



WHITE COLLAR CRIME: CORPORATE CRIME

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ABSTRACT

White-collar crime is on the rise in India, and this has had a significant negative influence on the nation's economy. In India, the country's economic infrastructure has been hampered by bank frauds, tax evasion, and economic threats. As technology and education have advanced, white-collar crimes have increased. These crimes are being shielded by legal experts who are uncovering flaws in the current legal system and court, as well as indirect government backing. The major types of white-collar crime are corporate crime. With more firms being involved in economic and societal life during the past thirty years, the idea of corporate crime has risen significantly. It has a negative effect on our nation's economy and trade. Additionally, it causes investors to lose faith in the market. This study focuses on the forms and cases of corporate crime and white-collar crime in India. Additionally, historical statistics on white collar crime are displayed. This study also clarifies the rules and legislation that offer defence against this issue also with some measures to curb from this problem. It's also provided some suggestion for eradicating the problem.

KEYWORD: White-collar crime,
Corporate-crime, Corporate Fraud,
Regulatory Legislations

INTRODUCTION

As we always say, prevention is always better than cure, yet in the modern world, white collar crime is a horrible reality that is hard to identify and prevent. Not all crimes entail the use of a firearm. There are certain crimes that are carried out right in front of the victim without a shot being fired. For financial gain White collar crime is done and is not aggressive in character. These are crimes that are both monetarily and non-violently motivated. These are perpetrated by business people and government personnel using dishonest methods in order to profit financially.

They are able to do so because they have access to a significant sum of capital. The betrayal of trust, falsification of information, and dishonesty is a highlight to distinguished these crimes. Since the phrase "white collar crime" was first used in 1939 to describe an offence attempted by a person of high stature and social sociability, educated and wealthy people have frequently been connected with it. Since then, the scope of white-collar crime has greatly increased due to the development of new financial goods and technologies and arrangements that have given rise to a variety of white-collar crime violations. According to the Federal Bureau of Investigation, these crimes include massive fraud committed by business or governmental agencies. In fact, the government lists these offences among its top objectives for enforcement. This is due to the fact that it causes both investors and people to suffer huge losses. Fraud, Wage theft, cybercrime, identity theft, forgery, Ponzi schemes, and insider trading are examples of white-collar crimes. White collar professionals make up the bulk of those who operate on behalf of and promote the



interests of organisations, hence corporate crimes and white-collar crimes frequently overlap. Additionally, it intersects with organised crime since criminals may form businesses for illicit purposes or to distribute the proceeds of their crimes.

This article is attempted to study about the white-collar crime especially corporate crime. It focuses on meaning and definition of white-collar crime with briefly described different form of white-collar crime. Identifying the historically root cause of this type of crime with various case laws and see over the development in this crime. Further it evaluates the rules and legislation that offer defence against this issue. It's also provided some suggestion for eradicating the problem.

JOURNEY OF WHITE-COLLAR CRIME

“White-collar crime is a nonviolent crime often characterized by deceit or concealment to obtain or avoid losing money or property, or to gain a personal or business advantages.”¹ Example of White-collar crime includes securities fraud, corporate fraud, embezzlement, money laundering etc and the key investigative agencies are: central bureau of investigation, the income-tax, the enforcement directorate, the directorate of revenue intelligence and the customs department.

“The term "white-collar crime", strictly speaking, has no legal significance.

