



AN INVESTIGATION ON DEVELOPING PRACTICES IN WHITE-COLLAR CRIMES IN INDIA

Mayank Gupta

BA LLB (Hons.) IPU Delhi.

Presently pursuing LLM (Criminal Law) at Vaish College of Law Rohtak

ABSTRACT

Crime and punishment have existed for as long as there has been a civilised society. In this depraved society, there were no criminal penalties. It was the predecessor of the concept of criminal equity to have the "tooth for the tooth, the tat for the tat, and the life for the life" system. The prevalence of wrongdoing grew in tandem with the rise in the public's capacity to do it. As time has gone on and technology has improved, a new kind of wrongdoing called as "cube infractions" has evolved. Unlike to the more commonplace manual infractions, which sometimes involve brutality, the term "professional wrongdoing" is used to refer to wrongdoing committed by agents, corporate visionaries, open authorities, and specialists via deception or extortion. Professor Edwin H. Sutherland first introduced the concept of cubicle misbehaviour to the area of criminology in 1939. The most common types of white collar crimes include: debasement and bribery; tainted food and medicine; tax avoidance and "dark" advertising; profiteering and hoarding; tax evasion and "people trafficking"; digital wrongdoings and the like; and so on. White collar crime, a catch-all phrase for any criminal activity involving a breach of trust, is a major issue across all sectors of American society and a major contributor to the maintenance of street crime. Attempts to categorise white-collar crimes based on the nature of the crimes themselves have proven fruitless due to the proliferation of new types of white-collar crime. There are four types of white-collar crime: (1) individuals who conduct crimes on their own, (2) employees who break their duties to their company, (3) crimes that occur as a byproduct of doing business, and (4) businesses whose primary activity is white-collar crime. To reduce crime, it is necessary to understand what drives criminals, hence the following factors must be taken into account. motivation for monetary gain from a sense of relative scarcity, Anything that stands in the way of success, Possessing a command of admirable abilities, understanding the value of being a victim, and understanding the power of a group are all investigated. There is moral uncertainty in thinking that others are engaging in the same behaviour, and a commercial operation that was legal yesterday may be illegal now. Light sentence reduces the deterrent impact of punishment, but the mere shock of an arrest may be enough to stop a new offender from returning to criminal behaviour. The victim's own larcenous character is frequently used to rationalise the deception.

Keyword: White collar crime, cybercrime, cyber security, cyber society, cyber law

INTRODUCTION

The second part, titled "White Collar Crimes and Indian Criminal Code, 1860," analyses the numerous provisions of the Indian Penal Code, 1860 that deal with crimes committed by members of the business community. The Indian Penal Code, 1860 is the most recent and comprehensive codification of Indian criminal law. In the same way, it accommodates disciplinary issues despite a high volume of clerical infractions, which it controls. Some examples of these crimes are bribery and adultery, forgery of government stamps and coins, theft of weights and measures, adulteration of food and medicine, theft of property, criminal breach of trust, trickery, fabrication, and offences involving the filing of false reports and the duplication of cash. How can ordinary citizens prevent white-collar crime? Opportunities for crime, personal pressures in the workplace, and issues of honesty are three of the reasons why employees might be tempted to commit white-collar offences; five strategies for combating this type of crime are also discussed, including stricter law and punishment, government enforcement,



corporate programmes, the instillation of positive moral principles in the minds of white-collar offenders, and a few other less prominent strategies. In the first place, the availability of illicit activities is what motivates white-collar criminals. According to Hirsch and Gottfredson (1987), white-collar criminals don't break the law in the same way that street criminals do. Moreover, the government reaction to white-collar crime and regular crime is distinct (Hirsch & Gottfredson, 1987).

