

Strategies for Combating White-Collar Crimes in Ghana

Emmanuel Erastus Yamoah^{[a],*}

^[a]Senior lecturer. School of Business, Valley View University, Accra, Ghana.

*Corresponding author.

Received 12 January 2014; accepted 15 March 2014

Abstract

This study sought to review the incidence of white-collar crime in Ghana. White-collar crime is a non-violent crime perpetuated by an individual in order to obtain financial gain. The study concludes that this phenomenon is on the increase in Ghana and authorities must work untiringly in order to curtail the effects on society. This study adds to literary knowledge on white-collar crime in general and the Ghanaian situation in particular. It is also hoped that the strategies highlighted will be useful to the appropriate investigative and law enforcement agencies in the fight against this evil in society.

Key words: White color crime; Strategies; Ghana

Emmanuel Erastus Yamoah (2014). Strategies for Combating White-Collar Crimes in Ghana. *Higher Education of Social Science*, 6(2), 44-48. Available from: URL: <http://www.cscanada.net/index.php/hess/article/view/j.hess.1927024020140602.4545>
DOI: <http://dx.doi.org/10.3968/j.hess.1927024020140602.4545>

1. INTRODUCTION

1.1 Background of the Study

When we think of crime, often our most immediate image is of a threatening stranger or robber. We are outraged by the sudden and unpredictable violence that picks innocent victims by chance. Ghanaians often view “crime waves” as increases in murder, rape, or armed robbery. Yet another type of crime documented daily on television, radio, and newspapers is actually more destructive in terms of deaths, injuries, and Dollars or Cedis. This is the crime

sociologists call white-collar crimes. A typical example of a white-collar crime is a corrupt Driver and Vehicle Licensing Authority (DVLA) officer who knowingly certifies an unworthy vehicle as being road-worthy which result in a fatal accident.

White-collar crime can also describe situations where companies or individuals knowingly use substandard building material, market untested drugs, or knowingly (and illegally) pollute the environment. Neglect of worker safety requirements may also be considered white-collar crime. White-collar crime permeates all levels of the Ghanaian society. Ghana is rated by the Transparency International as the 63rd most corrupt country in the world among 179 countries (cpi.transparency.org/21/02/14). White-collar crime often involves swindling money from companies, or even from private individuals. A more serious version of white-collar crime is the deliberate breaking of the law by companies or top directors in order to swell their profits. Even regulatory agencies can be corrupted by those they are meant to oversee, by outside influences, or from within. The following news headlines say it all: “Scandal at the Presidency”; “Police Corporal granted bail for fraud”; “2 Ghanaians Arrested over Internet Fraud”; “Computer Consultant granted 40 Million cedis bail for fraud”; “60% of visa fraud cases involve varsity students”.

One of the major problems of studying this sort of crime in Ghana is that it is rarely brought to court. After all, many of the suspects in white-collar crimes may be very important public and private officials (including members of parliament), with a considerable number of powerful contacts in the world of business and politics. But the even more important point is that our society’s very definition of crime is often influenced by powerful groups in society. These groups can have certain behaviour branded as crime and enforced by the police, while other activities, which one would consider harmful to people, are not covered by criminal law or even if they are, they are rarely enforced.

For instance, health and safety laws at work are there to protect workers. Unfortunately for employers, the financial costs of conforming to the laws can be quite high and they are therefore ignored. Many trade unions fail to press charges against their employers when they remain recalcitrant because of the threat that the company will be shut down if they complain to the authorities. Moreover, within the African region, the definition of corruption for instance has remained elusive. Culture and pervasive practices within society make the word 'abuse' in the definition of corruption difficult to narrow down. The manifestations of grand corruption are undisputed but petty corruption is largely accepted. Buying an official a chicken in return for a free government service is regarded as normalcy. A chicken may well be a small price but the practice has substantial ramifications for the moral fiber of our societies.

1.2 Purpose of the Study

This paper seeks to discuss the growing phenomenon of white-collar crimes in general and in the Ghanaian society in particular.

