


Lawver – Senior Lab – Off-Site Learning Packet Day 9

Who is a Victim of White Collar Crime?

Lesson Transcript

Cite this lesson 

In this lesson, we're going to go over the basics of white collar crime. Namely, you'll learn who can be a victim of white collar crime as well as some of the risk factors for such victimization.

White Collar Crime

Let's hope you've never been a victim of any crime. But if you were to be, do you know what kind of crime you're most likely to be a victim of?

- A. White collar crime
- B. Murder
- C. Burglary
- D. Robbery

The answer is white collar crime. **White collar crime** refers to a nonviolent offense committed via deception and for financial gain. Examples of white collar crime include forgery, embezzlement, and fraud.

Let's go over the victims and risk factors behind white collar crime.

Victims

So who might be a victim of white collar crime? You! Literally any person might one day become a victim of white collar crime. Let's use a hypothetical example or two.

Bill was a victim of fraud as he was promised an amazing investment in the stock market, sold his house to invest in it, and was never given anything in return. Amy was a victim of forgery when she lost her checkbook and had someone cash a check in her name. Jill is an elderly woman who entrusted her caretaker to make a payment on her mortgage. She gave the caretaker the money only to have the caretaker embezzle it.

And what about Joe? Joe recently had his social security number, name, address, driver's license number, and credit card information stolen when a large corporation, we'll call "Equihacks", didn't properly secure his sensitive data and had it all stolen. Joe had his identity stolen as a result.

Someone opened up a credit card in his name with all that information and then used it to buy a vacation to the Bahamas that Joe now has to pay for.

Of course, not all victims of white collar crimes are individuals. Some are corporations. The best example of this is by far Bernie Madoff, who defrauded individuals, companies, and even nonprofits out of billions of dollars in history's largest Ponzi scheme.

Risk Factors

So who is at risk of being a victim of white collar crime?

1. The elderly or mentally handicapped. They may not have the mental state or technical know-how to understand how it is they are being victimized.
2. The poor or poorly educated. They may not have the knowledge or access to services that can help them avoid white collar crime.
3. Those who have had their personal information stolen. This is often outside of most people's control and anyone can be affected by identity theft as a result.
4. Companies who don't secure their servers or information properly, using methods such as encryption. This leaves them vulnerable to hacking and subsequent crimes such as extortion and outright theft.
5. Companies who do not conduct thorough, routine, and independent audits. This can allow unscrupulous employees to embezzle money.
6. Recent immigrants. They may not understand the language, culture, or laws of their newfound homeland and can be more easily duped.
7. People who don't do their research. Not every person, company, or charity was a victim of Madoff's infamous Ponzi scheme. Some did their due diligence and noted red flags that warned them not to invest. The same goes for any other transaction: do your research, read the contract or terms and conditions, and so on to know what you're getting into.
8. People within so-called 'affinity groups'. Madoff was able to swindle so many people on the basis of his involvement within the Jewish community. The same happens in church groups and many other groups of friends or close acquaintances that trust each other implicitly. People in these groups may fall victim to a white collar crime based on not performing #7.

Lesson Summary

Let's review. **White collar crime** refers to a nonviolent offense committed via deception and for financial gain. This could mean, for example, forgery, fraud, or embezzlement. Anyone can be a victim of white collar crime. You, your friends and family, even corporations and nonprofits. People can have their identities stolen. Companies can have employees embezzle funds. The list goes on and on.

There are numerous risk factors to being a victim of white collar crime and these include:

- Elderly age
- A mental disability

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- Being part of an affinity group
- Not doing your research
- Victims of identity theft

Worksheet: Who is a Victim of White Collar Crime?

<https://study.com/academy/lesson/who-is-a-victim-of-white-collar-crime.html>

1. Which of the following is an example of a white collar crime? I. Fraud II. Embezzlement III. Forgery

- II only
- II and III only
- I only
- I, II, and III

2. Which of the following people is at HIGHEST risk of being a victim of white collar crime?

- Jayson, a 30 year old high powered attorney
- Susan, a 25 year old socialite
- Jack, a 90 year old man with dementia
- Juan, who immigrated to the U.S. 10 years ago

3. Which of the following was a major risk factor that allowed Bernie Madoff to commit history's biggest white collar crime?

- Being a female investor
- Elderly age
- Being a corporation
- Being part of an affinity group

4. Which of the following is NOT a characteristic of white collar crime?

- Financial gain
- Crime committed against people or corporations
- Violence
- Deception

5. Which of the following might be a victim of a white collar crime? I. Individuals II. Corporations III. Charities

- I and II only
- I, II, and III
- III only
- I only