Edwin Sutherland defined "cubicle misbehaviour" as a kind of misconduct committed by a respectable, financially successful guy while at work. Since Sutherland coined the phrase "clerical infraction" in the course of a speech he gave to the American Sociological Society in 1939, discussions have heated up about what kinds of wrongdoing qualify. In general and unambiguous words, this category included nonviolent wrongdoings committed for financial gain. Some of the most common types of clerical misbehaviour are violations of antitrust laws, various forms of deceit, insider trading, and natural law. By classifying open defilement and unlawful tax evasion as salaried offences, the administration is able to further limit the power of the people via other means of controlling norms. Although the idea of "white-collar crime" has evolved over the years, a unified criminological theory to describe this kind of crime has yet to emerge. There are conflicting viewpoints held by sociologists, lawyers, and criminal justice professionals. Assault, battery, robbery, dacoitry, murder, rape, abduction, and other actions and omissions involving violence are all real problems, but in a sick society like ours, the people at the top are increasingly engaging in anti-social and anti-human behaviours as part of their daily work. So, any complaint or report against such a corporation or profession/competent methods is often ignored and the perpetrators of the lawbreaking behaviour are rewarded with financial rewards. However, most people are in the dark about the business mafia's illegal practises, and even those who are aware tend to view the issue with disdain. This is because legal battles involving such violations take a long time to resolve, which is an unpleasant reality that keeps most people from taking action. As a result, the accusations brought against the guilty parties/culprits are forgotten for a while until they are finally resolved. Although it's true that India's legal framework is robust, the country still faces testing hurdles due to a lack of mandatory oversight. This is why I've chosen to examine/investigate this subject: to learn about the complexities involved, the potential solutions, and the several layers of management and legislation that need to be involved in order to keep the rule of law in place.

Definition of White Collar Crime

White-collar crimes, as defined by the late Edwin Sutherland, are:

A serious offence committed by a person of authority and high social standing while working.

There are 5 characteristics of white collar crimes that are described in the preceding definition.

In other words, it's illegal.

perpetrated by a respectable person;

high in the social hierarchy;

As part of his job or line of work;

For the most part, it involves betraying someone's confidence.

Prof. E. Sutherland argued that there are also "White Collar Crimes" that are distinct from "conventional crimes or Blue Collar Crimes" including assault, robbery, dacoitry, murder, rape, kidnapping, and so on.

LAW RELATING TO WHITE COLLAR CRIMES

Hoarding, black marketing, and profiteering are all too frequent white-collar crimes in the Indian corporate sector. The Indian government has passed a number of pieces of legislation intended to regulate business activity; any violations of these laws are considered white-collar crimes. The Essential Commodities Act of 1955, and the Industrial Act of 1951 are two examples of such laws.

Central Excise and Salt Act, 1944



Companies Act, 1956.
Drugs and Customs Act, 1940
Emblems and Names (Prevention of improper use) Act, 1950
Essential Commodities Act, 1955
Foreign Corrupt practice Act, Foreign exchange regulation, forward contracts (regulation act, 1952)
Immoral Traffic (prevention) Act, 1956
Income Tax Act 1961
Narcotic Drugs & Psychotropic Substance Act, 1985
Prevention of Corruption Act, 1988
Prevention of Food Adulteration Act, 1954
The Anti-corruption Laws (Amendment) Act, 1961
the Anti-corruption Laws (Amendment) Act, 1967
The Central Vigilance Commission Act, 2003
The Custom Act, 1962
The Import and Exports Control Act 1947
The Foreign Exchange Management Act, 1991
Companies Act, 1956

DIFFERENT STRUCTURE OF CORPORATE CRIME

Criminals in the financial sector have exploited vulnerabilities in almost all areas of monetary circulation to reroute many centres of activity. They will continue their thefts until the corrupt authorities insert safeguards. But, since they are adept at exploiting loopholes in a variety of systems, financial criminals either move to a new domain or strive to undermine the system in their own area. The Indian government and a large number of Indian citizens have lost astronomical sums of money due to fraud in recent history. Some notable business shenanigans and financial crimes that have impacted our public economy in a negative way in recent times.

Money Laundering

Coordinated criminal activity and tax evasion are closely linked. Tax evasion is the process by which a large sum of illegally obtained money (from drug trade, the psychological oppression movement, or other serious crimes) is disguised as having come from a legal source. In any case, at its core, it is the transformation of underground currency into mainstream currency. By doing so, one is once again tasked with clearing up massive monetary piles. When done properly, it allows those who would breach the law to maintain control over their earnings and, at long last, provide a genuine veneer of anonymity for their money. To commit the crime of unlawful tax avoidance, one need only attempt to benefit from, aid, be a party to, or really participate in any cycle or activity connected to the returns of wrongdoing and extend it as clean property. As money laundering is detrimental to a country's economic and political stability, it must be strictly regulated. As a result, nations should join forces and approve of policies to stop criminal organisations involved in tax avoidance. By using unlawful tax avoidance methods, damage to the State's infrastructure at all levels is possible; this almost inevitably leads to desecration. Even more, this encourages the perpetual search for advantages and the exploration of new areas for criminal activity.

