CHAPTER 5

CORPORATE CRIMES: NATURE AND TYPES AND IT'S IMPACT ON THE SOCIETY
1. **INTRODUCTION**

The corporates have come a long way from being accused of creating public nuisances or being a culprit under the law of torts. They can today easily be seen creating a grave dent in the working of any society. They have become the necessary evils today. The society cannot survive without them and at the same time it is becoming difficult to survive with them. The difficulty lies not only in the fact that it is way too difficult to put the blame on the companies for a criminal wrong committed by them rather the most challenging part is to put the blame on the right shoulders when a wrong has been done. Who carried the plan out, who drafted the plan to why the plan was drafted? What profits would be achieved are the few questions which keep the investigators of the corporate crimes busy.

Even though a separate legal presence and existence of the company has long been established by the courts yet, the complex hierarchy of todays’ mainstream body corporate make it a tiresome process to find out the real culprit who acted on behalf of that legal personification. The employees, the directors, the agents, the other stakeholders, all of them can be held liable guilty on behalf of the criminal acts of the company.

Money laundering, privacy frauds, nuclear disasters, human trafficking, environmental disasters, corruption, bribery, violence etc.
are the few of the crimes which have been associated with the modern day multi-national giants. Their new characters have forced the courts to give newer interpretations about the concept of criminal liability of the corporates and also has led to new legislations being adopted where by the governments have incorporated new jurisprudence of handling the corporate crime and corporate guilt. In this chapter the researcher has attempted to analyse the concept and theories of corporate crime and criminality, that who are perpetrators of a corporate crime and who may be held liable for them and what are the various types of corporate crimes and their impact on the society.

1.1 Meaning of Corporate Crimes

The Australian criminologist John Braithwaite defined corporate crime as "the conduct of a corporation or employees acting on behalf of a corporation, which is proscribed and punishable by law.

This definition stands the test of time as these crimes can be categorised into two sub sects. In the first subsect the employees or the company commits the wrong and in the second subsect the company faces the wrong against itself. Both these categories lead to corporate crimes. In many cases the face of the criminal is separate from the company but over the past decades it is visible that the corporate veil has hidden quite a few faces behind it and saved them from being punished. Corporate conduct has been regulated by the corporate laws since long. It’s time that the liability of a company for criminal wrongs be addressed. The common laws make a corporation liable for the actions of its agents when employees/ agents act within the scope of their employment and create a profit for the corporation with that act.

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The corporate environment of any company today, effects and includes many aspects. Every aspect here is indeed affected when this environment gets vitiated. There are so many people who get affected by the acts of the company both directly and indirectly. The first party that gets effected are the consumers or stakeholders who are its main beneficiaries and are at maximum risk. Then comes the Employees of the Corporate; who are in twin roles; one role is of the victim and on the other hand it is the main protagonist of crime. Then comes the State; who receives the economic returns from it and also faces a dual loss when corporate is guilty of a crime in the shape of employment and revenue loss and the loss faced by the society. There are many other categories also who are involved in the corporate environment and get effected by the corporate crime like the International community, the NGO working in those areas, the independent contractors, the shareholders, the creditors, the close society where the company operates and the environment surrounding the company etc. Hence, it becomes more and more pertinent to understand the nature of crime and criminality in the corporate sector.

The theories put forward that the corporate crimes are offenses committed by corporate officials for their corporation. The offenses are committed for corporate gain or to bring harm to any other corporate. Like any individual, a company is fully capable of committing many criminal acts like, bribing a national or international public servant or government to attain business, dumps toxic industrial waste into rivers or pollute the underground water resources, indulge in money laundering, human or drug trafficking, monetary frauds etc. Corporate crimes are often quiet acts because in maximum cases people don’t know whom to blame and are not even aware about the fact that they have been victimized
until a massive damage has been done to them, their families or their surviving environment.

These organized and white collar crimes are also committed by individuals for themselves in the course of their occupations for personal gain. It may be committed with or without the knowledge of the employer or owner of the company. Monetary frauds and tax frauds are the most common corporate crime. The white collar crimes which were defined by Sutherland have seen a drastic change today. They have become more institutionalized and organized. The modern Corporate has become a giant who is pilfering not only from the buyer alone but from the society at large and that too without a glitch.

1.2 Nature of Corporate Crime

Corporate crimes are considered to be general varieties of the White Collar Crime. Corporate crimes are also known with reference to occupational crimes. The distinction between corporate crime and occupational crime is that whereas corporate crime refers to situations in which corporate managers commit a criminal act for the benefit of the corporation, the occupational crimes are committed by individual employees against the corporation itself or the customers or consumers of the corporation, in the course of employment. When we deal with 'corporate crime' the first question that emerges is whether the corporate actually commit crime. This question can be answered by looking at the situations in which substantial harm is caused in the operation of the corporations which is much more than the traditional crimes committed by individuals.

Looking the matter from criminological perspective, the criminal behavior in corporate crimes it is altogether different from the traditional crimes committed by the individuals. The criminological
theories have developed in different settings by placing the behavior of the individual as an individual in focus and not in the organizational structure. Still these are the acts and activities of individuals in the corporate crimes which are attributed to the corporation.

As such there is no separate branch of criminology dealing with corporates. The criminal behavior of corporations is tried to be understood by applying the existing theories applicable to individual delinquency. However, there is a need to analyse the corporate crime and criminal behavior in the new settings in which corporations operate.

Another significant aspect of corporate crime is that while the response of the criminal justice to the individual crime is prompt and aggressive it is lacking or mild to the corporate crime. At the same time oblivious societal response also tends to minimize the seriousness of the corporate crime. Therefore corporate crime has acquired a new meaning which is required to be understood and addressed, if we are to control and combat this emerging form of criminality. Therefore before embarking upon study of various theories of corporate criminality the typical features of corporate crime need is distinguished from the related areas of criminality in the following discussion.

2. **TYPICAL FEATURES OF CORPORATE CRIME**

There are wide range of corporate crimes which otherwise contain certain typical features. The corporate crimes are generally committed within anonymous structure of action and

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communication and within a frame work of generally legal activity.\textsuperscript{3} There are, therefore, not easy to detect and are characterized by their low visibility.\textsuperscript{4} The further characteristic is that in many cases there is no personal contact between offender and the victim and is described as delinquency of distance. There may not be an individual victim in many cases. The collective victims could be other corporations, agencies, the State or the society in general. Corporate crime is also considered to be an important part of the economic crimes. Because of the peculiar characteristic complaints against the corporates do not generally come from individuals but are only revealed when there are certain inquiries or investigations by the law enforcement agencies.

