



WHITE COLLAR CRIME IS MORE DANGEROUS THAN CRIME AT LARGE – AN ANALYTICAL PERSPECTIVE

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ABSTRACT

A crime can be defined as any action that results in a sanction from the government, most notably a serious violation of the law. This topic is investigated in this study so that a full comprehension of the breadth of white-collar crime and corporate crime in India may be attained. In general, a workplace offence committed by an individual with a high socioeconomic position is considered to be a type of crime known as "white collar crime." The author of this piece investigates what sets white collar crime apart from other sorts of criminal activity in this essay. A recent poll indicates that the incidence of white-collar crime in India has significantly risen over the past several years. The book features a number of Indian statutes that explain the repercussions of committing certain offences and provide examples. This article is devoted solely to discussing the notion of white-collar crime, including how it differs from other categories of criminal activity as well as the many different types of white-collar offences.

KEYWORDS – Crime, gross violation of law, investigation, white collar crime, corporate crime, sanctions

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INTRODUCTION

WHAT IS A CRIME?

A misconduct is an offense that is punishable by a fine or detention in the local region. Like a common evil (a wrongdoing), which is an action against a person that requires compensation or restitution, this is not the same thing. For the most part, one person is responsible for prosecuting a common action, rather than the State or the Commonwealth. Alternatively, a person can initiate criminal proceedings, which is also possible but much more exciting.

Some incidents, such as an assault, may represent both criminal activity and an ordinary type of wrongdoing. The police can file a criminal complaint against the attacker and the victim can request compensation for the injuries she sustained. While a person who steals money without permission is guilty of a criminal offense when she does not return it, someone who does not return the money is guilty of a common

offense (not a crime). The narrow line that separates misconduct from misconduct with an element of purpose, or mens-rea, is what determines whether or not an act is offensive and therefore illegal.

MEANING OF WHITE- COLLAR CRIMES

White collar crime is defined as an offence committed by people from the upper-class section of the society and from a respectable and elitist subset of society and this crime occurs within the scope of employment, during its course or while on the job. People committing this act typically have an improved knowledge of technology, their corresponding field, specialism, and are trained experts in the area perpetrated.

The style and stature of commission of the White-collar crime has changed drastically and rapidly in the last few years. They are also seen as dedicated in large organizations that cover a variety of programs. As a result, we may state



that these offenses are prevalent in commerce, advertising, educational field, health and wellness, and so on. Traditional offenses in the nation have been largely supplemented with white-collar crimes as the illegal trend has evolved considerably in the past couple years. The major distinction among white- and blue-collar crimes or acts leading to them act is that blue collar crime offenders are from the impoverished section of society, whereas white collar crime offenders are from the higher class breaking the law in a quite effective fashion retaining their social standing and identity until the crime is revealed.

When it comes to white-collar crime, it is a nonbelligerent crime performed for monetary benefit that frequently causes harm and damage to another person or to the society at large including in many cases the Gross Domestic Product (GDP) of the nation. These are not victimless crimes; instead, they severely damage families, decimate businesses, and leave victims in pain and misery. White Collar crimes are mostly committed by those business man who have the power to control and regulate the activity of the business with an inherent motive mainly for attaining monetary gain by inflicting losses over others.

“White-collar crimes” is an umbrella term that encompasses financial crime, money laundering, market manipulation, embezzlement and forgery to name a few. White-collar crimes, or offences committed by the sophisticated section of our population, must include the below elements:

1. Passive in character
2. Act or omission resulting in damage (mental/ physical)
3. Intention to cheat
4. An innocent’s unjust loss and the criminal's wrongful gain
5. Intended to enhance the offender financially
6. Results in financial distress to the victim
7. Not reliant on the use of tangible force/attack/physical damage

HISTORICAL DEVELOPMENT

Edwin Sutherland, an American sociologist, was the first to identify violent biases in a global market. While others who work for him commit

common crimes, he said that this horrible act was carried out by a person of high socioeconomic status.

As recently as 1934, Morris made reference to the need for a change in approach to crime. He argued that high-ranking people who engage in antisocial activities at work should be punished as a violent crime.

To distinguish these “top job violations”, which are committed by individual citizens of the highest political and social organizations during the contract period, E.H. Sutherland emphasized that these “white collar crimes”, which he kept referring to as “blue collar crimes”, should be called “white collar crimes”

The term “white collar crime” was coined by criminologists in 1941 for the first time.