Insider Trading

Officials, managers, and owners of more over 10% of a class of value protections in a company are considered insiders. Trading in the company's own shares by insiders in light of important non-public information is considered dishonest since the insiders are violating the trust they owe to investors as trustees. When an insider buys or sells based on information only the company has access to, he is betraying his fiduciary duty to the company's shareholders. Yet, when it comes to illegal insider trading,



anybody who deals in shares based on substantial non-public information in violation of some responsibility of trust might be considered an insider, not only company officials and major investors. A corporate insider may be held to this duty if, for example, he or she tips off a business partner about confidential information that might have an adverse effect on the company. If a corporate insider makes an exchange based on the companion's valuation of the company's offer, the companion will be absolved of any responsibility to the company and will not be liable for any damages that may result from the corporate insider's breach of contract. The new past has seen some crazy insider trading. When insiders are enlisted in order to profit from private information via insider trading, the issue of administrative sufficiency sometimes arises. The increasing number of reported cases of insider misconduct, many of which occurred under the shadow of insider trading rules, echoes the integrated experimental evidence presented in the text.

United States of America v. Rajat K. Gupta: In this case, the Court is asked to impose a sentence on Rajat K. Gupta, who was found guilty on June 15, 2012, of one count of intrigue and three counts of substantial protections misrepresentation related to disclosing confidential information to Raj Rajaratnam.

Primary Market Frauds

Several small investors around the country were duped by stock market scams in the 1990s. Through initial public offerings (IPOs), 17 untrustworthy managers gained access to crucial industries, amassed substantial centre shares, and then vanished. Problem is, neither SEBI nor any of the other investigating agencies have any idea where over a hundred different businesses are. In fact, even the ones that survived used donor money for things other than what it was intended. As a result, the value of their offerings plummeted, causing severe losses for the investors.

CASE LAW

v. SEBI, by Sahara India Real Estate Corporation Ltd. (SIRECL) and Sahara Housing Investment Corporation Ltd. (SHICL).

The Corporation issued fully convertible debenture of Rs 24,400 crores in 2008-2009 in an initial consolidation effort of SIRECL and SHICL. Affiliates, business partners, affiliated groups, employees, agents, and anyone connected to the Sahara India Group of Companies were eligible for the discount. Nevertheless, the final tally of persons was closer to 2.21 billion, and the addresses of these supporters could not be found. Actually, no fictitious bank accounts were used to purchase the debenture; instead, the debenture was delivered to honest investors. In any case, on August 31st, 2012, the Honorable Supreme Court finally communicated.

The verdict against Sahara requires the aforementioned two companies to pay the whole amount, plus interest of 15%, to its 2.21 billion supporters.

Bank Frauds

Because of their illegal ties to the banks' administrations, monetary criminals have identified nationalised and amenable institutions and diverted a sizable number of centres. The massive non-performing resources of nationalised banks may be directly attributed to the massive debtors. In the 1990s, corrupt financial criminals in the Indian states of Andhra Pradesh, Maharashtra, and Gujarat opened a large number of UCBs (Urban Cooperative Banks) and attracted many branches by promising an unrealistically high rate of revenue. They then redirected many branches by authorising progressions to themselves because to mortgage holders with or that they had a criminal connection. Such banks often collapsed, wiping off their many little investors.

Insurance Frauds

Without the nimble intrigue of protection authorities, insurance organisations have fallen victim to forgeries performed by dishonest applicants. Intentional arson of stored goods, warehouses, or assembly



lines, filing several claims for the same accident, and having exaggerated claims confirmed by corrupt evaluators are all too common occurrences.

Fake Currency

The economy and national security are both vulnerable to the circulation of large amounts of counterfeit currency. Whilst this is an ancient problem, recent technological advances have allowed Indian authorities to recover high-quality counterfeit currency from terror-based oppressors from outside. In most cases, Nepal and Dubai are used to smuggle counterfeit currency produced in other countries into India. Not only are high-quality counterfeit bills flooding into the country from outside, but criminal organisations and individuals inside the country are also increasing their use of computers and sophisticated printers to produce counterfeit bills.

As this is a public and global concern, the RBI, CBI, and state police forces are responsible for handling it properly.