2.1 White Collar Crimes and Corporate Crimes

\textit{Edwin Sutherland} introduced the terms 'White Collar Crime' 'Mainly Sutherland brought into focus the arena of criminal acts which are committed by the people in upper class of the society in contrast to the belief the criminal acts are only committed by persons belonging to lower strata of society. Since white collar crimes are linked to professional and elite class the corporate crime have a link to white collar crime. The corporate crime deals with a company as a distinct entity. It benefits the corporation as a whole which may include investors and individuals in the high position in the company. White collar crime and corporate crimes are similar as both are involved with business. The difference is that white collar crime benefit individual and corporate crime benefit the corporation.

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\textsuperscript{4} \textit{Id.}, Eisenberg marginal note 24.
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Corporate crime as generally understood is committed through responsible executive of the corporation for the benefit of the corporation within the structure of corporate activities. In a way corporate crime is akin to white collar crime. The theory of white collar crime was propounded by Edwin Sutherland\textsuperscript{5} to state that it a crime committed by the person of respectability and of high social status in the course of his occupation.\textsuperscript{6} Sutherland has drawn the attention to the development that crimes are also been committed by members of upper class for economic gains and are different from those traditional crimes. When we discuss white collar crime in relation to corporate crime we can find that term 'White Collar Crime' is wider and it can include 'Corporate Crime.' It is asserted by Sutherland that corporate crime is a large scale version of white collar crime, because it involves people of high class society, committed in the course of their occupation. The two forms of crime overlap each other because they all happen within similar environments in which incentives are high for an individual or group to engage in bribery, money laundering, inside trading, forgery and embezzlement etc. Presently corporations focus on prevention of white collar crimes through their policies and procedure. In view of the detrimental effect of corporate crimes as financial, reputational etc., there is need for specific policies and procedures for prevention and detection of corporate crimes.

To draw a distinction between corporate crime and white collar crime it is said white collar offences are those 'socially injurious and blameworthy acts committed by individuals or group of individuals who occupy decision making position in corporations and business

\textsuperscript{5} Sutherland, \textit{White Collar Crime}, 1st Ed. 1949.
\textsuperscript{6} \textit{Id.}, p. 9.
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and which are committed for their own personal gain against the business, and the corporations that engage them. On the other hand corporate crimes are those which are socially injurious or blameworthy acts, those cause financial, physical or environmental harm committed by corporations and business against their workers, the general public, the environment, other corporations and businesses, the government or other countries.\(^7\)

2.2 **Corporate Crimes and Occupational Crimes**

Individuals or small groups in connection with their jobs commit occupational crime. Examples are embezzlement, theft, tax evasion, manipulation of sales, fraud etc. by employees for their own benefit. Corporate crimes are committed by collectivities or aggregate of discreet individual on behalf of the corporations. As such individuals or groups commit occupational or elite crimes for their own purpose or enrichment, rather than for enrichment of the organisation on a whole.\(^8\) Corporate crime is rather committed at the higher level of corporation for example at the Managerial level or other responsible position and the occupational crimes could involve employees at all levels.

In corporate crime both organisations and individuals may be illegal actors and could be liable for their criminality. Occupational crimes can be labeled as crime against the organization. As such corporations become victims of crime when they suffer a loss as a result of an offence committed by any one including employees and managers. On the other hand corporations become perpetrators of

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crime when managers or employees commit financial crime within the context of legal organization.9

In the criminological context the occupational crime are linked to individualistic approach to attribute the criminality. The corporate crime may be attributed to system failure.10 Marshall Clinard and Richard Quinney have suggested that the term 'White Collar Crime' be replaced by two constituent terms – 'Corporate Crime' and 'Occupational Crime'. The first category is meant to include offences committed by corporations and their officials for the benefit of the corporation. The second kind of crime is defined as that which is committed 'in the course of activity in a legitimate occupation' and is meant to apply to offences involving persons at all levels of the social structure.11

2.3 State Corporate Crime

State corporate crime is a concept which refers to crime which are committed in relationship with policies of the State and the policies and practices of commercial corporations.12 State corporate crime is distinguished from corporate crime which refers to deviance within the context of corporation and by the corporation. It is also different from political crime which is directed at State. It is also not 'State Organized Crime' which is crime committed by Government Organisations.13

12 The term was coined by Kramer and Michalowski (1950) and redefined by Autette and Michalowski (1993) see en.wikipedia.org/wiki/state-corporate-crime
The infrastructure of law and commerce is provided by government of each State in which the corporations desire to trade, and there is inevitable linkage between the political and commercial interests. All States rely on business to provide an economic base consistent with each government's political policies. Without supportive policies economic activity, businesses will not be profitable and will not be able to provide the economic support that the State desires. In some cases the symbiosis may lead to crime. There acts include all 'socially injurious acts' and not merely those that are defined by the local jurisdiction as crime. Harper and Israel commented that 'societies create crime because they construct the rules whose transgression constitutes crime. The State is a major player in this process. Snider said that capitalistic States are often reluctant to pass laws to regulate large corporations, because this might threaten profitability and these States offer use considerable sums to attract regional or national inward investment from large corporations. They may give preferential tax concession, loans and subsidies etc.

In the circumstances there would be a difficulty to enforce local laws against pollution, health, safety, monopolies and repayment of debt etc. This approach of the State may give room to organized crimes, corruption and other serious offences.

2.4 Corporate Crimes and Organised Crimes

The organized crime generally involve illegal street activities such as kidnapping or cross border operations like drugs trafficking whereas corporate crime involves 'clean jobs' like manipulation of accounts, insider trading, misappropriation of funds, tax evasion etc. The
points of similarity can be the requirement of some degree of financial, social or political influence for successful operation. Both types of crime are thriving for money. It is viewed that corporation are better organized, are wealthier and get benefit from economy of scale in corruption. Corporations are better placed to manipulate politicians and media. By making use of large grants, generous campaign contributions and influential lobbying organisations, they may push law changes and legal reforms that benefit their illegal activities. These offences are carried out with planning and discreetly. Further both corporate crime and organized crime can have global impact and thereby pose difficulty in detection and prosecution.