THE FACTORS THAT HAVE CONTRIBUTED TO THE RISE IN THE NUMBER OF WHITE-COLLAR CRIMES

The wider populace believes that white-collar offenses are performed only for the sake of avarice, competitiveness, and a loss of employment volatility. Although the aforementioned variables are the primary causes of the increase in these criminal offences, there are a number of important aspects as well:

1. Technical Knowledge-White-collar crime is also a global-phenomena as production has increased, and it is developing at an alarming rate in India as well. The growth of individual computers or laptops has worsened the situation because their use not only leads in the production of several thoughts, but also opens up chances for individual living in any part of the globe to perpetrate these offenses.

2. Contesting-It means that in order to prosper, there will always be struggle among the individuals, and only the strongest who can make adjustments will remain. White-collar crimes are frequently the result of the same goal. To succeed, they are willing to commit crimes such as forgeries, blackmail, and deception. Specialists are frequently economically rewarded and promoted inside organizations in exchange for short-term spectacular earnings. Some people are hesitant to break the law in order to enhance performance in comparison to others. People participating in such crimes are few in quantity, upward in the social order, and



the consequences are enormous.

3. Accessibility to Data- The visibility of sensitive data about personal information, such as bank account numbers, assets, passcode, and so on, on their cellphones and computers might incite criminal minds to utilize the knowledge for their own gain. Such white-collar criminals may attack wealthy individuals or bodies such as banks, gambling, and financial businesses, where large sums of money are exchanged on a regular basis. Thus, hackers can acquire login information, retina pictures, and other statistics that can readily trick biometric technology and then modify it for selfish gains.

4. Justification- Because the essence of these offence varies from conventional models, people find it difficult to recognize and comprehend them. As a result, criminals commit violent acts and afterwards convince themselves that their acts are not unlawful in character. Several stock traders who participate in insider trading consider it as a lesser crime in which no one is deceived. Sales representatives who bribe their customers believe they are just doing their work by bringing the transaction together while not causing any injury to anybody.

5. Workplace Atmosphere- Workplaces may provoke both positive and negative attitude from employee. When presented with moral decisions, environmental factors such as badly constructed employment rewards or administrative indifference to ethics might persuade people to act significantly varied. As a consequence, some people surrender to such temptation and violate their ethical principles, which leads to illegal behaviour. There is seldom a guidance to breach the law.

6. Greed- Humans are selfish creatures, as the pioneers of modern political thought, Machiavelli, correctly stated. He also stated that a guy may accept his father's death more quickly and readily than the losing his fortune. The same would be applicable for anyone planning to perpetrate any form of white-collar crime. Conversely, why would a guy who is debt free and of great position do such crimes? Impatience is a sin which may result in an individual pursuing luxury that has no bounds.

In Apex Court, hon'ble Justice Thakker explained the distinction around 'blue collar crimes' and 'white collar crimes' in a case titled *State of Gujarat v. Mohanlal Jitmalji Porwal and*

*Anr*¹. One individual can kill someone else in the midst of crisis, but fueling monetary damage or say going to commit industrial infractions requires careful. It requires a lot of math and technique in order to make money for oneself.

TYPES OF WHITE- COLLAR OFFENCES

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There are numerous sorts of white-collar crimes, but the most prevalent are detailed in this article:

1. Business Bribery and Corruption - According to the Federal Bureau of Investigation, a number of the cases of corporate fraud that they investigate involve the forgery of financial documents, the practice of insider trading, and the development of methods to avoid anti-money laundering legislation. In addition, some of these cases involve the creation of methods to circumvent anti-money laundering legislation. According to the Federal Bureau of Investigation, several aspects of these cases entail the formulation of plans to circumvent laws prohibiting the laundering of illicit funds. To conceal operations of public corruption and to obstruct the investigations of regulatory bodies such as the Securities and Exchange Commission are the goals of this activity. [Operations to cover up public corruption should be undertaken.]As seen in *Harshad Mehta Securities Fraud (1988-1995)*² He abused his position and manipulated the price of some shares for his own benefit. Unnatural money flowed into the stock market, causing an irregular rise in the price of these shares. Although Harshad Mehta's actions were morally repugnant, they were not criminal. Mehta got into trouble after embezzling bank funds to finance his stock market investments. He amassed a fortune in the region of Rs 5 billion rupees. At the time, this scam was discovered by the well-known journalist Sucheta Dalal.

