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ABOUT US

WHITE BLACK LEGAL is an open access, peer-reviewed and refereed journal providededicated to express views on topical legal issues, thereby generating a cross current of ideas on emerging matters. This platform shall also ignite the initiative and desire of young law students to contribute in the field of law. The erudite response of legal luminaries shall be solicited to enable readers to explore challenges that lie before law makers, lawyers and the society at large, in the event of the ever changing social, economic and technological scenario.

With this thought, we hereby present to you

CYBERCRIME AND WHITE-COLLAR CRIME: **POINTS OF CONVERGENCE AND DIVERGENCE** **IN THE INDIAN CONTEXT**

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Abstract-

White-collar crimes are non-violent financial offenses typically perpetrated by individuals in positions of authority, such as managers, executives, and business professionals. These crimes are often driven by greed and involve the improper use of money, assets, or information. Both individuals and companies can commit white-collar crimes, which are punishable under the Income Tax Act, 1961, and the Indian Penal Code, 1860. Cybercrime encompasses any criminal activity conducted via computers, the internet, or other technologies recognized by the Information Technology Act. It has become the most prevalent form of crime, significantly impacting modern India. White-collar crime presents a unique example within criminology, having established itself as a distinct criminal offense type within law and criminal justice and gaining mainstream recognition within fifty years of its inception. However, the concept of white-collar cybercrime remains relatively new in cyber criminological analysis and is infrequently discussed in academic literature.

Keywords- White collar crimes, Cyber-crimes, criminology, India, Regulatory framework, Socio-economic impact.

Aim-

The aim of this paper is to understand the need for an upgradation in the technological part of Multinational Corporations and also other businesses in India.

Introduction –

The convergence of white-collar crimes and cybercrimes has resulted in a new category of offenses where conventional financial crimes are perpetrated using digital technologies. This intersection has given rise to complex schemes such as phishing, online banking frauds, and corporate espionage conducted through cyber channels.

Most numbers of crimes on the internet are white collar crimes as they do not involve any violence and they are only financially motivated. Before internet age these crimes only outside the computer purview but now they are occurring at a wide pace by the source of internet and internet world. Any crime committed on the Internet is referred to as a cybercrime. White collar, cybercrimes seem to be innocent as there is a lack of violence and they do not occur on the streets. The laws for these crimes have enlarged their dimensions and we are getting more stringent laws for these white collars, cybercrimes. Many white-collar crimes occur on the internet every day. White collar crime, which is a generic term for all forms of criminal misuse of trust, creates great problems of economic, political, and moral damage to all segments of American society, and helps to sustain common or street crime. Classify white collar crime by crime description have been difficult because new forms are constantly surfacing; however, a psychological analysis describes the social contexts in which white collar crime occurs:

1. Persons committing crimes on their own,
2. Violation of responsibility to their employer by members of an organization or business.
3. Crimes that are incidental to business operations,
4. White collar crime as the business's central activity. Since knowledge of crime causes is required to alleviate them, the following consideration of criminal's motives is essential: The incentive of money based upon the perception of relative deprivation, A threat to goal attainment, A sense mastery of desirable skills, the concept of benefitting the victim and group force examined.

Literature Review-

Payne (2018)¹ notes that criminologists devote significant effort to studying various types of crime, focusing on their characteristics, causes, consequences, and effective response strategies. Utilizing a typology approach in studying and teaching about crime is valuable as it helps criminologists categorize numerous different behaviours into specific crime categories, thereby identifying crime patterns. Among the types of crime that have garnered different levels of attention from criminologists are white-collar crime and cybercrime.

Maity (2020) observes that while white-collar crimes are indeed crimes, they differ from conventional crimes in five aspects: origin, determination of responsibility, philosophy, enforcement and trial procedures, and sanctions. The primary debate centres on whether these regulatory crimes should be considered 'civil' or 'criminal.' Most statutes on white-collar crime impose both civil and criminal liabilities for the same offense, leading to confusion due to the variety of remedies available for enforcing these crimes.

Hamerton (2021) highlights that contemporary analyses of white-collar crime often begin with various competing and sometimes contested definitions. This complexity is further heightened with the addition of a cybercrime dimension, necessitating critical examination. Such contestation is expected given the rapid social changes in commercial activity, organizational behaviour, workplace culture, and global focus on how business is conducted and money is moved, especially in the eight decades since Sutherland proposed his hypothesis.

Analysis-

This study explored the patterns surrounding white-collar cybercrime, a topic seemingly rarely considered in the criminological literature. The convergence of white-collar crimes and cybercrime occurs where traditional financial crimes like fraud, embezzlement, and insider trading start using digital technologies and cyber methods². In India, this translates to white-collar criminals utilizing the internet, computer systems, and digital networks to perpetrate their crimes more efficiently and

¹ <https://ccjls.scholasticahq.com/article/6329-white-collar-cybercrime-white-collar-crime-cybercrime-or-both/attachment/16533.pdf>