There can be money connection between corporate crime and organized crime. The perpetrator of organized crime needs to clean the money that they got through illegal activities. They may set up legitimate business activity through corporations for the purpose of money laundering. Therefore, corporate crime may relate with organized crime. The prevalence of these crimes is due to availability of opportunity to commit crime and absence of deterrence. Organised crime like corporate crime affect the society at large, that is, no specific individuals are singled out as victims.

The points of difference are that organizational structure of corporations is formal whereas in organized crime those are informal hierarchies in which members, usually family members, occupy ranks that determine their duties. The group in organized crime functions in secretive manner whereas corporation activities are legitimate and publically known businesses. Whatever illegal activity is carried on the corporate crime it is in the guise of legitimate acts of

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the corporations. Speaking generally, corporations may commit business crimes whereas illegal organization are in the business of committing crime.\textsuperscript{18}

Goroupa\textsuperscript{19} brought out the difference between corporate crime and organized crime by saying that organized crime is carried out by illegal organization with no legal status. Criminal market is their primary market and legitimate markets are secondary markets. Whereas corporate crime is committed by legal entities with legal status, the legitimate market is their primary market and criminal market their secondary market.

3. THEORIES OF CORPORATE CRIMINALITY

The corporate crimes are peculiar in nature and commission. To look at the criminological perspective of corporate criminal liability there is a need to study certain behaviour pattern. Though these patterns have not been specifically laid down for the corporation but these can be studied with in the activities in the corporate environment.

(i) Learning Theory: Like all kinds of behaviour criminal behavior is also a result of learning process. \textit{Edwin Sutherland} has propagated the theory of 'differential association'.\textsuperscript{20} A criminal behaviour emerges when a person is associated with others and who consider that type of behavior as positive. This learning process depends upon the intensity of interaction with such people. This interaction is more in the small group. This learning process includes the motives and techniques of the deviant behaviour.


\textsuperscript{20} Kaiser/Schoech, \textit{Juristischer Studienkuns} 7th Ed. 2010/marginal note 46, quoted in Johannes Kasper \textit{op. cit.}
Though this refers to all kinds of criminal behaviour yet it can also be applied to corporate criminal behaviour. It is said that even the large corporations are divided into smaller groups where certain number of people work together collectively. In such groups the new employees learn from the seniors as they need the assistance from the more experienced colleagues. In the corporate set up the superior person may be commanding an authority on junior. However the critic point out how the behaviour of the teaching person emerged in the first place.\(^{21}\)

Under the theory of operant conditioning *Skinner* holds that behaviour is learned and stabilized, if there are no negative consequences, like punishment that overweigh the positive reactions, like the approval of colleagues and superiors for fitting in the companies structures and contributing to its economic success.\(^{22}\) This can be true when substantial number of corporate crimes are not detected.

**(ii) Theory of Anomy:** French sociologist *Emile Durkheim* coined the term 'anomy' to describe a state of lawlessness due to major social and moral change. *Robert Merton* purports that crime averages when there is a gap between commonly stated goals in a society and the legal means a member of the society has to achieve these goals. Hence the people may adopt the illegal means to achieve these goals. In the context of corporate crime it is explained that considerable number of corporate crime is committed within smaller firms struggling for their economic survival. There is always a general tendency to improve and gain when the people compare themselves with other people of their own kind. Therefore, it is said that in the competitive business world it is possible that the 'cultural

\(^{21}\) Karper *op. cit.*, at p. 3.
\(^{22}\) *Id.*, pp. 3-4.
goal’ is not only considerable economic success but maximized profit at all costs to compete. As such this is the result of a learning process that includes the internalization of motives and values within a group of people.

(iii) **Neutralisation Techniques:** The theory of ‘techniques of neutralisation’ propagated by Gresham Sykes and David Matza in 1958 is said to be a counterpart of theory of ‘delinquent subculture’. The theory of delinquent subculture suggest that deviant groups like youth gangs have their own set of values and rules that differ from the rest of the society. Sykes and Matza say that most offenders do not reject social rules generally but justify their violation under the given circumstances. Such justifications may be raised within a corporation where many actions are performed by several people through division of labour and in such circumstances sense of individual responsibility fades. Further, corporate violations are often against collective victims and damage is not visible as it is against an individual. Therefore, denial of victimization is also easier.

In corporations there is some sort of 'business subculture that not only allows but even encourages deviation from the law in order to ensure economic success. Therefore, there can be 'culture of non-compliance' with techniques of neutralization a central element. Therefore, it is opined that constant acceptance of criminal behaviour within social environment of a person is a major factor in explaining future crime.

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26 *Id.*, p. 121.
**Control Theories:** Control theories lay emphasis on identifying the restraining factors that make the people to control themselves from committing crime. The premise is that why anyone would not commit a crime when there is an opportunity to commit it. In the context of morality as a restraining factor, it is said that it is quite fragile with respect to economic offenders. The moral foundation of economic criminal law is not as strong and evident as the one in the so called ‘*delicta mala in se*’ like murder or rape, where the harm is apparent. Control theories lay emphasis on identifying the restraining factors that make the people to control themselves from committing crime. The premise is that why anyone would not commit a crime when there is an opportunity to commit it. In the context of morality as a restraining factor, it is said that it is quite fragile with respect to economic offenders. The moral foundation of economic criminal law is not as strong and evident as the one in the so called ‘*delicta mala in se*’ like murder or rape, where the harm is apparent. There are blurred moral standards in most economic crimes when education process of children and young person do not adequately address the issues as it is for other crimes.

