White collar criminality

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Edwin H. Sutherland served as the 29th President of the American Sociological Society. His Presidential Address, “White Collar Criminality” was delivered at the organization's annual meeting in Philadelphia in December 1939.
WHITE-COLLAR CRIMINALITY

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THIS PAPER is concerned with crime in relation to business. The economists are well acquainted with business methods but not accustomed to consider them from the point of view of crime; many sociologists are well acquainted with crime but not accustomed to consider it as expressed in business. This paper is an attempt to integrate these two bodies of knowledge. More accurately stated, it is a comparison of crime in the upper or white-collar class, composed of respectable or at least respected business and professional men, and crime in the lower class, composed of persons of low socioeconomic status. This comparison is made for the purpose of developing the theories of criminal behavior, not for the purpose of making or of reforming anything except criminology.

The criminal statistics show unequivocally that crime, as popularly conceived and officially measured, has a high incidence in the lower class and a low incidence in the upper class; less than two percent of the persons committed to prisons in a year belong to the upper class. These statistics refer to criminals handled by the police, the criminal and juvenile courts, and the prisons, and to such crimes as murder, assault, burglary, robbery, larceny, sex offenses, and drunkenness, but exclude traffic violations.

The criminologists have used the case histories and criminal statistics derived from these agencies of criminal justice as their principal data. From them, they have derived general theories of criminal behavior. These theories are that, since crime is concentrated in the lower class, it is caused by poverty or by personal and social characteristics believed to be associated statistically with poverty, including feeblemindedness, psychopathic deviations, slum neighborhoods, and “deteriorated” families. This statement, of course, does not do justice to the qualifications and variations in the con-
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From statistics criminologists have derived general theories of criminal behaviour. Their conclusion was the following:

*Since crime is concentrated in the lower class, it is caused by poverty or by personal and social characteristics believed to be associated statistically with poverty, including feeblemindedness, psychopathic deviations, slum neighborhood, and “deteriorated” families.*
The thesis of this paper is that the conception and explanations of crime which have just been described are misleading and incorrect, that crime is in fact not closely correlated with poverty, and that an adequate explanation of criminal behaviour must proceed along quite different lines.
Who did Sutherland identify as white collar criminals?

– The “robber barons” of the last half of the 19th Century

– Present-day white collar criminals, who are more deceptive – Krueger, Stavisky, Whitney, Mitchel, Foshay, Insull, Sinclair …. And many other merchant princes and captains of finance and industry.
White collar criminality in business is expressed most frequently in the form of misrepresentation in financial statements of corporations, manipulation in the stock exchange, commercial bribery, bribery of public officials directly or indirectly in order to secure favorable contracts and legislation, misrepresentation in advertising and salesmanship, embezzlement and misapplication of funds, short weights and measures and misgrading of commodities, tax frauds, misapplication of funds in receiverships and bankruptcies.
The financial cost of white collar crime is probably several times as great as the financial cost of all the crimes which are customarily regarded as the “crime problem”
The financial loss from white collar crime, great as it is, is less important than the damage to social relations. White collar crimes violate trust and therefore create distrust, which lowers social morale and produces social disorganization on a large scale. Other crimes produce relatively little effect on social institutions or social organization.