2. Employee theft- Employee theft occurs when an individual invested with money or property by an employer or another individual exploits their power to expropriate cash. When a worker discovers a means to divert business funds into their own financial institution, this is

¹ AIR. 1987 SC 1321

² Dhanaiah, G. and Prasad, R.S.R., 2016. Frauds in Indian Capital Market-A Study. Journal of Commerce and Trade, 11(2), pp.64-74.



an example of theft. Other example is when a person uses corporate money for own private expenditures.

3. Ponzi Schemes- A Ponzi scheme is a sort of investment fraud that is named after Charles Ponzi, a 1920s con man who allegedly earned \$250,000 per day through his postal voucher swindle. A Ponzi scheme is a fraudulent investment scheme that promises investors huge returns with no risk. Ponzi schemes and organizations focus on acquiring new investors in order to satisfy the financial obligations incurred as a result of prior Ponzi schemes. As soon as there are no longer any new customers joining and no longer any new funding flowing in, the concept will become ineffective. Late in 2008, it was discovered that the financial crisis involving Bernard Madoff was a serious incidence of stock and securities fraud.³

4. Extortion- Extortion is the act of blackmailing another person or organization in order to persuade them into surrendering their property, wealth, or knowledge. As an example, burglars may blackmail business owners into paying fictitious "security" costs. Another instance of a victim of coercion giving monetary money to prevent the disclosure of information that could be detrimental to their reputation.

5. Bankruptcy Theft- A person who is laboring under the burden of an excessive amount of debt may find relief through the process of filing for bankruptcy. This reprieve, however, comes at the expense of the debtor's creditors, whose ability to collect on non-essential property is restricted (or assets not necessary to maintain a household and a job). In light of this, a person who is responsible for separating assets may be prosecuted with bankruptcy theft if they conceal property that it is their job to separate while filing for bankruptcy. Consider, for instance: Swindle at Enron - As a direct result of the Enron disaster, which first became widely known in October 2001, the Enron Corporation, an American energy company headquartered in Houston, Texas, was forced to file for bankruptcy, and Arthur Andersen was forced to cease operations. These incidents occurred as a direct consequence of the Enron crisis.

³ Robert J. Rhee, "The Madoff Scandal, Market Regulatory Failure and the Business Education of Lawyers", (June 10, 2022).

Case: SEBI v. Burman Plantation and Others⁴

SEBI's accomplished legal counselor contended before the Allahabad High Court that the firm was improperly charged in light of the fact that it couldn't pay its commitments, including those owed to financial backers. Gotten some information about the association's publicizing, the committee said that it was submitted in 2003 however the request was given in 2004, when the organization couldn't reimburse its commitments. The sum guaranteed by the financial backers was additionally not referenced anyplace. Legislators were provoked to build the punishment from one year to a decade and to expand the expense from 1,000,000 rupees to 25 million rupees by changing the SEBI Act under segment 24(1). The blamed, Ravi Arora, was at last seen as blameworthy.

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Case: Ketan parekh security scam⁵

During the years 1999 and 2001, Parekh engaged in illicit activities, including stock manipulation and circular trading. He engaged in stock manipulation with the K-10 company and borrowed funds from a number of financial organizations, including. The Global Trust Bank and the Madhavpura Mercantile Cooperative bank are two financial entities. The calamity caused over 1,250 billion Indian rupees in damage. Even though he was only sentenced to a year in prison, he will be prohibited from trading on the Indian stock exchange until 2017. This restriction will remain in place until 2017.

Even while his name continues to be mentioned in street talks, he is accused of putting on a show from behind the scenes. The Intelligence Bureau's investigation revealed that Parekh and his associates engaged in insider trading and circular trading through the use of front companies.

WHITE COLLAR CRIMES IN VARIOUS OCCUPATIONS:

1) In Medical Field:

- Professionals fabricating phoney medical certifications.

⁴SEBI v. Burman Plantation and Others, (2013)

⁵ Ketan parekh security scam on 14 July, 2006



- False and deliberate prolonging of therapy in order to boost expenses.
- Discrimination based on gender of the kid by doctors based on the patient's moral imperative to generate profit.
- The sale of pharmaceutical samples, which pharmacists are not permitted to do; the stalling of time by physicians in order to increase the amount of money in their invoices.
- The sale of sample drugs; physicians are prohibited from doing so.