*Hirschi* and *Michael Gottredon* put forth ‘*theory of self control*’ that crime is the result of lack of self control. There could be disability of a person to postpone urgent and actual needs and desires. Self control theory explains a greater impact on occupational versus corporate crime. The lower the individual’s self control the greater is the likelihood of his or her involvement in criminal behaviour. However critics say it is narrow approach and it is doubtful if it fits all economic crimes, for example long term bribery to ensure the companies long term success. It is also believed that except in rare cases of mass fraud such as Enron Scandal, not all the elite within a given organization or industry will commit crime although the elite at the top of their profession and corporation differentially associate with people of equal status in their own and other corporations, not

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all corporate elites commit crime and behave in an overtly deviant manner.\textsuperscript{31}

\textit{Tittle} has given the ‘theory of control balance’, which suggests that too much control but also too low control is a cause of delinquency.\textsuperscript{32} There could be insufficient supervision of the upper management of the big corporations. There could also be lack of proper supervision with respect to economic crimes by the State agencies or regulatory mechanism. The theory of opportunity structure speaks about situations where there is low external control which provides more opportunities for committing crime, without the risk of detection and punishment. It is observed that if one is to act according to cost benefit consideration, then according to economic theory of crime, in the given circumstances, most people would commit crime.\textsuperscript{33}

It is accepted that opportunity to commit crime is an important cause of crime. And opportunities are important cause of white collar crime, where opportunity structures may be different from those of other kinds of crime. These differences create special difficulties for control, but they also provide new openings for control.\textsuperscript{34}

\textbf{(v) Economic Theory: } Cost benefit theory is more plausible in the context of economic crimes than in the violent crimes. The loss could be damage to reputation, risk of civil action by victims, risk of prosecution and punishment. When there is low visibility and less chances of detection and prosecution of white collar crimes then the benefit may overweigh the anticipated costs. Therefore, in the

\textsuperscript{33} Karpar \textit{op. cit.}, at p. 7. \\
economic context, calculation of possible gain and costs has some influence on peoples’ behaviour.

It is also believed that deterrence by criminal law and criminal sanctions is very difficult to achieve in cases of economic crimes. There is low risk of detection coupled with greater benefit. However, apart from criminal law sanctions, there are other factors which weigh for making rational choice by a person, like to be a good and honest person in a group or society, as a rational consideration. Therefore cost-benefit could not just be economic.

In addition to the aforesaid broad formulations there are certain observations which have been given on corporate criminality which the researcher would like to add as under:

(a) **Socio-Economic Developments:** Increase in economic crime could also be attributed to socio-economic developments. There is increase in mobility and communication. The more business opportunities have arisen because of development in communication and internet technology. It is observed that due to these developments problems of economic crimes are cumulating. High benefits can be achieved with little efforts. There is low risk of detection as compared to benefit in the realm of internet.35

(b) **Organisational Structure:** If the internal structure and setting of an organization is such that raise the probability commission of crime for the purpose of attainment of its goals. This will put the organization to risk of violating societal norms and laws dealing with organizational behaviour. The persons may thrive to act

35 Karpar op. cit., at p. 8.
for the organization to attain its goals, to prosper or at least to survive.\textsuperscript{36}

(c) **Criminologic Market:** Sometimes persons in the organization need to commit crime because of criminologic market forces. When corruption is a rule rather than exception there is need to pay bribes to enter into or stay in the market. It is said that market force is also a reason for criminal behaviour.\textsuperscript{37}

4. **WHO COMMIT CORPORATE CRIMES?**

The question that who commit corporate crime is vital in the context that on whom the criminal justice system is required to fix the responsibility. Though the question whether corporations are criminally liable or not is no more open for discussion in all the jurisdictions throughout the world, yet the question remains how to justify the ends of criminal justice system by fixing liability on the corporation as a whole and/or the individuals in the vicarious capacity. The researcher has made endeavor to look into these aspects in the following discussion:

4.1 **Liability of the Corporation**

According to the theories propounded by the jurists and adopted and practiced by the common law countries, the rule is that a corporation will be criminally liable for the illegal acts of its employees if the employees are acting within the scope of their authority and their conduct benefits the corporation.\textsuperscript{38} A corporation may be held criminally responsible for the illegal conduct of its employees if: (1) the illegal act was committed while the employee was acting within


\textsuperscript{38} *United States v. MacDonald & Watson Waste Oil Co.*, 933 F.2d 35, 42 (1st Cir. 991)
the scope of employment, and (2) the employee’s conduct was undertaken, at least in part, for the benefit of the corporation.39

Even though the English courts had taken a lead in defining the corporate crimes, the Federal American courts adopted better parameters to deal with them. They moved a step forward from the application of vicarious liability doctrine and adopted corporate fault and corporate knowledge theories to identify the liable persons for a corporate crime. This doctrine aids the prosecution by imputing the knowledge of all employees to the corporation.40 Hence corporate itself is treated as wrongdoer.

The next question is whether corporations can be identified as wrongdoer when the wrongful act is committed in violation of corporate policies or scope. The courts find that the corporation can also be criminally liable even in cases where an employee’s conduct violates corporate policy.41 The courts observed that when an employee violates express instructions of supervisors or policy manuals the corporation is not absolved from criminal responsibility, even when steps of procedural safety were taken up by the company.42 Rather it was held that corporate rules and policies cannot define the scope of an employee’s authority so as to shield the corporation completely from all criminal liability.43

The Second Circuit American Court in United States v. Twentieth Century Fox Film Corporation44, explained that a corporation’s “compliance program, however extensive, does not immunize the corporation from liability when its employees, acting within the scope

40 Apex Oil Co. v. United States, 530 F.2d 1291, 1295 (8th Cir. 1976)
41 United States v. Hilton Hotels Corp., 467 F.2d 1000, 1004 (9th Cir. 1972).
42 Standard Oil Co. v. United States, 307 F.2d 120, 127 (5th Cir. 1962).
43 Ibid.
44 882 F.2d 656, 660 (2d Cir. 1989)
of their authority, fail to comply with the law.” In this case, despite the corporate policy, a sales manager for the defendant corporation had refused to release popular films to movie houses unless they also agreed to book less popular films. On appeal, the corporation argued that it should not have been liable because the manager’s conduct was contrary to corporate policy, but the appellate court rejected the argument. In this case the court agreed that the corporation itself could be held accountable even for conduct contradicted express corporate instructions.

A Corporation is a fictitious entity that acts through its various agents; therefore, to hold a corporation criminally responsible for the illegal behavior of an employee, the illegal conduct must have occurred within the scope of employment. A corporation can be held liable even where the employee’s conduct contravened corporate policy or violated express instructions. Liability is also extended to situations when an employee acted beyond the scope of either actual or apparent authority and such actions went unchecked by officers or directors, giving the appearance of official approval.

Even under identification, aggregation and fault theories the corporate itself is held liable as a distinct entity.