However, it was coined and popularised by Edwin H Sutherland in 1939, an American sociologist, in his classic paper "White Collar Criminality" some 80 years ago. In the paper' he defined this crime as one committed by a person of respectability and high social status in the course of his occupation. By such definition Sutherland hoped to point out weaknesses in the typical crime theory by bringing into sharp focus the sociological differences that existed between traditional crimes such as murder, rape and theft where the crimes were defined without reference to the social status or occupation of the offender, and other crimes such as embezzlement, fraud, antitrust violations, price-fixing by cartels, misuse of public and corporate funds, income tax evasion, abuse of political and legal processes and widespread violations of administrative regulations, all of which were nearly always, according to his studies, committed by those with power, high social status and occupation, i.e., the respectable citizen.”²

Yet, Sutherland's definition was flawed since it was based on the standing of the offender rather than the specifics of the offence. “A rival school of sociologists clamoured for a new definition that could emphasize this latter aspect of the offence. This was necessary so that white-collar crime would be better understood in all its ramifications and attempts made to control it.”³ “In 1970 Edelhertz, a sociologist, offered a redefinition of white-collar crime by not identifying it with any social class. His definition gained favour with the US Justice

¹ Federal bureau of investigation, white collar crime, <https://www.fbi.gov/investigate/white-collar-crime> (last visited on mar. 3, 2023).

² , EDWIN H. SUTHERLAND, WHITE-COLLAR CRIMINALITY, in CRIMINOLOGY AND PENOLOGY, 117-130 (1972).

³Amarjeet Singh, White-collar Crime, 14(2) Singap. Acad. Law J. 232, 231-247 (2002).



Department and reshaped thinking on the subject. Edelhertz's definition emphasized on illegal acts committed by non-physical means and by concealment in order to obtain money or property or to obtain business or personal advantage.⁴ His definition is “an illegal act or series of illegal acts committed by neophysical means and by concealment or guile, to obtain money or property, to avoid the payment or loss of money or property or to obtain business of personal advantage.”⁵“The Justice Department's Dictionary of Criminal Justice Data Terminology adopts the definition of Edelhertz as well as retains the idea of Sutherland's definition regarding white-collar crime as entrepreneurial, professional or semi-professional.”⁶

White-collar crimes are “illegal acts characterized by quiet, deceit and concealment' and are not dependent upon the application of physical force or violence or trends thereof. Further, they may be committed by. Individuals acting independently or by those who are part of a well-planned conspiracy. The objective usually is the obtaining of money, property or services; avoiding the payment or loss of money, property or services; or securing business or personal advantage.”⁷

The 1970s saw a genuine uptick in interest in white-collar crime, notably in the wake of the now-famous Watergate burglary, which took place under Richard Nixon's presidency and resulted in a political crisis of

huge proportions by implicating the office of the presidency. Together with the media and the Justice Department, sociologists and even criminologists with expertise in the conventional field of criminal law came to a fresh understanding of the issue and the public harm caused by white-collar crime. Criminologists also realised that white-collar crime had received little attention and was poorly understood in both criminal justice textbooks and legal education curriculum.

“As a result of the legacy left by Sutherland, governments in many jurisdictions, common law and otherwise, have been equipped themselves with legislation engaged in trans-border collaboration and are employing new enforcement techniques through specialised training of investigators and prosecutors to more effectively deal with white-collar crime which has become a rapid growth industry today. The problem as law enforcement officers sees it, is not in the definition of white-collar crime but always having the right mechanism to cope with it.”⁸

White collar crimes inflict a far bigger loss to society than predatory ones because they pose a much greater threat to economic stability by undermining public trust than do larger-scale financial schemes. People were left in disarray and were hesitant to engage in the Indian stock market after the Harshad Mehta scandal. Depositors are now questioning the whole foundation of banking deposits, asking what the use of saving is if

⁴ 2 HERBERT. EDELHERTZ, THE NATURE, IMPACT, AND PROSECUTION OF WHITE-COLLAR CRIME 3 (1970).

⁵ Ibid.

⁶ TONY G. POVEDA, RETHINKING WHITE-COLLAR CRIME 41 (1994).

⁷ PAUL M. WHISENAND, THE NATURE, IMPACT AND PROSECUTION OF WHITE-COLLAR CRIME 344 (1996).

⁸ *Supra* note 3.



some wealthy businessman will ultimately conspire with a small number of bank employees to erode it all away. This is the situation that has arisen since PMC Bank has opened for operation. Government needs to understand that if it keeps operating the way it is, it might run out of things to control because, after all, how many more scams would we stoically accept? A nation, when united, can cause enormous ripples, therefore it might be time to quit trying its patience.