2) In the practice of law:

- Forging falsified papers;
- Endangering the opposing party's testimony.
- Violating the moral guidelines of the legal field in order to acquire wealth.

3) In Schooling Sector:

- Gathering large quantities of cash under the name of student contributions in order to admit them.
- Donations substitute performance based enrollment.
- massive amounts of money under the guise of government funding is also practiced.

LEGISLATION CURBING WHITE COLLAR CRIMES IN OUR COUNTRY, INDIA

The Indian Penal Code of 1860 is possibly India's first and most extensive codified criminal code. It doesn't directly contain the term "white-collar crimes," but it cooperates with several infractions that are directly connected to white collar crimes, such as corruption and fraud, counterfeit laundering of currency and federal seals, weights and initiatives offences, and food safety impurity infractions. Expropriation of public property and embezzlement, deception, fraud, and document-related crimes, and money forging.

1. Fraud - Section 447 The Companies Act of 2013 imposes penalties for cheating advertising. This states that if a defendant is found culprit of a stealing offence, he will be incarcerated for at least six months and up to 10 years. In addition, he will pay a penalty that must not be about the

same as the money engaged in the offense and might reach three times the amount engaged in the deception. If the offence was committed against the summary public's best interest, the prison sentence would not be less than 3 years. For example, **Kingfisher Airlines (KLA) and Satyam computer scam case.**

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2. False Claim- Sec 448 "The Companies Act, 2013", states that: if someone knowingly makes a fake representation. He is accountable for his misbehavior if he believes it is untrue and knowingly omits any important truth while understanding it is true. Such a misleading comments can be made by a refund, report certificate of registration, financial report, application, declaration, or indeed any document required to eliminate needless provisions in this Act or any regulations established pursuant to it.

3. Money Laundering- The Indian government has paid considerable attention to the issue of money theft, and as a result has taken a range of preventative measures. These steps are explained in further detail in the subsequent paragraphs. The Reserve Bank of India (RBI) has provided a set of Know Your Customer (KYC) compliance requirements to the nation's financial institutions.

4. Cyber Crimes- The "Information Technology Act of 2000" was enacted with the goal of establishing legal standing for shared encryption technology used in company operations. This was done with the intention of avoiding desktop-related fraud. Sections 43 and 44 of the "Information Technology Act" specify the penalties for a number of illegal conducts. Viruses or malicious hacking attempts create infections. For e.g.: **Stolen Pfizer/BioNTech Covid-19 vaccine data distributed without any knowledge to anybody.** When information about the Pfizer/BioNTech Covid-19 vaccine was published online in January 2021 as a result of a cyberattack on the European Medicines Agency in December 2020, cyberthieves went to great lengths to sabotage distribution in Europe. Images from emails, peer review information, and other documents, such as PDFs and presentation slides, were appropriated for the data leak.⁶

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<https://www.computerweekly.com/news/252510733/Top-10-cyber-crime-stories-of-2021>



1. Illegal access and file transfer
2. Unlawful copying of any information extract
3. Detriment to a computer network or an internet connection.
4. Assisting someone in gaining unauthorized entry
5. Refusal to grant an authorised individual access to the network

While the Information Technology Act does not address cybercrime specifically, there are several provisions in the Act that address white collar crimes. Aside from that, many problems persist unaddressed owing to an inability to focus. Many of them include:

1. Inapplicability
2. There is no required experience for employment as an adjudicating authority.
3. Trying to hack terminology
4. There have been no efforts taken to limit online privacy.
5. Absence of a global co-operator
6. Police officers' entry and inquiry powers are confined to public locations.
7. There are no rules for investigating cybercriminals.

5. "Fugitive Economic Offenders Act,2018"-

In 2018, the Indian government was successful in passing the Fugitive Economic Offenders Act, which is designed to punish middle class wrongdoers who commit middle class wrongdoing in India and then flee to other countries in an attempt to evade criminal responsibility and escape the authority of the Indian Courts. This law is intended to punish middle class wrongdoers who commit middle class wrongdoing in India and then flee to other countries in an attempt to evade criminal responsibility and escape the authority of the Indian Court With such a foundation and numerous scams, including the Satyam trick, attempts to evade Vijay Mallaya, and 2G tactics, the Government of India was able to pass the election. The Act has a condition that permits the specialists to take the resources of any monetary criminal in India who escapes to another country. It has various strategies, including the assignment of a "defaulter in connection of an

individual." Acquisition of such a singular's cash and bar over legitimate activities. The Act characterizes a "outlaw monetary lawbreaker" as "any person against whom a notification of confinement in regard to a Scheduled Offense has been conceded by and Court in India, who is currently out of control financial defaulter."

a.) has took off from India to save himself from criminal indictment, or

b.) being abroad, denying to rebound to India to confront the outcomes.