4.2 Liability of Individuals

Individuals within the corporation are also liable for their criminal acts. In such cases the question is whether there is vicarious liability of the Directors etc. of the company for the wrongs for which

45 Id., at pp. 656-57
46 Ibid.
47 Id at 658-59
48 Id at 661, 665
50 United States v. Twentieth Century Fox Film Corp., 882 F. 2d 656, 660 (2d Cir. 1989).
company is liable as a distinct entity. The Supreme Court of India has clarified that as a cardinal principle of criminal jurisprudence there is no vicarious liability unless the statute specifically provide so.\textsuperscript{51} 'An individual who has perpetrated the commission of an offence on behalf of the company can be prosecuted alongwith the company when there is sufficient evidence of his active role coupled with criminal intent. One can also be prosecuted when there is some statutory provision which attracts the doctrine of vicarious liability by specifically incorporating such provisions.\textsuperscript{52} It has been further laid down by the court that when a company is the offender, vicarious liability of the Directors cannot be automatically imputed in the absence of statutory provisions to this effect. The statutory provisions are found in various statutes. For example section 70 of the Money Laundering Act, 2002 which reads as under:

Section 70 – Offences by companies – (1) Where a person committing a contravention of any of the provisions of this Act or of any rule, direction or order made thereunder is a company, every person who, at the time the contravention was committed, was in charge of, and was responsible to the company, for the conduct of the business of the company as well as the company, shall be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to punishment if he proves that the contravention took place without his knowledge or that he exercised all due diligence to prevent such contravention.

(2) Notwithstanding anything contained in sub-section (1), where a contravention of any of the provisions of this Act or of any rule, direction or order made thereunder has been committed by a company and it is proved that the contravention has taken place with the consent or connivance of, or is attributable to any neglect on the part of any director, manager, secretary or other officer of any company, such

\textsuperscript{52} Id., para 43.
director, manager, secretary or other officer shall also be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly.

*Explanation: 1)* For the purposes of this section, -

(i) "company" means any body corporate and includes a firm or other association of individuals; and
(ii) "director", in relation to a firm, means a partner in the firm.

*Explanation: 2)* For the removal of doubts, it is hereby clarified that a company may be prosecuted, notwithstanding whether the prosecution or conviction of any legal juridical person shall be contingent on the prosecution or conviction of any individual.

Similar provisions are there in many Central and State statutes in India. However the Explanation 2 in the Section 70 of the Money Laundering Act, 2002 is a further addition through the Amendment Act of 2013.

A perusal of the provisions makes it amply clear that when such statutory provision is there both company as well as concerned responsible person shall be deemed to be guilty of the contravention unless such person proves that contravention took place without his knowledge or that he exercised due diligence to prevent such contravention.

In this manner the effect of statutory provision is that responsible officer is vicariously liable when the company is criminally liable. The Apex Court considered this issue in detail in *Aneeta Hada v. Godfather Travels and Tours Private Ltd.* in 2012 for a bench of three judges bench. Earlier the same case was heard by two judge bench in 2008. There was a difference of opinion as to interpretation

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54 *AIR 2012 SC 2795.*
of Section 141\textsuperscript{55} of the Negotiable Instruments Act, 1881 relating to offences by the companies. The vexed question was whether the responsible officer of the company can be prosecuted without initiating prosecution of the company.

The three judge bench in \textit{Aneeta Hada} case (2012) (\textit{supra}) ruled that as per requirement of Section 141 of the Negotiable Instrument Act, 1881, prosecution of company is mandatory for prosecution of the officer of the company in the vicarious capacity.

By referring to the provisions of Section 141 (1) and 141 (2) of the Negotiable Instrument Act, 1881 which refer to different categories of officers of the company the court held that:

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...\textit{F}or maintaining the prosecution under Section 141 of the Act, arraigning of a company as an accused is imperative. The other categories of officers can only be brought in the dragnet on the touchstone of vicarious liability as the same has been stipulated in the provision itself.\textsuperscript{56}
\end{quote}

\textsuperscript{55} S. 141 Offences by Companies –
(1) If the person committing an offence under section 138 is a company, every person who, at the time the offence was committed, was in charge of, and was responsible to the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly. Provided that nothing contained in this sub-section shall render any person liable to punishment if he proves that the offence was committed without his knowledge, or that he had exercised all due diligence to prevent the commission of such offence: [Provided further that where a person is nominated as a Director of a company by virtue of his holding any office or employment in the Central Government or State Government or a financial corporation owned or controlled by the Central Government or the State Government, as the case may be, he shall not be liable for prosecution under this Chapter.]

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to, any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly. Explanation.— For the purposes of this section,—

\begin{enumerate}
\item “company” means any body corporate and includes a firm or other association of individuals; and
\item “director”, in relation to a firm, means a partner in the firm.\end{enumerate}

\textsuperscript{56} Id., para 43.
The said provision in Section 141 of the Negotiable Instrument Act, 1881 is one where the company itself and certain categories of officers in certain circumstances are deemed to be guilty.\textsuperscript{57}

The court clarified that word 'deemed' in section 141 of the Negotiable Instruments Act, 1881 applies to company and the persons responsible for the acts of the company. It crystallizes the corporate criminal liability and vicarious liability of the person who is in charge of the company.\textsuperscript{58} However, the vicarious liability of the concerned officer should only be fixed when company is to be prosecuted for the said office.

The Supreme Court in \textit{R. Kalyani v. Janak C. Mehta & Ors.},\textsuperscript{59} held that if a person, thus has to be proceeded with as being vicariously liable for the act of the company the company must be made an accused. In any event, it would be a fair thing to do so, as legal fiction is raised both against the company, as well as the person responsible for the acts of the company.

The Financial Sector Legislative Reforms Commission has submitted a Draft of Indian Financial Code in March 2013. The clause 418 of the Code under Chapter 81 'Violation by Bodies Corporate' propose as under:

418. (1) If any violation under any this Act is found to have been committed by a body corporate, then an officer of the body corporate is liable, if –

(a) the violation is shown to have been committed with the consent or connivance of the officer; or

(b) the violation is attributable to any willful neglect on the part of the officer.

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{57} \textit{Id.}, para 18.
\item \textsuperscript{58} \textit{Id.}, para 33.
\item \textsuperscript{59} (2009) 1 SCC 576.
\end{itemize}
\end{footnotesize}
(2) Any criminal proceedings or enforcement action against either the officer or the body corporate will not be a bar against proceedings against the other.