WHITE-COLLAR CRIME'S TYPES

Today, "white-collar crime is regarded much more as a broad umbrella that denotes 'business crime', 'commercial crime' or 'economic crime', all terms that have gained great currency and usage at both the national and international level. Nevertheless, whatever the descriptive terms that are used, the overriding concepts common to these offences are fraud, cheating, dishonesty and corruption committed by businessmen, common, political or public officials by both sophisticated and crass methods."⁹

"For convenience of discussion, white-collar crime described by its other names has been broadly divided into two categories by the sociologists Appelbaum and Chambliss, namely:

- (a) occupational crime
- (b) corporate or organisational crime."¹⁰

Occupational crime tends to be more "ad hoc" in character, and offenders who perpetrate it either do so while doing their jobs or by using their employment to advance their own, selfish agendas. The typical

offence would include insider trading, corruption, accounting fraud, professional men charging too much, tax evasion, credit card fraud, and abuse of trust by those who have custody of others' property. The culprit in such a crime hardly ever has to face his victim. Famous brokerage executives, traders, and financiers were indicted as a result of the insider trading scandal in the United States in the late 1980s and entered guilty pleas. The most well-known of these individuals was Michael Milken, the junk bond king, who brought down Drexel Burnham Lambert, a major financial institution.

Corporate or organisational crime, which includes a wide range of illegal acts and wrongdoings like price fixing, breaking antitrust laws, producing subpar or inferior goods, endangering the environment through pollution and disregard for regulatory industry standards, using false and misleading descriptions, and stating false weights, is committed by corporate personnel with the intention of benefiting their company rather than themselves. Among all criminal categories, Edelhertz referred to this one as being the "most bothersome." It is almost never clear who committed these crimes. Consider the recent legal battle between Microsoft and the Department of Justice in the United States over, among other alleged antitrust violations, the Windows Operating Systems. With the continued revelations of widespread deception tactics used by brokerage stock analysts and investment bankers, the bull market in the 1990s in the United States has once again added new types of crime to the above list. Embezzlement, Insider trading, forgery,

⁹ K. NAGA SRI VALLI, OVERVIEW IN WHITE COLLAR CRIME- A DEBATE 38 (2007).

¹⁰ RICHARD P. APPELBAUM & WILLIAM J. CHAMBLISS, SOCIOLOGY 42 (1995).



money laundering, bribery, etc. are some common types of corporate crimes.

A category of white-collar crime that exists entirely on its own and is run as a business by a full-time con artist or an organisation of con artists, covering all varieties of scams and swindles, may be added as a final option.

INCIDENT OF CORPORATE CRIME IN INDIA

The phrase "white-collar crime" originated from the perception that business leaders always dress in white shirts and ties. When an individual or group of persons violates the law while engaging in a legitimate commercial endeavour or vocation, this is referred to as white-collar crime. Second, committing a white-collar crime requires a large number of people's cooperation and participation.

“Harshad Mehta Securities Fraud (1988-1995): In 1990, security firm Grow More Research & Asset Management Limited was established by stockbroker Harshad Mehta. Because Mehta was a well-known figure in the stock market and was dubbed the "Sultan of Dalal Street," investors blindly followed his example.

By taking out substantial loans from the bank and purchasing the scrips at extravagant prices, he created a phoney market. He used his influence to manipulate the stock prices of specific scrips for his own gain. As a result, the stock markets received an unnatural inflow of capital, which

unreasonably raised the price of these shares. Even if it was wrong, Harshad Mehta's deed was lawful.”¹¹

“Satyam Scandal- biggest-ever corporate accounting fraud: This fraud was disclosed in a letter of admission from B. Ramalingam Raju, the founder and chairman of Satyam Computers Services Limited, which was published in Times of India on January 7, 2009. He acknowledged in the letter that he had altered his financial records by overstating assets and understating obligations.