2. REVIEW OF LITERATURE

2.1 Definition

Before looking at the definition of white-collar crime, it is important to know what constitutes a crime in the first place. Hughes et al (1999: 154) defined crime as "an act of deviance that is prohibited by law". "For an act to be considered criminal, the state must undertake a political process of illegalizing or criminalizing it". Because a crime is an act prohibited by law, it is the state that defines crime through the laws it promulgates, administers, and enforces. It is not the nature of an act that makes it criminal, it is the action of the state in defining it so. Therefore, what may constitute a white-collar crime in one country may not be a crime in another country.

The above requirement of writing has constitutional backing in Ghana. It is provided under article 19(11) of the 1992 Constitution as follows: "No person shall be convicted of a criminal offence unless the offence is defined and the penalty for it is prescribed in a written law". Thus when there is no statute prohibiting the act, or defining the act prohibited, it is not a crime by Ghanaian standards.

Then what is a white-collar crime? The phrase "white-collar crime" was coined in 1940 during a speech given by the American Criminologist Edwin Sutherland to the American Sociological Society (Lauer, 1998). Sutherland defined the term as "crime committed by a person of respectability and high social status in the course of his occupation." Similarly, Goode (1997) defined white-collar crime as crimes committed by the affluent in the course of normal business activities.

Although there has been some debate as to what qualifies as a white-collar crime, the term today generally encompasses a variety of nonviolent crimes usually committed in commercial situations for financial gain.

2.2 Characteristics of White-Collar Crime

Sutherland (1986) described several characteristics of white-collar crime. They include the following:

- The motivation is the desire to make profit or get rich quickly. This might be a direct result of genuine economic difficulties or sheer greediness on the part of the offenders.
- The monetary sums that are involved tend to be quite large.
- White-collar crime tends to be made up of complex, sophisticated, and relatively technical actions. Activities are hidden in normal business routines, especially in the medical and pharmaceutical professions.
- White-collar crime tends to be intermingled with legitimate behaviour.
- Its occurrence extends over time. This means the crime is perpetrated over a period of time.
- They often go unreported to the law enforcement agencies.
- There is usually very limited media coverage of white-collar offenses.
- Corporate criminals are not heavily stigmatized: they don't acquire "criminal identities."
- With respect to perception and prosecution, evidence indicating that they have taken place is not as clear-cut as with street crime.
- White-collar crime is rarely prosecuted and rarely convicted. Where there is conviction, penalties tend to be very light. For instance, in Ghana, many goat or cassava thieves upon conviction are sentenced to between 6 months and 3 years while many businessmen and politicians convicted of fraud or embezzling state funds to the tune of billions of cedis, upon conviction, are sentenced up to 4 or 8 years.
- Finally, white-collar crime involves both civil and criminal violations.

2.3 Types of White-Collar Crime

Edelhertz (1983) suggested four different broad types of white-collar crime. The first type of white-collar crime is personal or ad hoc crimes. The individual in this case generally does not have a face-to-face confrontation with the victim. Cheating on income taxes and credit card fraud are among the examples of personal crimes.

Then, there are abuses of trust. These are crimes committed by those who have custody of someone else's wealth or who have the power to make decisions. Embezzlement and accepting a bribe to make a favourable decision are examples.

Third, there are crimes that are “incidental to and in furtherance of organizational operations”, though the crimes are not part of the purpose of the organisation. Edelhertz said that the third category is most troublesome because the offenders do not think of themselves as criminals and generally have high status in their communities. Consider, for instance, the problem of deceptive advertising. The advertising agency and the corporate executives who pay for advertisements do not think of themselves as engaging in a criminal activity. Yet millions of Ghanaians buy products on false assumptions based on deceptive advertising.

Finally, there is white-collar crime carried on as a business by full-time con men. This includes everything from stock swindles to 419 frauds in which people are cheated out of their money.

Alternatively Appelbaum and Chambliss (1997) called attention to two types of white-collar crime. These are occupational crime and organisational or corporate crime. According to Appelbaum and Chambliss (1997), occupational crime occurs when crimes are committed to promote personal interests. Crimes that fall into this category include altering books by accountants and overcharging or cheating clients by lawyers. However, a more costly type of white collar crime occurs when corporate executives commit criminal acts to benefit their company. There are a variety of corporate crimes that include the creation of inferior products, pollution, and price fixing.