(3) In this section, "officer" includes director, member of the managing committee, chief executive, manager, secretary, individuals in control, and persons with purport to be officers with knowledge of the body corporate.

If accepted provision could be more specific to deal with criminal liability of officers of the corporations than the present general provisions under various enactments.

4.3 Situational Circumstances of Corporate Liability

Conduct of Employee: The courts have formulated their own little code books for fixing the criminal liability of the firms for the misconduct of an employee or the employer or the company itself as there is no comprehensive statute to deal with it. The courts in the past decades have observed that for a corporation to be criminally liable, the employee's conduct must be for the benefit of the corporation. This requirement, however, is satisfied regardless of whether the corporation receives an actual benefit. A corporation is considered to have received a benefit if the employee engaged in criminal conduct with the intent to benefit the corporation. Moreover, an intent to benefit the corporation does not have to be the sole, or even primary, motivation for the employee’s conduct.

Personal gains: The benefit requirement is satisfied even when the employee’s conduct is performed for his or her own personal gain, and the corporation somehow benefits from the conduct as well. For example, one such case involved a convicted corporation arguing

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60 Standard Oil Co. v. United States, 307 F.2d 120, 127 (5th Cir. 1962)
61 Ibid.
62 Id., at 128
63 See, United States v. Gold, 743 F.2d 743 F.2d 800, 823 (11th Cir. 1984).
64 Ibid.
that it should not have been held accountable because the criminal activity was intended solely to benefit the employee in his own personal quest to climb the corporate ladder. The argument cannot be as the corporation could still receive a benefit in light of the fact the employee’s promotions were conditioned on the success of the corporation.

**Hierarchy of Employment:** As to the limitation that employees must be acting within the scope of their actual or apparent authority. The position of authority mean that he should be in a position of decision making. The American jurisprudence profound that even a single low-level employee’s criminal conduct can be sufficient to trigger criminal liability on the part of the corporation. Moreover, it may not even be necessary to find the identity of the same criminal employee in order to find the employer guilty.

**Criminal Conduct:** An employee will be criminally liable for actively and directly engaging in criminal conduct. A corporate employee cannot hide from criminal liability merely by claiming the conduct occurred during the scope of employment.

**Criminal Conspiracy:** A conspiracy occurs whenever two or more people agree to commit an offense, and one of those persons takes an affirmative act in furtherance of the goals of the conspiracy. In prosecuting a scheme that involves separate roles for coconspirators, there is no need to prove that each participant directly interacted with each of the other conspirators. It is also not required to prove that each co-conspirator knew all the details of the agreement and

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66 Ibid.
68 United States v. Rodgers, 624 F.2d at 1308.
71 United States v. Elam, 678 F.2d 1234, 1247 (5th Cir. 1982).
participated in all of its operations or joined the agreement at the same time, or became aware of all the activities of the other participants in the agreement.\textsuperscript{72}

**Doctrine of Responsible Corporate Officer (RCO):** The Responsible Corporate Officer Doctrine originally emerged from the U.S. Supreme Court case of *United States v. Dotterweich*.\textsuperscript{73} Approximately 32 years later, the Supreme Court reaffirmed the existence of the RCO doctrine in the landmark case of *United States v. Park*.\textsuperscript{74} In both cases, the Court held that a corporate officer could be liable for the criminal acts of the corporation, despite the officer never having been aware of the criminal conduct at issue (i.e., despite the officer having no guilty mind, or in other words, no *mens rea*).\textsuperscript{75}

In *Park*, the Court noted that a corporate officer cannot be convicted under this doctrine merely because of his or her position within the company.\textsuperscript{76} A relationship must exist between the officer’s corporate functions and the conduct in question to such a degree that the officer is not only responsible for solving the problem, but also under an affirmative “duty to implement measures that will insure that violations will not occur.”\textsuperscript{77}

In this regard the Indian position has been discussed above where the Apex Court has ruled that the officer can only be roped in when there is sufficient incriminatory evidence against him or it is provided so in the statute.\textsuperscript{78} The statutory provisions as contained in different Indian enactments in a similar manner provide defence to the concerned person by proving that contravention took place without

\textsuperscript{72} *United States v. Alvarez*, 625 F.2d 1196, 1198 (5th Cir. 1980).
\textsuperscript{73} 320 U.S. 377, 64 S.Ct 134 (1943)
\textsuperscript{74} *United States v. Park*, 421 U.S. 658, 95 S.Ct. 1903 (1975).
\textsuperscript{75} *United States v. Dotterweich*, 64 S.Ct. at 136
\textsuperscript{76} *United States v. Park*, 95 S.Ct. at 1908.
\textsuperscript{77} Id., at 1911
\textsuperscript{78} Sunil Bharti Mittal v. CBI (2015) 4 SCC 609.
his knowledge or that he exercised all due diligence to prevent such contravention.79

4.4 Defences against Liability

Corporations may escape liability by establishing a defense. Unless the offense is one for which absolute liability has been imposed, the corporation may be able to establish a defense if it can prove by a preponderance of evidence that the high managerial agent having supervisory responsibility over the subject matter of the offense employed due diligence to prevent its commission.80 In *Tesco Supermarkets Ltd. v. Natrass*81 it was clarified that defence of due diligence

...could not be established merely by showing that a good system had been devised and a person thought to be competent put in charge of it. It would still be necessary to show due diligence on the part of the accused in seeing that the system was in fact operated and the person put in charge of it doing what he was supposed to do.

5. TYPES OF CORPORATE CRIME

In the present era when the corporations are impacting every sphere of life by taking of various activities the range of corporate crime, vary from physical harm to gross economic damage. Generally, a wrongful act of a wrongdoer is understood to affect the mind body, reputation or property in one way or the other. At the present junctions we cannot say the corporates are not capable of doing any of these wrongs. Rather the impact and gravity could be far more than committed by an individual in the individual capacity. As has been discussed in the foregoing discussion such crime committed by

80 18 Pa. C.S.A. § 307 (d)
81 (1972) AC 153.
the corporations are more discreet and the victims though not directly in focus suffer gravely through corporate crimes. It is correctly said that the corporate crimes are taken less seriously because they are *mala prohibita* (wrong because they are prohibited by the Government) rather than *mala se* (intrinsically wrong). Therefore, there is a difficulty to place their in proper place. In a pursuit to study types of corporate crime it is found that there is no specific classification of such offences, however the researcher has tried to categorise them for the purpose of understanding characteristic of different wrongful corporate activities which could be dealt under criminal law. Broadly we can say that there are corporate criminal activities which (1) involve employees; and (2) between the corporations; and (3) against the society.