The books of accounts indicate the financial standing of the firm. Investors may use them as a vital instrument before making an investment by relying on them. Accounting records were fabricated in order to deceive shareholders and investors.

The scam cost over 14,000 crores in all, and it is believed to have contributed significantly to the recession of 2009.

As a result of this controversy, SEBI reacted strongly and found Ramalinga Raju and nine important colleagues guilty of insider trading as well as participating in dishonest and unfair business activities. The defendants were also given a 14-year ban on all forms of access to the securities markets, and SEBI also gave them a 45-day payment deadline to pay almost 3000 crores. SEBI was able to act decisively in order to make sure that a similar fraud never happened again.”¹²

¹¹ Harshad S. Mehta vs Central Bureau of Investigation, 1992 (24) DRJ 392.

¹² Sahara India Real Estate Corporation Ltd. and Sahara Housing Investment Corporation Ltd. v. SEBI, AIR 2012 SC 3829.



“Ketan Parekh Security Scam: Parekh involved in stock manipulation and circular trading between 1999 and 2001. In order to manipulate various K-10 stocks, he borrowed money from financial organisations including Global Trust Bank and Madhavpura Mercantile Co-operative Bank. Around 1,250 crores were spent on the scandal. He was only imprisoned for a year, but he won't be able to trade until 2017 on the Indian stock market.

While he has been charged with working behind the scenes, his name still reverberates across the neighbourhood. An Intelligence Bureau Report claims that Parekh and his friends engaged in insider trading and circular trading using front businesses.”¹³

“2G Scam: The selling of 2G spectrum licences at a predetermined price is what this system entails. Due of the lower benefit from utilising an auction, a Raja also chose similar move. He gave licences to people who weren't eligible. In addition to lying, these applicants omitted, withheld, and submitted inaccurate information. 176 lakh crore were thus lost as a result.

A report on their crime was made public by India's Comptroller and Auditor General on November 16, 2010. The offence was so horrible that the charging sheet was 80,000 pages long. The CAG report further mentioned that these sizeable holdings were sold at a substantial premium to both Indian and international corporations.

They then finished the job in a remarkably quick period of time. The value obtained by these ineligible applicants and the actual worth of the spectrum, they claim in their final argument, were precisely the same.”¹⁴

“PMC BANK SCAM: In September 2019, the PMC Bank scandal, one of the largest financial scams in India, came to light. The proprietors of Housing Development and Infrastructure Ltd (HDIL), Rakesh and Sarang Wadhawan, reportedly received favours from the PMC Bank and were given permission to use password-protected “masked accounts.” 44 loan accounts that had missed payments on their obligations were concealed using these accounts. Moreover, the bank gave loans to HDIL without keeping accurate records or paperwork.

Top bank executives were complicit in this scheme and used the bank's software to hide the problematic loans from the Reserve Bank of India (RBI) and other auditors. These officials included the chairman of the bank, Waryam Singh, and the managing director, Joy Thomas. More than 70% of the bank's entire assets are thought to be at stake in this scandal, which involves an estimated total of almost Rs 6,500 crore.

When a lone whistleblower informed RBI of the anomalies at PMC Bank, the scandal was made public. The RBI then put limitations on PMC Bank's operations, capping the amount of money depositors may withdraw, and forbidding it from lending or making investments. Due to their inability to

¹³ Securities and Exchange Board of India v. Panther Fincap and Management Services Limited and Ors (2018), <https://www.manupatrafast.in/pers/Personalized.aspx> (last visited on Mar. 2, 2023).

¹⁴Centre for Public Interest Litigation and Ors. vs. The Union of India (UOI) and Ors., MANU/SC/1074/2010.



access their money, the bank's clients experienced great difficulty and fear.

