and loan crimes that were included in this dataset. Knowing that the dataset is comprised of such high dollar amounts of fraud is crucial to setting the perspective of how pervasive these crimes were at the time they were committed. With that being said, the maximum fraud amount was listed at $750,000,000. This means that it skewed the average of the entire dataset when it was computed with the rest of the numbers. With the median being listed at a mere $450,000, it becomes evident that the mean of $7,101,752.35 is not as important of an indicator as one would expect to have from the mean of a dataset.

The fraud amount variable from the dataset demonstrated a standard deviation of $36,440,267.85. One more key piece of information to point out from the descriptive statistics of the fraud amount variable is the minimum amount contained in the dataset. Surprisingly, the minimum amount of money involved in one of the fraud schemes was $0. This means that for the specific crime, there was absolutely no monetary value that was involved. What sort of implications does this have? This proves that money is not a requirement for one's crime within

a savings and loan industry to be significant. This will be brought up in greater detail later on in the discussion section of this paper.

To determine if significant correlations exist between the state where each crime was committed and the dollar amount of each fraud, a chi-square test was conducted using SPSS statistical software.   When interpreting this chi square test, we must know the null and alternative hypotheses that are being tested. First, the null hypothesis states that there is no relationship between states and fraud amounts. This would otherwise be stated as the state and the fraud amount are independent of each other. The alternative hypothesis in this test would be that the same two variables (state and fraud amount) are dependent, meaning one variable can influence the other variable. Although this test is not suitable for determining how strong of a relationship might exist, it can determine if a correlation exists at all.

Results of the chi-square test comparing states and the dollar amount of fraud in each case are shown in the following tables:

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	19029.836[a]	16168	.000
Likelihood Ratio	2950.129	16168	1.000
N of Valid Cases	646		

a. 16585 cells (100.0%) have expected count less than 5. The minimum
expected count is .00.

Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	5.428	.000
	Cramer's V	.828	.000

After reviewing this resulting chi-square test table, it can be concluded that there is no evidence to support a significant relationship between these two variables. The reason for this is grounded in the fact that all cells have an expected count of less than five. Since this is the case, there is not enough evidence from the chi-square test to suggest a relationship between state and fraud amount. If the expected count for each category had been five or greater, a proper hypothesis test could be completed using the test statistic and the p-value. Since this is not the case, any test would be rendered insufficient in providing evidence for a relationship between states and the dollar amount of fraud in each case. We must fail to reject the null hypothesis, and assume these variables to be independent of each other.

In addition to the test for relationship between state and fraud amounts, there was another chi-square test performed to look for a relationship between state and type of offense that was committed. If a relationship does exist between these two variables, it could help identify certain crimes that are more likely to happen in some states rather than others. As with the first chi-square test discussed in this project, the null and alternative hypotheses must be stated. The null

hypothesis is that there is no relationship between state and fraud amount. The alternative

hypothesis will be that there is a relationship between state and fraud amount.

The table showing the results of this chi-square test is shown here:

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	20287.269[a]	19694	.002
Likelihood Ratio	3240.836	19694	1.000
N of Valid Cases	646		

a. 20194 cells (100.0%) have expected count less than 5. The minimum expected count is .00.

Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	5.604	.002
	Cramer's V	.855	.002
N of Valid Cases		646	

In this test for significance, there is another issue with the expected count for the cross-

tabulation table that compares these variables. Since each variable has an expected count less

than 5, there are no grounds sufficient enough to support completing the entire hypothesis test.

Therefore, we are not able to provide any evidence that any individual state is related to certain

types of crimes. We must fail to reject the null hypothesis, indicating that these two variables are independent of each other.

Because this dataset is situated to use exact dollar amounts of fraud as a measure of study, it becomes problematic to rely on a chi square test to search for a relationship between two variables. When the researchers created their dataset, they were most likely not worried about this being an issue for their analysis. However, a proposed solution to modifying this dataset in order to make it suitable for a chi-square test would be to group the fraud amounts into groups. The scale could have categories that are each about $1,000,000 wide. If this were the case, the chi-square test would look at frequencies that exist within each category rather than the specific dollar amounts within the frequencies. This means a relationship could much more easily be determined in the dataset since the fraud amount would be grouped together in more broad categories rather than having a dataset that incorporates a unique, specific dollar amount for each crime represented.