In the first there are offences which are understood as occupational crime committed by the employees at different level. Such crimes are committed against the corporation itself and many include embezzlement, kick backs, breach of confidentiality etc.

The crime between the corporations can be like dumping, price fixing and bid rigging etc. Crime against the society can be those which affect health or life, hazardous activities, financial frauds, investment frauds, theft, racketeering, Security frauds, tax evasion, stock market manipulation, inside trading, etc. In addition to general category of offences the corporations are criminally liable for breach of regulatory offences. In view of the above researcher makes an endeavour to discuss some of the corporate crimes as these have emerged at the national and international levels. The discussion as such is not exhaustive but could be useful to understand the nature of criminality in different crimes committed in corporate situations.
5.1 Crime Resulting in Physical Harm

(a) Industrial Disasters

With the growing importance of the companies in our lives, there has been an increase in the risk and destruction caused by these companies too. This destruction can take place at any stage; production, processing storage, disposal etc. A random slip of operations in handling the chemicals or the radioactive material or any other form of energy can lead to a great damage to the surrounding atmosphere. More than 3000 people died and over 5,00,000 people were exposed to Methyl Isocyanate gas (MIC) on the night of December 2, 1984 when water entered into a wrong compartment due to a missing pipe, which resulted in an injury that would affect the generations to come. One single mishap accused at Union Carbide cooperation, Bhopal left a detrimental impact on the surroundings. Half a million people had to be evacuated from the village in Jaipur in 2009 when an oil tank carrying 8000 kiloliters of oil caught fire. It look the officials more than a week to put the blaze out.

Huge losses of life and property have been faced in such incidents worldwide. Explosives were randomly stored on the port of China (Tianjin) which blasted and more than 700 people died in the month of August 2015. The impact of Ukraine's Chornobyl Power Plant explosion in 1986 was felt by Soviet Union and Europe and the harm it caused is still being seen in 2005 in form of cancer and other diseases on the people.

(b) Ignoring occupational standard and safety standards

Many fatalities and injuries occur every year when the standard safety and occupational standards are ignored by the corporates.
Death of employees due to accidents, mechanical errors, electric shock etc. cause damage of human life and leaves an impact on their families too. When the safety standards are ignored by the corporations then existing conditions which otherwise may be harmless may cause potential harm to health, property or environment. European Union through its European Agency for Safety and Health at work, in their report in 2009 reported that biohazards, radiation etc. result in substantial loss of life.

(c) Victims of unsafe products

These can be a defect in the product of the companies because of the design, manufacturing or handling of the product while storage/marketing. These defects have a direct effect on the consumers who have not foreseen an immediate danger while buying their products. England and Wales office for National Statistics (London) in its report published in 2002 reported that approximately 2.9 million people get injured due to accidents at home. The accidents were related to handling of unsafe products due to design or manufacture. In 1978, the American automobile giant Ford had to claim back its Pinto Cars as there was a defect in their fuel system. The explosions caused death of more than 180 people. Engineering and Mechanical defects are more dangerous to handle. Product safety may be deliberately compromised by companies to save money and cut product cost.

(d) Victims of industrial pollution

The Riro Mine in Jharkhand has lead to serious health issues being faced by the HO community because of the 0.7 million tons of asbestos being dumped in the water. The land there is also getting affect because asbestos has covered the cultivated land as well. Even decades later the water of Bhopal is still contaminated as benzene has seeped into the land resulting in contaminated
underground water. The immediate impact of the disaster may get over within few days but long enduring imprints are visible for years to come. Nuclear disaster and other mishappenings have resulted in an outbreak of diseases like cancer, thyroid, malnutrition etc. all over the world.

**(e) Human Right Violations**

The guiding principle of Business on Business and Human Rights in 2011 has undertaken that the role and duty to take care of human rights violation under the obligations of corporate legal liability, Rome statute and corporate criminal responsibility. But ironically the global world is witnessing a different scenario. Gross misconduct is done towards the labourers and employees in shape of forced labour, child labour inhuman working conditions, denial of proper sanitation, no medical facilities etc. In 2013, a South Korean company was told to pay 88,000 dollars each to the victims, whose human rights were violated by them during 1910-1945. The companies have multinational presence and to this they are freeling involved in offences like human trafficking, physical abuse, torture etc. to get the maximum work out of the employees for profit.

### 5.2 Economic Corporate Crimes

**(a) Deceptive Accounting**

Corporations are to work within the regulatory framework. Corporations are required to prepare financial reports containing information about the financial health of the company. Such reports are retied by the investors, creditors or other stakeholders. In the event when there is falsification of audits to mislead or play

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deception it may result in huge loss. Such incidents have happened like in case of Enron in USA and Satyam in India. Enron was working in Energy Sector in United States in 2000’s with revenues exceeding $100 billion.

In India the Satyam Scandal in 2009 was biggest corporate scam. Ramalinga Raju, the Chairman of the Satyam confessed that company's accounts had been falsified. Raju inflated the company revenue, profit and profit margin for every single quarter over a period of five years from 2003-2008. It was a scam of Rs. 72 thousand crores. Mr. Raju was declared guilty with two other accused. This led to collapse of Satyam Group a leading IT sector company.

The Satyam Case led to inclusion of 'early warning system' though various provisions of the new Companies Act 2013. The Security Exchange Board of India (SEBI) got more supervisory powers and auditing standards were recreated. SEBI made it mandatory for promotions of tested companies to disclose the quantum of shares pledged/mortgaged with lenders to raise funds. The new Companies Act, 2013 lays more emphasis on 'self regulation' then Government regulations'. The Act now defines the role and responsibilities of company management, independent directors, and promoters and also provides code of conduct. The concept of rotational auditors has also been introduced in the new Act.

(b) Inside Trading

Every day, a lot of significant and confidential information is exchanged between the officials of a corporation but when this information is used to create profit for one’s over self by the employee is called the insider trading. The misuse of the bonus price, the price
curtailing, stock information can manipulate the balance of money in an outsiders favour. The information can be passed by the employee or by the connected person like a banker, auditor etc. Life savings of the individual can be lost within minutes because of the insider trading. In Dharmesh Doshi scam equity worth 25,000 crore exchanged hands. In 2009, the Galleon group of industries had to close down when their owner Raj Rajaratnam was arrested by FBI for insider trading. The implications are not just on the employees but also on the shareholders and stakeholders of the companies who face huge financial losses because of such acts.