Many suspects, including the Wadhawans, Singh, Thomas, and a few other bank executives, have been taken into custody while the matter is being investigated by the Mumbai Police's Economic Offences Wing (EOW) and the Enforcement Directorate (ED). Also, they have confiscated HDIL and its promoters' property worth more than Rs 4,000 crore.”¹⁵

“**Hindenburg Research**”¹⁶ on the Adani Group is a critical evaluation of the Indian conglomerate's financial and operational procedures. The gang is charged with "carrying off the greatest swindle in business history" by participating in "brazen stock manipulation" and accounting fraud, according to the study.

White collar crime is the phrase used to describe non-violent crimes perpetrated by corporate or government personnel for monetary benefit. Fraud, theft, insider trading, money laundering, and other such offences are examples of white-collar crimes.

According to these criteria, if some of the accusations levelled by Hindenburg Research against Adani Group are found to be genuine, they may constitute white collar crime. Nevertheless, as this is not legal advice, I am unable to comment on the reliability or veracity of the story.

¹⁵ PMC bank Scam, <https://www.manupatrafast.in/pers/Personalized.aspx> (last visited on Mar. 2, 2023).

MEASURES TO CURB WHITE-COLLAR CRIME

No single entity can eliminate this public enemy number one on their own. Without adequate enforcement, laws on their own will not accomplish anything. Similar to this, organisations and institutions cannot do much on their own if the general public is not behind them. In order to prevent being taken advantage of, it is most vital for me and you, the general public, to stay informed and watchful.

Organisational Action

A prospective white-collar criminal must be made afraid of acting out and carrying out his nefarious acts, which requires the organisations to take specific steps. The deterrent impact of such measures might prove to be quite strong.

1. Employee Screening be made more strict Before onboarding, businesses must check the credentials of their employees and search for any red flags, such as misleading information or bogus qualifications. The firm is reassured by this regarding the integrity, morality, and work-related discipline of the employees. Checking prior employers' reviews of the respective workers' performance on issues like ethics, unethical business practises, persistent odd hours, attitude to a particular task, etc. can be useful when trying to determine an employee's integrity. Examining current bank and credit report information, paying attention to lifestyle changes, and other factors are all part of a thorough employment screening. In

¹⁶ Hindenburg Research, <https://hindenburgresearch.com/adani/> (last visited on Mar. 2, 2023).



order to protect the company from white-collar criminals, staff screening is extremely important. Also, this screening must continue as long as the person is an employee of your company; this can assist stop problems in their tracks.

2. Introduce multi-level Verification System
Allowing one person to handle all contracts, financial transactions, or fiscal management is not a smart idea since it not only encourages him to commit fraud but also gives him abundant resources to do so. A system of checks and balances with many levels of verification can be effective in avoiding white-collar crime within a business. Each transaction or contract should be thoroughly verified at all levels in order to spot dishonest and corrupt workers early on and stop significant crimes from happening. Based on the impact on regulators, reputation, customers, service agreements, finances, etc., an organisation must decide how much risk it is willing to take on and how much white-collar crime risk it is ready to endure. In order to lower the organization's risk loss and liability exposure, a corporation might cut off relations with potentially problematic clients, vendors, and personnel after conducting a risk assessment.

3. Monitoring Activities of Employees
Internet usage is frequently a factor in white-collar crimes. In such cases, it is crucial to maintain a tight eye on your employees' activities—within the bounds of the law, of course. If employees are aware that they are being watched over for their individual actions, an organisation can reduce white-collar crimes to some extent. Monitoring/reviewing the communication/training for workers, monitoring compliance with anti-money

laundering rules, doing proper due diligence on third parties, and anti-money laundering transaction monitoring detection scenarios must all be done and, if necessary, modified. A model that derives inferences from uncategorized data to analyse and find patterns and underlying structures is one example of how technology has been proven to be a crucial tool for monitoring activities. Models like this can assist to highlight really odd behaviour that may be cause for concern. Your business may greatly benefit from using software's aid in monitoring websites, social media connections, and activity as an early-warning system to help stop white-collar crimes.