S.14, the law's comprehensive prohibition on civil procedures, prohibits a limited liability partnership or corporation linked with a fugitive economic criminal from filing or defending civil actions. Additionally, this rule forbids the limited liability partnership or corporation from retaining legal counsel. This is due to the fact that Section 14 carries a restriction. Given that the law in question does not actually determine whether a person is innocent or guilty, this clause is overly broad and harsh. Instead of determining guilt or innocence, the Act labels the subject as a fugitive economic offender. This provision is both extremely restrictive and overly general in its application. In the not-too-distant future, the validity of this provision is likely to be disputed and possibly even challenged. In the case of Anita Kushwaha vs. Pushap Sudan, a Constitution Bench of the Honorable Supreme Court of India declared that "access to justice" is a component of both the "right to life" guaranteed by Article 21 and the "right to equality" granted by Article 14. This decision was rendered in the context of Anita Kushwaha v. Pushap Sudan.

6. Enforcement agencies- At the point when India initially started to move consistently up the improvement scale, regulation implementers like the "Central Investigating Agency (BI), Serious Fraud Investigation Office (SFIO), Enforcement Directorate (ED), Income Tax (IT), Department of Vigilance DFS of the Ministry of Finance, SEBI, RBI, and IRDA" were obediently intrigued to accomplish their usefulness with regards to request to beat the requests of the evolving patterns. These associations, which act as the public authority's eyes and ears in fighting middle class guilty parties, are endeavoring to work on their abilities in regard of staffing, innovation abilities, and the lead of their endeavors. They are either considering and have



previously settled on a methodology to manage the flood in middle class wrongdoing to safeguard the more extensive monetary interests of different partners.

CASE STUDY

SATYAM SCAM CASE

Satyam's founders were convicted guilty of bribery charges totaling 7000 crores. Accountants falsified their financial figures to mislead the government, investors and consumers. Using the Satyam approach, the Indian complete set of laws was illuminated by various flaws that had previously been tolerated.

YES BANK SCAM CASE

Rama Raju and Ramalinga Raju, who were both members of the Raju family, founded Satyam PC Administrations Limited in Hyderabad in 1987. The decision to join the group proved to be highly advantageous. They continued this performance style and recorded it. In 1991, the company was listed for the first time on the Bombay Stock Exchange. The current demand for Satyam Ltd. shares was ten times more than the current supply. As a result of its efforts, the company received a variety of awards, including recognition as an industry leader and the awards themselves. In 2006, Ramalinga Raju was named director, and in 2007, he received the Ernest and Youngest Entrepreneur Award. Soon thereafter, their yearly revenue surpassed one billion dollars, and by 2008, it had exceeded two billion dollars. Throughout its existence, the organisation has expanded to the point that it presently has operations in more than 20 countries. In other words, it was either utterly neglected or enthusiastically embraced. The tense scenario began as soon as the brothers and sisters decided to join the Matyas gang. Matyas received nothing but kindness and sympathy from Raju's family. Due to the combination of the two enterprises, the Raju brothers found themselves in a tough position. Raju, who was working as a director at the time, abruptly quit and sent a five-page resignation letter that he also signed. In the document, it was acknowledged that an error resulting in a loss of 7,000 crores had occurred. After then, the government and SEBI considered alternative methods to lift the stay placed on such offenders. The 2013 "Companies Act" contained certain

unique corporate requirements. As a result of a modification to "statement 49" by SEBI, companies are now required to rotate their examiners on a regular basis. There are now numerous safeguards, defenses, and barriers in the image.

In September, Piramal Capital and Housing Finance's (PCHF) had finished the procurement of DHFL for Rs 34,250 crore which incorporates a money part and non-convertible debentures.