Analyzing relationship trends among such a large dataset is difficult. It leads to issues like the ones that came about with these two chi-square tests. Within this larger dataset from Pontell et al. (1999), I broke the information down even further to create a bar chart that compares the prevalence of each fraud amount within just the state of Florida. The chart specific to Florida fraud amounts can be found below:

STATE-CHARACTER VARIABLE * DOLLAR AMOUNT OF FRAUD Crosstabulation

Using a bar chart to analyze fraud amounts of a particular state within the dataset is a very resourceful way to visually see patterns within the data. Rather than relying on test statistics, p-values, and measures like Cramer's V, analyzing visual representations helps bring actual substance to a quantitative method of analysis. Upon looking at the bar chart, it is clear that no fraud amount has any relatively significant frequencies associated with it. In other words, almost every savings and loan crime in the state of Florida (between 1988 and 1992) has its own unique dollar amount of fraud associated with it. However, the advantage that this has over a chi-square test is that it becomes possible to see areas of dollar amounts that have higher or lower frequencies than other amounts. For example, this bar chart shows many more occurrences between the dollar amounts of $249,061 and $510,174 than are shown between $12,000 and $90,000.

Noting how the majority of Florida cases fall between the fraud amounts of $132,000 and $1,130,000, it becomes easy to see that most of the savings and loan crimes in Florida were not reaching amounts in the higher end of the fraud amount scale. Keeping in mind that the highest fraud amount in Florida was listed at over $57,000,000, there is a large variety of fraud amounts shown in the dataset created by Pontell et al. (1999).

Using this visual method of analysis can help researchers grasp some concept of what kinds of monetary amounts were associated with savings and loan fraud at the time, but it is very important for researchers to keep in mind that concrete associations between variables cannot be discovered without completing a chi-square test for relationship between two variables.

Contribution of this Paper

Completing a research project such as this can have multiple contributions to the fields of sociology, criminology, and the data collection process of crimes. However, with this paper being a secondary-data analysis of a quantitative data set, the contributions being discussed will focus on the prevalence of white-collar crime, the effects of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, and data collection on white-collar crime in the United States.

First, this paper sheds light on the phenomenon of white-collar crime in the United States. The analysis of this dataset was able to show that at least 646 crimes in the savings and loan industry were committed between the years of 1988 and 1992. Pontell et al. (1999) collected information about the crimes in their dataset from the Resolution Trust Corporation, the Office of Thrift Supervision, and the Executive Office of United States Attorneys. With this being said, the dataset includes only savings and loan crimes. Since it omits all other types of white-collar crime (insider trading, embezzlement, etc.), criminologists and sociologists alike can come to the conclusion that the realistic amount of white-collar crime across the United States is far more extensive than this dataset represents. Although the dataset does a fantastic job of showcasing specific instances of savings and loan fraud, it is not equipped to demonstrate the full scope of the prevalence that white-collar crime has in the United States.

Something that this research has proven beyond doubt is that the FIRREA of 1989 played a significant role in the US government becoming aware of financial crimes being committed within the savings and loan industry. Due to increased power given to the US government in regards to solvency of failing thrift companies and enforcement of financial crimes (Pontell 1994), the period of time from 1988-1992 shows the resulting high number of crimes discovered, investigated, and defendants convicted. In the decades since 1992, it seems as though the US

government has shifted from a reactive stance of enforcement and solvency to a much more proactive stance of regulation and control. Of course, the importance of regulation in certain financial institutions (i.e., credit rating bureaus, securities trading) was not necessarily noticed until the crash of the housing market in 2008. Without the lesson learned from this event, there's no way of predicting what measures may or may not be taken in order to control white-collar crime and its adverse effects. An interesting follow-up study to the one completed by Pontell et al. (1999) would be to look at current rates of savings and loan fraud (or other crimes committed within other legitimate financial institutions). Attempting to accomplish this would beg one huge question: where could the information come from?

The Federal Bureau of Investigation compiles data on a yearly basis in order to create the Uniform Crime Report. This information comes from voluntary reporting by law enforcement agencies all across the country. In the UCR, there are statistics kept for the eight major index crimes: murder, rape, robbery, aggravated assault, burglary, motor vehicle theft, larceny-theft, and arson. In conjunction with the UCR, many agencies utilize a National Incident Based Reporting System to instantaneously upload their crime reports to a national database. Also, the National Crime Victimization Survey serves as a great supplement to the previous two reports because it is able to factor in a number of crimes that may have never been reported to law enforcement officials. With these three crime reporting methods utilized by the US government, finding data on violent and property crimes is not an issue.