4. Prioritise Internal Audit Function

As internal auditors are familiar with how the business operates and can spot fraudulent activity and other red flags, they can be useful for the smooth functioning and processes of the company. They are considered in the same light as whistle blowers since they serve as the first formal line of defence. The efficacy of every essential risk management function, including the organization's overall risk management function, including credit risk, should be able to be assessed by internal audit. Together with evaluating governance throughout all service/sub-service lines and at all organisational levels, including senior management, this approach should also be able to guarantee the removal of macro level risks. In order to achieve the organization's strategic goals, it should assess the sufficiency and efficiency of controls to address risks within the governance, operations, and information systems of the organisation.

5. Inventorying Equipment



Regular equipment and supply inventories help to cut down on theft risk. It is also a great idea to undertake a regular assessment of the tools and supplies that your company owns and to keep an eye on purchase order in comparison to your inventory. A standardised inventorying system can always assist a company in keeping a close eye on asset movements, streamlining warehousing with location management, maintain a consolidated asset database, tracking equipment utilisation and automating the procurement process to make the process more technology driven, which will help to lower the high risk of theft and improper supply chain. Effective inventory management may also predict the risk factors where your equipment is functioning poorly, allowing one to create risk management plans and safeguard the company before a disaster occurs.

Governmental Action

In recent years, the fight against malpractice and financial fraud has been much more intense. It is crucial that the government act appropriately in the face of such a catastrophe.

1. Enacting laws and regulations

The GOI has established a number of regulatory laws, the violation of which constitutes white-collar crime. Some of these laws include: “Essential Commodities Act 1955”, “the Industrial (Development and Regulation) Act, 1951”, “The Import and Exports (Control) Act, 1947”, “the Foreign Exchange (Regulation) Act, 1974”, “Companies Act, 1956”, “Prevention of Money Laundering Act, 2002”, “Benami Act, 1988”, and “Public Procurement Act, 2007”. “Information Technology Act, 2000”

has also been passed in order to combat computer-related white-collar crimes and give legal status to the verification of information transferred in respect of business transactions. Yet, this is an ongoing process that requires updating as new criminal tactics are developed. In order to create new laws that are in line with these crimes, the government must be proactive in recognising them and acting quickly.

2. Implementing Strong Regulatory Policies

The first step in reducing crime is to adopt rigorous rules and regulations, but only when these laws and regulations are strictly followed and implemented in a timely manner can one actually notice a difference. To deal with white-collar crimes, the government's enforcement agencies, including the SEBI, Enforcement Directorate, and Central Bureau of Investigation, are some of the options. These organisations must make sure that their staff is regularly updated with new information and that they have the necessary ability to handle crimes using technology. Furthermore, in order to achieve systemic openness, the Central Vigilance Commission, the primary government body charged with policing government corruption, must keep an eye on how those in high-ranking positions do their business.

3. Proper Training of Investigating Officers

The type and methods of white-collar crimes are generally well understood by older cops, but they are sometimes unable to use the technology to trace the suspect because of a lack of training. Every investigating officer must have the necessary training in order to be efficient on the job and uncover the truth without endangering the environment or its inhabitants. To ensure that all officers have



the necessary training, law enforcement agencies must provide ongoing education and training opportunities. This will help officers stay up to date with the latest technology and methods of white-collar crime investigation.

4. Strict Enforcement of Laws

In order to prevent the occurrence of such crimes, it is crucial to ensure that laws are not only in existence but are also being followed. Modest penalties and brief sentences do not serve as sufficient deterrents for criminals to refrain from committing similar offences. Therefore, it is important to ensure that laws are enforced with appropriate punishments and sentences that reflect the severity of the crime. This will help discourage potential criminals from committing similar offences in the future.