The Central Bureau of Investigation (CBI) asserts that Rana Kapoor and his relatives earned around Rs 600 crore in kickbacks for a bank's Rs 3,700 crore investment in DHFL home financing company debentures. Rana Kapoor is one of the most influential members of the Yes Bank community.

Nevertheless, RAVNEET GILL, the former managing director (MD) and chief executive officer (CEO) of BANK, reported to the board of directors (ED) that the bank had extended enormous amounts of credit to a wide variety of businesses located all over the world that were experiencing severe stress and possibly having bankruptcy issues. According to the results of an inquiry performed by the ED, Gill reported that on March 31, 2019, the anonymous lending foundation shared a financial watch list with a few of significant partnerships and borrowers. The list was included in the conclusions of the ED. This consortium included the Dependence Organization, the Essel Group, Cox and Kings, Dewan Housing Finance, Omkar Group, Radius Developer, and a few more companies. According to the paper supplied to the ED in connection with this occurrence, "in this shortlist, the foundation accepted a risk distribution of Rs. 2,000 crores as an acceptable level of responsibility and transparency."

The allegation archive also includes explanations from other foundation officials claiming that vital benefactor Rana Kapoor had overlooked risk clusters when distributing advances to land organizations DHFL marketers. The involved companies were RKW Developers and Belief Realtor. "It was designated a red-hailed account in November 2019, on the ground of non-equivalent headway in the endeavor inverse the total apportioned. Of the total supported credit of Rs 1,700 crore, Rs 750 crore was administered around a similar season of endorsement," as demonstrated by a senior



chief's clarification referred to by the ED.

"This is a baffling case of money related cheats and there are many interlinked trades and substances. These trades have by design been driven in a tangled manner. Thusly, there are different underhanded co-relations and thought remuneration that will become uncovered exclusively after thorough assessment". It further said Kapoor and family were "controllers of money related foundations that are among the best in India and in this way value gigantic clout and effect. Thusly, they are good for arranging very intricate plans to disguise their profanity".

According to the ED, the enormous stunt was planning for quite a while during the residency of Kapoor. "It is clear that the censured individual intentionally partaken in these violations and its subsequent period of go on of bad behavior. The end beneficiaries of these trades were Kapoor and his family members, close by accomplices."

The ED was able to comprehend how Kapoor abused his position of responsibility to get improper financial advantage for himself and his family members. Profits from this most recent case of intellectual property theft were distributed to major holding businesses such as Morgan Credit and YES Capital, as well as Doit Ventures and RAB Enterprises, subsidiaries of YES Capital. The overall benefit is worth 500 million rupees.

The ED denounced Kapoor with stacking and freezing settlements got in return for credit approval. It asserted that he was the overseeing authority and head at the point the trickery was completed.

The CBI has recorded a charge sheet against past Yes Bank regulating boss and CEO Rana Kapoor, his soul mate Bindu and promoter of Avantha Group Company Gautam Thapar with respect to an alleged credit stunt of over Rs 1,700 crore, specialists said on Friday. In the charge sheet recorded under the careful focus of a novel CBI court in Mumbai, the central test association has guaranteed that Kapoor misused his power position and secured a 1.2-part of land super extravagance hold up at 40 Amrita Shergill Marg at an outstandingly less expense than the certified market regard.

The CBI had guaranteed that the property was offered to Yes Bank against a credit of Rs 400

crore by Avantha Group. "It was in like manner guaranteed that the genuine worth of the property was generally Rs 550 crore which was obtained by then MD and CEO of Yes Bank at a value of around Rs 378 crore and the profits of the arrangement was not used totally to sell the ongoing credit, later declared NPA by the bank". **3427**

The property was purchased evidently for an association Bliss Abode Pvt. Ltd. where Kapoor's life partner Bindu was one of the bosses and endorsed signatory. "It was moreover attested that against this gift, then, at that point, MD and CEO (Kapoor) of Yes Bank Ltd. widened additional development of around Rs 1360 crore to various associations of said publicist/boss (Thapar) during and after the acquisition of the said property."

BINOD KUMAR V. STATE OF JHARKHAND & OTHERS⁷

After it was discovered that many departments and the Chief Minister of the Indian state of Jharkhand were in possession of funds that could not be accounted for, this lawsuit was filed not just against the Chief Minister of Jharkhand but also against multiple other departments. Utilizing the authority afforded to it by Section 45 of the Code of Criminal Procedure, the High Court had sought that the inquiry be transferred from the Enforcement Directorate to the CBI (1A).