² <https://economictimes.indiatimes.com/news/india/white-collar-crime-affecting-nations-economy-has-to-be-considered-seriously-cbi-court-on-anil-deshmukhs-bail-plea/articleshow/95036486.cms?from=mdr>

on a broader scale. For example, financial frauds might now include hacking into banking systems or deploying phishing scams to acquire sensitive information. This intersection highlights how contemporary technology is enhancing and facilitating traditional financial and corporate misconduct.³ The findings suggest that white-collar cybercrime has similarities to both white-collar crime and cybercrime, though some apparent differences also arise. Alternatively, white-collar cybercrime offenders appeared to be older than what is found in other studies focusing on specific types of cybercrimes. To be sure, hackers were the youngest offenders in this study, though their average age was in the thirties. There are a few points mentioned below showing the overlapping effect of white collar and cybercrime.⁴

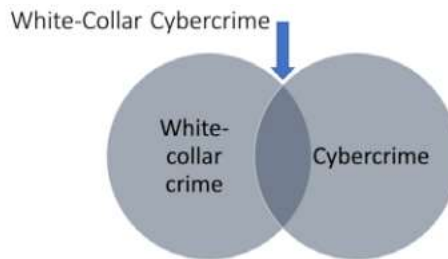
- I. First, recognizing the overlap between white-collar crime and cybercrime, experts should identify effective strategies for responding to each crime type to illuminate appropriate response methods. Typically, separate investigation strategies are employed for white-collar crimes and cybercrimes. However, there are instances where strategies used in investigating white-collar crimes could be integrated into cybercrime investigations and vice versa.
- II. Second, and somewhat related, the group dynamics observed in this study indicate that a significant proportion of white-collar cybercrimes are committed by groups.
- III. Third, professionals must resist conflating white-collar crime and cybercrime, as they are distinct categories of crime. There is considerable variation between "legitimate white-collar cybercrime" and "entrepreneurial white-collar crime." Conflating these types of crime could result in an artificial inflation of the prevalence of both crime categories.
- IV. Fourth, while avoiding the conflation of white-collar crime and cybercrime, professionals must also acknowledge that a substantial portion of cybercrimes are indeed white-collar cybercrimes.

³

https://www.researchgate.net/publication/349134240_White-Collar_Cybercrime_Evaluating_the_Redefinition_of_a_Criminological_Artifact

⁴

<https://ccjls.scholasticahq.com/article/6329-white-collar-cybercrime-white-collar-crime-cybercrime-or-both/attachment/16533.pdf>



Overlap between white collar and cybercrime

These findings also have implications for theory. First, consider the counterfeit goods crimes and the online sales crimes. It is widely known that consumers have begun to shop more online than they do in physical stores.

Triggers for White-Collar Cybercrime-⁵

- a. Poor job incentives- financial professionals are compensated or rewarded for a short term based on the profits so they find their way around to maximise their profits by committing to such crimes.
- b. Justifying legal actions- Many people think that the crimes they commit may be harmless and such cues lead them to violate such security laws.
- c. Performance pressure- some people want to excel and go ahead of other without giving it a thought how they achieve them. They can end up choosing the worst path to achieve such goals which in result may be about them violating the rules and regulations without even realising the same.
- d. Access to resources- people who are often in the position of power have the resources and information they can exploit and through that they can earn an extra incentive.
- e. Insufficient cyber security- since this is a pretty new concept in India cyber crime is something people are still exploring and due to this there are still laws to be made that are strict enough for the people who commit such crimes be afraid off. Weak cyber security measures may lead to data theft and other numerous cybercrimes.

⁵ <https://www.geeksforgeeks.org/white-collar-crimes-cyber-security/>

Case Study- *The major white collar cyber crimes were conducted in Pune in 2018 was **the Cosmos Co-operative bank cyber-attack scandal.***⁶

In 2018, the Cosmos Co-operative Bank in Pune experienced a significant cyber-attack. Hackers created a proxy switch to approve fraudulent transactions, siphoning off Rs 94 crore. The case highlights the need for robust cybersecurity measures and stringent laws.

Challenges in Addressing White-Collar Cybercrimes⁷

1. **Increased Scope and Frequency:** The widespread use of digital technologies has increased the scope and frequency of these crimes, overwhelming law enforcement.
2. **Consumer Trust:** Cyber-attacks create mistrust among consumers, negatively impacting businesses.
3. **Awareness and Reporting:** Victims may not always be aware of breaches or report them to authorities.
4. **Technological Lag:** Law enforcement often lags behind technological advancements.
5. **Investigation Duration:** Investigating these crimes can take a long time.
6. **Jurisdictional Issues:** Many white-collar cybercriminals operate across international borders, complicating prosecution.
7. **Resource Allocation:** The cost of investigating and prosecuting these crimes can be high, and government agencies may lack resources.

Conclusion-

The convergence of white-collar crimes and cybercrimes in India necessitates a comprehensive approach to upgrade technological defense within businesses. By understanding the overlapping effects and unique characteristics of these crimes, effective strategies can be developed to combat this growing threat. Strengthening cybersecurity measures and implementing stringent laws are crucial steps toward mitigating the impact of white-collar cybercrimes on India's economy and society.

⁶ <https://www.livemint.com/Industry/kbVkrSeeKGMxKJT33pwCIP/Cosmos-Banks-server-hacked-Rs-94-crore-siphoned-off-in-2-d.html>

⁷ <https://www.bajajelectricals.com/media/1850/cosmos-bank-case-study.pdf>