5.3 Manipulation of Security Market

The companies gain huge profits when they manipulate the market through a security, may be through the currency or by manipulating a commodity. These activities are created to generate the interest of an investor but due to this the state and individual can both face losses. The wrong and misleading information is posted, spread or published related to a stock to either increase or decrease stock price of a share of company. Huge ripple effects can be faced by the stock exchange within minutes of manipulation and it can lead to crash of markets too.

5.4 Stealing Trade Secrets

Every company has its own strategy of working. These may be the business plans, the manufacturing details, business method details, marketing strategies, future destinations, stock details etc. The company thrives on these trade secrets and its goes equally for the private or the public firms. Hacking into these trade secrets is a common threat and modus operandi for many corporations. Many methods are adopted by them to achieve this. A cyberattack may be
initiated or an insider employee may be bribed, or a set up may be instigated to manipulate the documentation. Theft of trade secrets not only affects the shareholders of the victim company but also the community. It leads to intellectual property theft, corruption, illicit financial flow, occupational frauds, narcotics trafficking, black marketing. In America, in January 2016, Dupont was asked by the Supreme Court of Delaware to pay 1.7 million dollars for a license agreement procured otherwise. Companies like Coca cola, KFC, etc. pay huge amounts to secure over the past competitive decades has become a prominent organized crime.

5.5 **Investment Trends**

Harshad Mehta, Ketan Parker, R. Ramalinga Raju are few names that the security market of India can never forget. They have been the reason for embezzling hundreds of crores through investment frauds in the last 30 years. Loopholes in the investment securities are misused to funnel out the money into their own Bank accounts. Fictitious and Bogus firms are created their bogus transactions are made, which only exist on paper but their dividends and profits are procured in cash by these masterminds. In February 2014 Supreme Court of India ordered the arrest of Subrata Roy, the founder of Sahara Group for failure to return over 20,000 crore plus interest @ 15% to millions of its small investors.

Jignesh Shah, founder of MCX was arrested for his alleged involvement in Rs. 5600 crore National Spot Exchange Limited (NSEL) scam. He failed to hand out 13,000 crore back to his investments. Investment scams lead to frauds, money laundering, bankrupting and even loss of lives due to financial losses and rivalries.
5.6 Corporate Bribery

This is a type of crime, where many a times state also becomes a party. Huge monetary benefits exchange hands between private/public individuals to grab hold of a deal. Multinational corporations pay the governments to secure their business. The developing countries and the under developed countries are the biggest playgrounds for the companies to play with the rules of corporate bribery. There operates a huge nexus between the government and the companies where bribery is concerned. Nixon's Resignation in 1973 for the Watergate scandal brought the issue in spotlight and after that many corporations and public individuals have been tried for this offence. The state revenue loss, loss of opportunity, illicit flow of money, unemployment are just a few after repercussions of corporate bribery along with loss of trade and reputation.

5.7 Corporate Manslaughter

Corporate manslaughter is an offence where homicide of individuals result due to gross negligence on the part of the corporate. In these cases the duty to take is totally misappropriated by the corporations. It's a crime under English Law where by the companies can be prosecuted for non-implementation of standard safety rules along with precautionary steps required to be taken for employee safety. In 1993 Peter Lyme of OLC limited was jailed for three years and fined 60,000 pounds for an incident where Four teenagers died in a canoeing incident. Big amusement parks, rail disasters, boat mishappenings, disasters and loss of lives at the activity camps etc. are few examples where due to a mechanical glitches or an engineering fault many times have been lost.
5.8 Corporate Liability for failure to prevent negligent act

Negligence happens when the care and precaution to handle a particular situation is not taken care of. It becomes the liability and duty of the Directors, Managers and all the others who occupy the position of importance to make sure that no in advent incident should happen because of slip of safety standards of manufacturing, processing and use of a product. Breakage of security shaft, defected brakes to stop a machine or un-covered electrical wires lying openly at the work premises are few examples of negligence which have resulted in loss of life. Countries like England and Hong Kong have laws to prosecute the directors/owners for acts of negligence. In India we have absolute liability of the company to against the acts of negligence environmental pollution, soil degradation are few of the main acts that are undertaken by the companies deliberately.

5.9 Offences under the Companies Act

Within the garb of legal provisions, the companies are a capable of committing many crimes. Tax evasion, auditing frauds, share rate fluctuation, dishonouring of cheques, default bank accounts, benami property transactions etc. are clearly visible in the functioning of the corporations. The Indian Companies Act, 2013 makes it the liability of the Directors, the accountants, auditors to stop such frauds. These acts result in monetary loss, loss of reputation and revenue for the company along with loss of faith from the investors. Acts like mis-statement in prospectus, liability to pay for qualification shares, refund of share application money, fraud in contracts, fraudulent conduct of business, unlimited liability under the memorandum, income tax frauds, labour law violations, frauds on minority shareholders are such incidents which can have the shareholders and the stockholders devastated.
Conclusion

Corporate crime is referred as the conduct of a corporation or employees acting on behalf of a corporation which is prescribed or punishable in law. Thus corporate crimes are committed for corporate gain or to bring harm to any other person or body corporate. Such crimes are committed in a quite environment. These are also considered to be general varieties of white collar crimes. However the criminal behavior in corporate crimes to different from the traditional crimes committed by individuals. Corporate crimes are socially injurious or blameworthy acts which cause financial, physical or environmental harm or harm caused to the workers and the general public.

It is believed that corporate criminal behavior is also a result of learning process from with the working of the corporations. This behavior is also attributed to major social and moral change. In a pursuit to meet targets or goals there could be adoption of unlawful means. Further there is neutralization theory where in the given circumstances conduct is tried to be justified. Lack of adequate control could also promote criminal behavior. In addition there are factors like cost benefit considerations, socio-economic developments, organizational structure and criminologic market which are attributed to corporate criminal behavior.

In the corporate control there is criminality of the corporation itself and also the liability of the responsible persons which can be vicariously fixed. Law in this repeat needs to be more clearly defined.