The decision to launch a thorough investigation was prompted by allegations that ministers were in possession of substantial quantities of money. Even though there was insufficient evidence to indict the ministers for money laundering, this judgement was taken.

This lawsuit was taken not just against the Chief Minister of the Indian state of Jharkhand, but also against a number of other departments, after it was discovered that a number of departments, including the Chief Minister of Jharkhand, were in possession of unaccounted-for monies. Using the authority afforded to it by Section 45 of the Code of Criminal Procedure, the High Court had requested that the investigation be transferred from the Enforcement Directorate to the Central Bureau of Investigation (1A).

The allegations that ministers were in

⁷ Binod kumar v. State of jharkhand & others



possession of substantial quantities of money prompted the decision to launch a comprehensive investigation. Even though there was insufficient evidence to indict the ministers for money laundering, this judgement was taken.

It has been revealed that the ministers own property not just in India, but also in countries outside than India. As a result, the court determined that it should decide whether or not to issue an order requesting an investigation into whether or not this individual's wealth was earned through the abuse of an official position. It was essential to investigate both the 1860 Indian Penal Code and the 1988 Prevention of Corruption Act to determine if a white crime had been committed.

The only agency authorised to undertake investigations in compliance with the Prevention of Money Laundering Act is the Enforcement Directorate. In compliance with the Prevention of Corruption Act of 1988 and the Indian Penal Code of 1860, the Central Bureau of Inquiry (CBI) commenced its investigation. Because only the Enforcement Directorate is authorised to undertake investigations in accordance with the Prevention of Money Laundering Act, this is the case. This is due to the fact that the authority to undertake investigations under the Prevention of Money Laundering Act was contingent on the authority granted to the Central Government under Section 45 (1-A) of the Prevention of Money Laundering Act. This has led to the current circumstance. Consequently, we are currently in this situation.

Abhay Singh Chautala v. C.B. I⁸

It was stated that two appellants had infringed the law by violating Sections 13(1)(e) and 13(2) of the 1988 Prevention of Corruption Act when read in connection with Section 109 of the Indian Penal Code, 1860. The aforementioned offences were charged against the appellants in separate legal actions. During each appellant's individual trial, it was determined that each was guilty of the various offences. During their time in the Legislative Assembly, it is alleged that both defendants amassed wealth that was disproportionate to their salaries. This occurred during their service in that position.

⁸ Abhay Singh Chautala v. C.B.I

The Central Bureau of Probe (CBI) investigation revealed that the appellant's father in addition to the appellants themselves had amassed a substantial amount of property. According to the conclusions of the High Court, the appellant gave the defendants with offices that were diametrically opposed to those they occupied at the time. These offices were a substantial improvement over what they had been utilising in the past, thus their arrival was welcomed. As a direct result, it was swiftly found that the sentence imposed pursuant to Section 19 of the Anti-Corruption Act of 1988 was unconstitutional.

TISCO CASE

Prior to the establishment of the Securities and Exchange Board of India (SEBI) in 1992, the illicit sale of inside information was prevalent in India. The TISCO Case, which occurred in 1992, is a well-known precedent-setting event in the judicial system. In this instance, TISCO's net profit for the first half of the 1992-1993 fiscal year was Rs. 50.22 crore, which represented a significant decline from the Rs. 278.16 crore it had earned for the same period in the 1991-1992 fiscal year. Prior to the release of the company's quarterly earnings report on October 29, 1992, there was a great deal of activity in the trading of its shares from October 22 to October 29 of that same year. This occurred before the announcement was made. In contrast, the Sensex experienced a decline of 8.3 percent within the same time period. The market had been subjected to considerable manipulation by insiders with access to the same information as everyone else in order to acquire a tiny number of marginal sales. The repercussions were severe for relatively minor investors. At the time, India lacked a legal framework pertaining to insider trading, making it difficult to conduct an inquiry.