The issue comes to existence when somebody attempts to replicate a study similar to the one that this research paper was based on (Pontell et al. 1999). To create their dataset, Pontell, Calavita, and Tillman were asked by the Department of Justice to collect crime data from the RTC, OTS, and the Executive Office of United States Attorneys. This took years of searching,

compiling, and computing. If another researcher would like to complete a study similar to that of Pontell and his colleagues, they would have to go through very similar steps of compiling the information because none of the crime reporting databases include sections on white-collar crime, or more specifically to this scenario, savings and loan fraud. This is the fallacy that comes from a lack of record keeping of white-collar crimes.

If records are not properly kept that inform the public of what kinds of white-collar crime are happening and how often they come about, then researchers are far less likely to study it. Without scholars studying the many facets of white-collar crime for themselves, the pursuit of solutions for these crimes and their associated problems remains at a stand-still. The general public is hurt by this because there is no reliable source of information they can turn to if they seek further knowledge on the subject of white-collar crime. Without nationally-subsidized pools of data on the subject, people will have no choice than to get their information from sources like news broadcasts and public opinion polls. Not only is the general public affected, but law enforcement agencies hurt themselves by not properly keeping track of white-collar crime statistics. If their data were kept and analyzed on a regular basis, policy-makers and investigators would start to notice certain patterns. Then, these patterns can be used to inform decision makers and policy creators.

Whether or not we like to admit it, this country has an abundance of people with large amounts of power over economic resources and much less power over their own self-control. With some people, this leads to nothing more than entrepreneurship and the continuation of the spirit of capitalism. However, with others, this situation breeds the perfect opportunities for exploitation of customers, their money, and the trust of the business in which a person works. White-collar crime (and specific to this research project, savings and loan fraud) is more than

just present in our social world. The study by Michel (2015) indicated that societal responses are still tougher on violent street crime than white-collar crime, even when the proposed white-collar crime examples showed negligence that led to the physical harm of children and community members. Spahr and Afetlison (2004) point out the fact that those working in financial institutions and other places of opportunity act as a white-collar crime time bomb. They use Gottfredson and Hirschi's general theory of crime (1990) to explain that people in such positions are bound to commit those crimes unless they somehow muster the self-control to refrain. Within the governmental agencies that deal with financial regulation and white-collar crime, it becomes apparent that some change needs to happen that provides accurate, easily-accessible statistics regarding white-collar crime in the United States. This data could be extremely useful to government agencies and to the general public. White-collar crime is such a vast area of study, and utilizing a few analytical tests on a quantitative dataset regarding savings and loan fraud only scratches the surface. This is an area that requires increased attention from scholars and all levels of the American people if we seek to bring about an astronomical change in such a seldom-spoken of topic.

Appendix: **State Frequency Table**

STATE-CHARACTER VARIABLE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	AK	1	.2	.2	.2
	AL	2	.3	.3	.5
	AR	12	1.9	1.9	2.3
	AZ	6	.9	.9	3.3
	CA	81	12.5	12.5	15.8
	CO	1	.2	.2	15.9
	CT	3	.5	.5	16.4
	DE	1	.2	.2	16.6
	FL	57	8.8	8.8	25.4
	GA	16	2.5	2.5	27.9
	HI	1	.2	.2	28.0
	IA	8	1.2	1.2	29.3
	IL	13	2.0	2.0	31.3
	IN	3	.5	.5	31.7
	KS	6	.9	.9	32.7
	KY	3	.5	.5	33.1
	LA	25	3.9	3.9	37.0
	MA	23	3.6	3.6	40.6
	MD	3	.5	.5	41.0
	MI	6	.9	.9	42.0
	MN	3	.5	.5	42.4
	MO	5	.8	.8	43.2

MS	13	2.0	2.0	45.2
NC	9	1.4	1.4	46.6
ND	1	.2	.2	46.7
NE	1	.2	.2	46.9
NJ	42	6.5	6.5	53.4
NM	11	1.7	1.7	55.1
NV	1	.2	.2	55.3
NY	31	4.8	4.8	60.1
OH	9	1.4	1.4	61.5
OK	14	2.2	2.2	63.6
OR	6	.9	.9	64.6
PA	22	3.4	3.4	68.0
RI	3	.5	.5	68.4
SC	9	1.4	1.4	69.8
SD	4	.6	.6	70.4
TN	23	3.6	3.6	74.0
TX	138	21.4	21.4	95.4
UT	3	.5	.5	95.8
VA	14	2.2	2.2	98.0
WA	7	1.1	1.1	99.1
WI	4	.6	.6	99.7
WY	2	.3	.3	100.0
Total	646	100.0	100.0	

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