5. Spreading Awareness

There is a dearth of public knowledge of such crimes, as well as the laws and penalties that have been put in place to prevent them. Informational outreach and public awareness raising are urgently required. In order to raise awareness of white-collar crimes and the remedies that victims may seek in the event that they become a victim of such crimes, it is important to make good use of both the internet and print media.

LEGISLATION AGAINST THIS CRIME

Maybe the first and most thorough body of criminal law to be established in India is the Indian Criminal Code of 1860. It specifically avoids using the term "white-collar crimes" but addresses a number of offences that are connected to them, including bribery and

corruption, counterfeiting of coins and government stamps, offences relating to weights and measures, offences relating to adulteration of food and drugs, misappropriation of public property and criminal breach of trust, cheating, forgery, and offences relating to documents, as well as counterfeiting of currency.

Fraud

Punishment for fraud commission is provided by "Section 447 of the Companies Act, 2013. This states that if a person is found guilty of a theft offence, they will face a minimum sentence of six months and a maximum sentence of 10 years in jail. In addition, he will face a fine that, in any case, won't be less than the sum engaged in the crime and might go up to three times the sum involved in the fraud. The jail sentence would not be less than three years if the offence was committed against the interests of the broader public."¹⁷

False statement/Claim

According to "Section 448 of the 2013 Companies Act, a person is responsible for his misbehaviour if they knowingly make a false statement while knowing it to be true and while also knowing that they are omitting a relevant fact. This false statement may be made in a return, report certification, financial statement, prospectus, statement, or any other document necessary for the purposes set out in this Act or any regulations promulgated thereunder."¹⁸

The Indian government has made several measures to combat the issue of money laundering. The Central Bank of India has

¹⁷ Companies Act, 2013, § 447, No. 18, Acts of Parliament (India).

¹⁸ Companies Act, 2013, § 448, No. 18, Acts of Parliament (India).



issued guidelines about the rigorous implementation by banks of the KYC (Know Your Customer) regulations. Transaction records must be kept by banks and other financial institutions for a minimum of ten years.

Cyber Crimes

The Information Technology Act of 2000 was put into place to give legal sanction for the encryption of data shared in business transactions as a means of preventing computer-related crimes.

According to “Sections 43 and 44 of the Information Technology Act, the following offences are punishable by fines:

- The appearance of harmful software or viruses.
- Downloading files without permission.
- Copying from any data without permission.
- A computer network or system being damaged.
- Assisting anyone in making it easier for someone to gain unauthorised access to a computer.
- Denying an authorised individual access to a computer system.”¹⁹

While the Information Technology Act does not specifically address cybercrime, it does contain several provisions that address white collar crimes. “Cybercrime is covered in Chapter XI”²⁰, whereas “criminal sanctions and judgement are covered in Chapter IX”²¹. In addition to this, a lack of concentration leaves a lot of problems unsolved. Among them are:

- Inapplicability

- There are no requirements for appointment as adjudicating officers.
- The meaning of hacking
- No action taken to stop online piracy
- A lack of global collaboration
- Police can only enter and search in public areas.
- The lack of regulations for investigating cybercrime

Fugitive Economic Offenders Act, 2018

With such a background and scams like the Satyam scam, fleeing Vijay Mallaya, 2G scams, and many others, the Government of India passed the Fugitive Economic Offenders Act, 2018 in 2018. The goal of this law is to penalise economic criminals who commit white collar crimes in India before fleeing the nation to escape justice and the jurisdiction of Indian courts. According to the Act, the Government is given the authority to seize any property belonging to an Indian economic criminal who has fled to another nation. It includes a number of clauses, such as the designation of a person as a "Fugitive Economic Offender," the seizure of that person's property, and a restriction against bringing civil lawsuits against that person. “The statute defines 'fugitive economic offender' as any individual against whom a warrant for arrest in relation to a Scheduled Offence has been issued by any Court in India, who

- (i) has left India so as to avoid criminal prosecution, or
- (ii) being abroad, refuses to return to India to face criminal prosecution.”²²

¹⁹ Information Technology Act of 2000, § 43 & § 44, No. 21, Acts of Parliament (India).