2.4 The Cost of White-Collar Crime

The dollar loss attributed to white-collar crimes, according to Sutherland, is greater than the dollar loss from all other types of crimes. For example, the American business community lost \$50 billion in 1980 to white-collar crime. This was nearly 10 times more than the monetary value of all forms of street crimes (Eitzen, 1986). According to a 2003 estimate, the cost of computer crimes alone in the United States reached \$15 billion (Schaefer, 2005). In Ghana it was reported in the “Daily Graphic” newspaper that the nation lost over €10 billion in ghost names in the Ministry of Education only in 2001.

White-collar crime also has a psychological impact that cannot be measured in monetary terms alone, Sunderland (1968) argued. He pointed out that such crimes create an atmosphere of distrust in a society, lowering social morale and creating widespread social disorganisation. People become cynical about social institutions (illustrated by the common belief that all politicians are crooked).

In a sense, then, white-collar crime may be more damaging to a society than predatory crime, for it indicates that the whole society is corrupt, that fraud and theft and exploitation pervade the paneled offices of professionals as well as the streets of the slums.

3. STRATEGIES FOR COMBATING WHITE COLOR CRIME

First, it is worth noting that, for any measures to combat white-collar crime including corruption to be successful there must be political will at the highest level as well as committed leadership at all levels of government. Political will and commitment does not consist only in promulgation of anti-corruption and anti-fraud laws. There must also be a sincere commitment towards enforcements of these laws through strengthening of investigative and law enforcement agencies and non-interference in performance of the functions.

Second, it is said in medicine that prevention is better than cure. Also, in engineering we talk about maintenance as being very necessary to prevent breakdowns. There are three types of maintenance, the preventive maintenance, the predictive maintenance and then breakdown maintenance. When it comes to even white-collar crime, can we think of the preventive, predictive and breakdown aspects? The forensic sciences come in after the crime has been perpetrated and therefore they relate mostly to the breakdown aspects of white-collar crime. But before we go into that, let us see whether it is possible to have preventive and predictive measures introduced in our systems where there is scope for white-collar crime. Take corruption for example. This is probably the most practiced white-collar crime in Ghana. Many a time white-collar crime is facilitated because of lack of transparency and awareness. In our banking system today, it is possible to go on cheating serially one bank after another. A good measure is for the names of willful defaulters who had cheated a bank for \$10,000 or more to be publicised at least among the banks themselves. It is difficult to understand why the Bank of Ghana does not require banks to make this information public. After all, what is great about protecting the respect and social position of people who are cheating banks or defaulting willfully?

Well these are some of the approaches for preventive aspects so far as white-collar crime is concerned. When it comes to forensic science, we are dealing with the breakdown aspect or the post-crime situation. How do we detect the criminal? We must be able to use the series of scientific techniques which are available and technologies for crime detection and bring the guilty to book. The first is the information technology. Information technology is the synthesis of computers and communication. Many a time the police rely upon information about the repeated past behaviour of the criminals and keep history sheets or the modus operandi data to help detect crimes. The Economic Crime Bureau of the Ghana Police Service has extensively sought to use information technology in the area of crime detection.

Next to the *modus operandi*, we go to the issue of identifying the criminal. Many a time, the eyewitnesses may remember some of the features of the criminal and based on their inputs it is possible to create through a computer image an identity kit and then look for the criminal. Extensive use of information technology therefore can be useful in first detecting the criminal. Having detected the criminal we may need data about handwriting or fingerprints for proving the case in the court of law. Today handwriting and fingerprints depend a lot on the individual expertise of the human expert. But the use of information technology can reduce the time taken as well as the workload of the human experts substantially. We should therefore adopt a systematic policy of supplementing the human experts with information technology available for crime detection. It is possible to supplement the human experts by the use of information technology especially in the area of handwriting or question documents and also fingerprints. This way we must be able to enhance the productivity of the experts and also reduce the time taken in bringing the criminals to book.

The increasing use of information technology especially in the area of banking is also going to give rise to a totally new type of white-collar crimes. Hacking is perhaps the latest crime linked with the computer technology. If technology can give rise to a new type of crime, technology also gives us solutions for handling the new types of crimes. So encryption and access control become important areas and developing specific software to handle these issues becomes a matter of great importance.