Fake Stamps Scam

Abdul Karim Telgi conducted a multi-center counterfeit stamps ring throughout the nation, attracting the attention of the police, the security press, and the heads of major banks and insurance companies. This exposed a flaw in the system. It is estimated that this gang has cost the government a total of Rs. 25,000 in lost revenue. With so many separate groups working on different regions of the nation, it's important that the problem be handled in a coordinated, thorough manner.

WHITE COLLAR – MEDICAL

The middle class in India is so widespread in its illegal activities that it does not confine itself to the legal sphere. Such tragic examples may be collected from a wide variety of professions, including medicine, engineering, teaching, finance, law, and many more. Clinical experts are often found engaging in activities such as the issue of fake endorsements, the completion of unlawful foetal removals, the sale of example drugs and medication, and, on rare occasions, the distribution of tainted medications and prescriptions to patients. Even if a doctor has years of experience under his belt, he or she will nevertheless use sloppy methods of treating patients in order to make a quick buck. Some of the more notorious instances are similar to the Nithari case, in which medical professionals presented to the public the most severely deranged patient they could treat in the sake of making money. One of the most common forms of misconduct in the medical field is the use of deceptive and false advertising that promises a complete recovery. The problem is that offenders often avoid punishment because they cannot be accused of breaking the law to the letter. But, by exploiting the spirit of the law, they commit crimes that are very detrimental to society and pose serious threats to public safety.

WHITE COLLAR-EDUCATION

To avoid repercussions for their efforts, middle-class members of the organisation may now benefit from the aforementioned foundations' lessons on wrongdoing. The private foundations that are least hassled in providing the education, but instead focus on generating money at the cost of the children's future, play a far more sinister role. In fact, rackets operate in these schools to encourage students to participate in exams based on controlled qualification claims, undermining the quality of education in India. Public school teachers and administrators are commonly accused of engaging in corrupt behaviour because they are unable to provide for their families on the meagre salaries provided by the government. Teachers often shame students who choose to pay for their own education, even to the point of threatening their futures if they persist in denying that they have done so.

WHITE COLOR BUSINESS

Large financial managers and investors are typically responsible for the wrongdoings that Edwin Sutherland discovered after conducting research on a massive number of companies and organisations in the United States. These wrongdoings include illegal agreements, infringements on copyrights and



brand names, uncalled for exchange practises, pay off, and so on. Extreme concern was expressed over the problem of storing, exploitative, and dark advertising in the Sanathanam Committee Report on Prevention of Corruption³. The panel also concluded that Indian financial experts abuse the Imports and Exports Rules by developing covert loads of unfamiliar commerce overseas.

WHITE COLLAR SOCIETY

Misconduct against the middle class is not limited to professions. Individuals, whether they are middle- or lower-class, play a significant role in these kinds of wrongdoings. It's improper for individuals to, say, constantly alter their perceptions of their earnings in order to cover up their own low personal expenses. Tax avoidance refers to the non-payment of taxes or the deliberate use of dishonest methods to pay taxes. Those who try to avoid paying their fair share of taxes face imprisonment or hefty penalties, or both. In certain instances, the perpetrators of wrongdoing also try to hide the reasons for and origins of the money they've accumulated. Money laundering is the process of concealing the origin of financial gains so that they look to have originated from a legitimate source.

WHITE COLLAR-ENGINEERING

While discussing the role of architects in white collar crimes, it is common to find examples of dishonesty in the way projects are managed, the services provided, the quality of work delivered, and the backing given to fake lab results. They profit economically from the project employees by earning more for their subpar efforts than they would for the certified job. Thus, many of them, in their pursuit of ever-greater accumulation, toy recklessly with the lives of many others.

CONCLUSION

Acts of misbehaviour by the middle class are increasing at a startling pace, and they are a major cause for worry across the globe. Several studies have shown that the financial loss to society caused by middle-class misconduct is much higher than that caused by other types of wrongdoing. As India is not an industrial power, problems among the middle class hinder the country's economic growth and damage its international reputation. Even if it may be intuitive to assume that eradicating middle-class misbehaviour will be an uphill battle due to the practice's lengthy history in practise, we should nonetheless work with the government and lawful institutions to bring it to a minimum. For the same reasons stated above, strict rules and special councils should be enacted and enforced so that the perpetrator would think twice about his actions. Also, the public authority association should make a concerted effort to eradicate such wrongdoings from our nation.

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