²⁰ Information Technology Act of 2000, Chapter XI, No. 21, Acts of Parliament (India).

²¹ Information Technology Act of 2000, Chapter IX, No. 21, Acts of Parliament (India).

²² Fugitive Economic Offenders Act, 2018, No. 1, Acts of Parliament (India).



Also, the Act defines "benami property" and gives it the same definition as the 1988 Prohibition of Benami Property Transactions Act. This suggests that this Act of 2018 covers any property that is the subject of a benami transaction, as well as any revenues from such property. Moreover, it aims to include within its purview transactions that fall under the umbrella of the Prohibition of Benami Transactions Act, 1988, which prohibits such transactions. This is a really positive step that might help reduce white-collar crime or at the very least serve as a disincentive to those with criminal intent.

Enforcement agencies

Enforcement agencies like the Serious Fraud Investigation Office (SFIO), Central Investigative Agency (CBI), Income Tax (IT), Enforcement Directorate (ED), SEBI, Department of Vigilance DFS of Ministry of Finance, IRDA and RBI are appropriately motivated to improve their capabilities to meet the challenges of the changing environment even though they are reactive in nature. This is because India is steadily moving up the growth scale.

These agencies, which serve as the government's eyes and ears in the fight against white-collar crime, are working to upgrade their human, technological, and operational capacities. To protect the wider economic interests of diverse investors, they are either considering solutions or have already implemented some of them.

CONCLUSION & SUGGESTION

In conclusion, white-collar crime, especially corporate crime, is a major issue that may have substantial negative effects on the

economy, society, and ethics. These offences are frequently perpetrated by people in positions of authority inside organisations, and they frequently include the misappropriation of funds or other resources for private benefit.

Corporate crime may have broad economic repercussions, including market instability and diminished public faith in institutions, in addition to causing large financial losses for investors, employees, and consumers. Corporate criminality may also have major ethical ramifications since it can jeopardise firms' moral character and diminish the public's trust in the business world.

In order to combat corporate crime, it's critical for regulators, law enforcement, and other stakeholders to collaborate on the identification and prosecution of offenders as well as the creation and implementation of practical solutions to stop these crimes from happening in the first place. This can entail expanding transparency and reporting standards, strengthening corporate governance, and increasing punishments for offenders.

Also, there is a need for more public knowledge and education on the characteristics and effects of white-collar crime, particularly with regard to how it affects weaker groups and society as a whole. We can contribute to the development of a more fair and equitable society that is better able to prevent and solve corporate crime by increasing awareness of these issues and encouraging a deeper understanding of them.

White collar crime, or corporate crime, is the term used to describe unlawful



or immoral behaviour carried out by people or groups inside the business or corporate realm. Following are some recommendations for preventing and combating corporate crime:

foster a culture of moral conduct and legal compliance.

1. Develop and enforce strict rules of behaviour and ethics inside the organisation. Ensure that everyone on staff is aware of and follows these rules.
2. Regularly educate and train staff members on moral conduct and legal compliance. By doing this, you can guarantee that every worker is informed of the rules and laws they must abide by.
3. Identify any inconsistencies or possible fraud by conducting routine audits and inspections of financial and other documents.
4. Create an anonymous reporting mechanism so that staff members may report any alleged unlawful or unethical activities without being identified
5. Make sure that any unlawful or unethical activity that takes place within the organisation is made up of top executives and board members.
6. Collaborate with regulatory organisations and law enforcement to look into and punish any instances of corporate criminality.
7. Take steps to improve accountability and openness inside the organisation, such as mandating routine public reporting on financial and other business actions.
8. Practice responsible corporate citizenship by taking into account how the company's decisions will affect all of its stakeholders, such as consumers, staff members, and the larger community.

By implementing these recommendations, businesses may defend the interests of their stakeholders, avoid corporate crime, and