White Collar Crimes In India

“White-collar crime is not new to India. The scale is. ”

Introduction

The famous criminology Professor Edwin H. Sutherland coined the term ‘White Collar Crime’ as “the crime committed by a person of respectability and high social status in course of their occupation”[endnoteRef:3]. Sutherland, contiguous this definition, included in it the huge corporation and legal entities. [3: Edwin Sutherland definition]

With the expansion of technology, white-collar crime has become an intercontinental prodigy and in India. It is increasing at an enormous pace because of the increase in economic and industrial growth. There has been an unusual and unexpected increase in the growth of computer-specific white-collar crime, which brings a great challenge for the law enforcement agencies as these crimes can be committed from anywhere in the world by an anonymous person.[endnoteRef:4]. [4: https://www.investopedia.com/terms/w/white-collar-crime.asp]

Historical Background

Before Sutherland, scholars like W.A Bonger (1916) and Steffens has also emphasized on the misdeeds by businessmen and elites. Karl Marx and Friedrichs Engels have also contended that influential people commit crimes too.

American Sociologist E.A.Ross (1907) coined the term ‘criminalised’ focusing on the businessmen who indulged in criminal activities under the shadow of responsibility. In 1935, Albert Morris drew up the list of the ‘criminals of the upper world’, which included bankers, manufactures, politicians, contractors, stockbrokers and law enforcement officials.[endnoteRef:5] [5: http://cvc.nic.in/scr]

Legal Framework

The legal framework in India is not so radical to deal with the issue of white-collar crime. There are no strict laws that can punish the offender as most of the offender getaway because of the lack of evidence. The other difficulty is that the members of the legislature who have been given the responsibility to make and implement rules are themselves cosset in these heinous crimes.

The main reasons for which these white-collar criminals or occupational criminals go unpunished are because:

1. The lawmakers of the country are from the same social group;
2. The endeavor made by the police against these criminals in highly low;
3. Of easy bail and mild sentences; and
4. The effect of white-collar crimes is not on a particular individual thus it creates a causal attitude of the society towards white-collar crimes.

White Collar Crimes In India

The recent enormous increase in white-collar crimes in India is the fast-developing economy and industrial growth of the country. The post-independence period in India led to an era of welfare activities which needed regulatory measures on the part of government. It is the contradiction of such organizational rules, which generally gives rise to a white-collar crime.-The Santhanam Committee Report[endnoteRef:6] showed a picture of white-collar crimes committees by persons belonging to high status. The report of the committee stated that the prominent industrialists, business people, government officers are responsible for white-collar crime in India [6: White collar crime definition]

After the independence, the first case of white collar crime was Mundra's case. India's first Prime Minister Jawaharlal Nehru set up a commission headed by Justice M.C. Chagia to investigate the matter. Justice Chagia concluded that Mundhra had sold imaginary shares to Life Insurance Corporation (LIC) by defrauding the insurance company to the tune of INR 1.26 Crore. Mundhra was sentenced to 22 years in prison.

Another incident that took place at the beginning the 21th century was The Satyam scam. The scam involved the fraud of INR 7000/- billion. Few years back, CBI arrested many Trinamool Congress leaders for the alleged involvement in INR 24.60 billion chit fund scam.

After the rise of the Indian economy, many companies from the private sector and the public enterprise have been comprises in the corporate swindling and outrageous wrongdoing. It is because of all these swindle the ordinary man is frightened to imbue in the equity vend.

Corruption

Corruption is one of the vanquish appearances of crimes in India. It has been into extant for many centuries. Even Chanakya has alludes to the diverse forms of corruption during his time. Many political parties have promised to eradicate corruption. However, the offenders in these types of crimes are usually government officials or the politicians themselves between 2010 to 2012 Central Bureau of Investigation has registered over 1450 cases.

Causes Of White Collar Crimes

1. Greed – Upper-class people are pecuniary secure but they still perform crime because of their avarice to be paid more. And for this impetus, they even pick illegal method to have an economic procure;
2. Competition - Darwin in his hypothesis of evolution has stated that "survival of the fittest" is obligatory and thus there will always be rivalry for survival but some people for their own avarice and to get ahead of their squint enact crimes;
3. No fixed laws or punishment – After determining the crimes, most of the offenders gets away without getting any penalizing because there are not adequate laws to pact with such kind of offences. In numerous cases, because of the extraordinary political relation most of the wrongdoer gets away without any penalizing. Besides, many cases there are no witnesses for the said offenses as such offenses are committed to private.

Measures

White-collar crime has not been defined anywhere in any act or codes; however, there are various legislations that touch the scope of white-collar crime. These legislations include The Foreign Exchange Management Act, Companies Act, Prevention of Money Laundering Act, and Import and Export Control Act.

In the present scenario, our top law enforcement agencies such as Central Bureau of Investigation, the Enforcement Directorate, the Income-tax Department, require to be build up. Top grade officials should be consistently by bodies inspect such as Central Vigilance Commission. If these agencies are build up then only the issue of white-collar criminality can be controlled.

It is the responsibility of the government to provide enough powers to the law enforcement agencies because without the help of these agencies the corruption and other economic offenses cannot be eradicated from our country. Law enforcement officials should be provided with training. This training will not only help in tracking such crimes but will also make them differentiate white-collar crimes from other crimes.

Strict laws should be made to curb these types of crimes. It is seen that if found guilty the white-collar criminal gets away with trivial fines or lenient sentences. The approach used by the judiciary while punishing these criminals has failed to rein the threat of white-collar criminality. Thus, Fast track courts/tribunals should be schedule by assign more judges. The tribunals should be given potential to inflict fine and award sentence of anyone if found guilty for the said offence.

Conclusion

White- collar crimes are a huge global concern, and it is enlarging at frighten rate. Several studies have proved that the financial loss to society from white-collar crime is much more than the other crimes. India is a growing country, and white-collar crimes are not only detrimental to the economic growth of the land but also spoil the depiction of our country. It can be easily acknowledge that to get rid of white-collar crime is not easy at all because it has been into existing for many centuries. Legal entities should try to reduce such crimes.

As discussed earlier, strict laws and special tribunals should be made and implemented so that the offender should be afraid of the punishment and before committing any crime he should think twice. Moreover, government agencies should make a combined effort to eliminate such crimes from our country.