Another important sector which is going to play an increasing role in the digital economy we are all entering is telecommunications. It is possible now to properly monitor the flow of telecommunication exchanges and detect the criminals by monitoring national and international calls. Although it is said that the thief is the artist and the policeman is only a critic, it is necessary that the policeman develops all these technologies and becomes as intelligent as the criminal. After all, the expression "set a thief to catch a thief" is based on the understanding of the psychological principle that one has to enter the mind of the criminal to understand how he approaches an issue and perpetrates the crime. The increasing use of forensic science can help in analysing the vast amount of data or the *modus operandi* so that the criminal can be brought to book quickly.

Another important area with which the forensic science is connected relates to physical evidence. Depending upon the sharpness of observation of the detective, the physical evidence left by the criminal like hair or blood or even the smell to be detected by dogs can be gone into thoroughly to trace the criminal. Chemical laboratories used to play a role in forensic science but now with the increasing use of information technology and techniques like in spectrum analysis in every area of physical evidence it is possible to get results conclusively about the crime.

The problem with the government of Ghana and the Government system as a whole is that there is always a technology paradox. Those who know technology are not very near the users many a time and those who need to use technology are not aware of the latest developments. There is the need for the Ministry of Interior and that of Science and Technology to come together so that this gap which normally exists in our system resulting in sub-optimal use of the resources can be overcome. In fact the Centre for Scientific and Industrial Research (CSIR) and some of the Public Universities have a set of laboratories and many of them may have very good analytical labs and equipments. The challenge is how we can synergise the equipments and the skill available in our various labs throughout the country by linking them with the law and order and the governance aspects of our country. In this way, not only the forensic labs but others labs also can be drawn upon to supplement the efforts of the forensic labs. The ultimate goal of crime detection and punishment can become more effective. The researcher would like all concerned to deliberate on this issue and initiate action. This is because one problem in our country is that we are always short of resources. But we need not be short on imagination. If we are able to use our imagination effectively, perhaps we can make even our existing limited resources yield much better results. There would be a better institutional and operational framework to detect and punish crime whether it is of the white-collar or the blue-collar type.

Finally, there must be public awareness on the evils of white-collar crimes in the society. All efforts to fight this crime will not succeed if the community has come to accept it as a way of life. Public awareness can be aroused through radio and television programmes highlighting its implications on the economy and society. Government must forge partnership with the media to expose corrupt activities at all levels of the Public Service.

CONCLUSION

This paper has reviewed the phenomenon of white-collar crimes. It can be observed that the phenomenon of white-collar crime is on the increase in Ghana both in terms of numbers and also financial cost to the nation. White-collar crime has the tendency to destroy the economy and tarnish the image of the country abroad. Therefore, those who have a responsibility to combat this type of crime must work around the clock untiringly with the aim of reducing its incidence in Ghana.

REFERENCES

- Appelbaum, R. P., & William J. C. (1997). *Sociology: A brief introduction*. New York: Longman.
- Charon, J. (1986). *Sociology: A conceptual approach*. Boston: Allyn and Bacon.

- Conklin, J. E. (1981). *Criminology*. New York: Macmillan.
- Davis, N. J., & Stasz, C. (1990). *Social control of deviance a criticalperspective*. Boston: McGraw-Hill.
- Edelhertz, H. (1983). White-collar and professional crime. *American behavioral scientist* (pp.109-128).
- Eitzen, D. S., & Maxine, B. (1986). *Social problems*. Boston: Allyn and Bacon.
- Freeman, H. G., & Jones, W. C. (1970). *Social problems: Causes and controls*. Chicago: Rand McNally.
- Hughes, M., Kroehler, C. J., & Zanden, J. W. (1999). *Sociology*. Boston: McGraw-Hill.
- Lauer, R. H. (1998). *Social problems and the quality of life*. Boson: McGraw-Hill.
- Neubeck, K. J., & Neubeck, M. A. (1997). *Social problems: A critical approach*. Boston: McGraw-Hill.
- Schaefer, R. T., & Lamm, R. P. (2005). *Sociology*. New York: McGraw-Hill.
- Sneider, L., & Silverman, A. (1997). *Global sociology*. Boston: McGraw-Hill.
- Stark, R. (1994). *Sociology*. Belmont: International Thomson Publishing.
- Sutherland, E. H. (1939). *Principles of criminology*. Philadelphia: J. B. Lippincott.