ARUN KUMAR MISHRA V. DIRECTORATE OF ENFORCEMENT⁹

Five individuals committed a heist against the Punjab National Bank (PNB). These individuals manufactured a bank account and exploited it to launder money for their own benefit, resulting in massive financial losses for the bank. In this case, there was no attempt to charge the defendant with money laundering because the

⁹ Arun Kumar Mishra v. Directorate of Enforcement



claimed offence did not violate any provisions of the Prevention of Corruption Act. In addition, pursuant to Article 20(1) of the Indian Constitution, laws enacted after to the event are deemed unlawful and unconstitutional. According to the aforementioned article, it is a fundamental right not to be punished for a crime under a law that did not exist at the time of the crime. This right guarantees that an individual cannot be punished for a crime committed in the past. In addition, it is a fundamental right not to be penalized for a crime that would have been punishable under an outmoded law. Nonetheless, the court stated that the Enforcement Directorate would be allowed to commence a fresh case against the petitioner in accordance with the statute that will be in place in the future if it can be established beyond a reasonable doubt that the petitioner participated in money laundering. This conclusion was based on the law that would be in place in the future. This result was reached after taking into account the fact that the petitioner had been convicted of engaging in the unlawful practice of money laundering in the past.

Measures to Prevent White Collar Crimes

1. Implementing rules and regulations- In order to maintain a semblance of law and order in India, the national legislature has passed a number of regulations that, if broken, constitute "white-collar crime." The "Essential Commodities Act" of 1955, the "Industrial (Development and Regulation) Act" of 1951, the "Import and Exports (Control) Act" of 1947, the "Foreign Exchange (Regulation) Act" of 1974, the "Companies Act" of 1956, the "Money Laundering Prevention Act" of 2002, the "Benami Act" of 1988, and the "Public Procurement Act" have been passed since 1955. The Information Technology Act of 2000 was enacted in part to deter software-related white-collar crimes and in part to provide legal protection for the validation of data exchanged during business activities. The act's passage accomplished both of these objectives. The act was successful in achieving these two objectives. However, this is an endless loop that must be constantly changed in reaction to the advent of new theft techniques. It is the government's responsibility to investigate possible infractions of these laws and to act swiftly if additional legislation is required.

2. Enacting Tight Legislative Policies- While setting tight norms and limits is the initial phase in combatting crime, ensuring rigorous, accurate, and timely implementation can only have a perceptible impact. White-collar crime is dealt with by governmental bodies such as the Central Bureau of Investigation, the Enforcement Directorate, and the SEBI. These authorities must guarantee that they have the necessary skills to deal with innovation offences, and that their information is updated periodically. Furthermore, the Central Vigilance Commission, the government's primary organisation involved in managing widespread corruption, must keep track of personnel in positions of power in order to guarantee integrity across the system. 3429

3. Appropriate Training for Examining Police- It is common for senior officers to comprehend the structure and procedures of white-collar crimes but are unable to use electronics to hunt down the perpetrator owing to the absence of preparation. It is critical to offer sufficient preparation to every examining officer in order for them to be successful in group investigations.

4. Educating people- The common man are uninformed of such atrocities and the laws and penalties put in place to prevent them. There is an urgent need to inform and enlighten the common people. The digital and print media must be used effectively to promote consciousness about white-collar crimes and the provisions relating to victims of such crimes and seek the truth while inflicting no damage to the ecosystem or its inhabitants.

CONCLUSION & SUGGESTIONS

The crimes committed by middle-class individuals are the most detrimental to a country's infrastructure. It endangers economic growth through practices such as financial extortion, financial burglary, and tax evasion. It not only affects a country's or an individual's financial status, but also has a big global impact. Examples of unethical conduct that have had a negative impact on society include double dealing, bribery, and extortion.

Preparing for examiners is expected to assist them with chasing down these guilty parties, in any case it is an extreme, tedious, and depleting



task. As middle-class violations are executed by people with a higher social situation in their calling, crafted by examiners ought to be explored to keep up with openness. If the public authority needs to limit the quantity of wrongdoings like this, it needs to sanction stricter standards on the books. In addition, the framework ought to be intended to guarantee that the largest number of examples might be settled in the briefest measure of time conceivable. People will lose trust in the framework in the event that this doesn't occur, since these wrongdoings are being executed by individuals who ought to be good examples for the local area.

Middle class wrongdoing is on the ascent, and the media can assist with dialing it back. Most middle-class wrongdoings go undetected, as per research. Subsequently, on the off chance that the media plays a functioning job in distributing tales about significant level fakes and tricks and uncovering how leaders misuse there, influential places, as well as in teaching people in general about middle class wrongdoings and the need to stay away from them, this will without a doubt assist with decreasing the quantity of such violations.

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