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## From white-collar crime to red-collar crime

Richard G. Brody and Kent A. Kiehl

University of New Mexico, Albuquerque, New Mexico, USA

### Abstract

**Purpose**—The purpose of this paper is to explore the issue of violence with respect to white-collar criminals.

**Design/methodology/approach**—The analysis is conceptual, focusing on the historical underpinnings of white-collar crime and reviewing the evolution of white-collar criminals.

**Findings**—Findings suggest that white-collar criminals do display violent tendencies and, contrary to popular belief, can become dangerous individuals.

**Practical implications**—The paper represents an extremely useful and practical source for fraud examiners and other white-collar crime investigators. Raising the awareness of investigators dealing with white-collar criminals may prevent them from becoming victims of a violent act.

**Originality/value**—The paper fulfills a need to highlight a dangerous trend with white-collar criminals in that they may be driven to violence against those involved in investigating their crimes.

### Keywords

Crimes; Violence

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When Edwin Sutherland coined the term [white-collar crime] [ ... ] one of his chief goals was to expose the inadequacies of traditional theories of crime causation in modeling the antisocial behavior of the well to do (Walters and Geyer, 2004, p. 263).

### Introduction

Sutherland's publication of the book, *White Collar Crime*, focused much of its attention on the crimes of businessmen and organizations, 70 of which were committed in the private sector and 15 in the public sector. His book stirred much controversy amongst his peers as it focused on the misconduct of many high-profile corporations. For the first time, the definition of criminality shifted away from focusing and defining the crime. Instead it focused purely on the perpetrator and his/her characteristics, traits, and roles in committing the crime. This shift caused many to criticize Sutherland's approach in defining white-collar crime (Bakan, 2004).

The main deficiency in Sutherland's definition is that it would not be able to withstand the evolution of white-collar crime and remain the accepted definition. Although the concept of white-collar crime was considered to be revolutionary, the actual definition proposed by Sutherland was regarded by most as flawed. The definition offered by Sutherland is considered by many as too broad and ambiguous to be considered the most universal definition of white-collar crime. Thus, many scholars continue to redefine and develop a more useful and working definition of the term.

Researchers have shifted from focusing on the individual to paying more attention to the actual crime. For example, Herbert Edelhertz defined white-collar crime as:

[ ... ] an illegal act or series of illegal acts committed by nonphysical means and by concealment and guile, to obtain money or property, to avoid payment or loss of money or property, or to obtain business or personal advantage (White-collar Crime: History of an Idea – The Evolution of White-collar Crime, n.d., para. 7).

This definition was developed as a way to include the different ways in which white-collar crimes can be committed. It focuses more on the actual crime committed and less on the perpetrators. This is an important shift, as more and more white-collar crimes are being committed not by senior staff and executives, but rather, those in subordinate and/or junior ranking positions.

The legal system defines white-collar crime broadly and encompasses a large array of frauds within its legal umbrella. The following violations are considered to be white-collar crimes: antitrust violations, bank fraud, bankruptcy fraud, bribery/ kickbacks, computer/internet fraud, consumer fraud, counterfeiting, credit card fraud, economic espionage and trade secret theft, embezzlement/larceny, extortion/blackmail, financial fraud, forgery, health care fraud, identity theft, public corruption, racketeering, and telemarketing fraud. The aforementioned violations are not meant to be an exhaustive list as new schemes are constantly being developed and revised as technology and opportunities make themselves apparent. It may seem that the above violations are distinct and unrelated, but each has a common characteristic that they all share. These illegal acts involve deceit, which a suspect uses to procure financial gains from an unsuspecting victim.

### **Evolution of the white-collar criminal**

It is important to understand that as white-collar crimes have evolved over the years, so too has the white-collar criminal. It is this phenomenon that criminologists, sociologists, law enforcement, fraud examiners, and forensic accountants must take into consideration as they investigate white-collar crimes. The typical white-collar criminal does not commit many of the economic frauds previously listed. Within the judicial system, many of those charged with white-collar crimes are not executives. Although the convictions of many executives do occur, the fact remains that those holding high positions of power within an organization do not solely perpetrate white-collar crimes. For example, credit card fraud, forgery, identity theft, internet schemes, larceny, mail fraud, and telemarketing fraud, do not require the perpetrator to be an executive within an organization. In fact, those who would be considered by most as common street criminals are committing many of these types of crimes. Another issue to consider is that white-collar criminals are becoming more

transparent and harder to trace with the rise of internet, telemarketing, mail, and credit card fraud. Suspects hundreds of miles away often perpetrate these schemes against victims from the comfort of the suspect's home.

### **Perception of violence in white-collar crime**

One major misconception of white-collar crime, which this paper aims to refute, is the notion that these crimes are non-violent and are committed by those who are non-violent in nature. This is a dangerous misconception as it implies that all white-collar crimes are not harmful nor do they result in violence. This fallacy also suggests that white-collar criminals are not capable of committing violent acts, which may lead to the presumption that these criminals should be viewed and treated as less threatening than a common street criminal. Rosenmerkel (2001) notes that there are few studies conducted with the public rating the seriousness of white-collar crimes as being equal to virtually every category of street crimes. This view reasserts the false impression that criminals associated with white-collar crime are free from violence or violent tendencies.

Law enforcement agencies and personnel also have similar perceptions that white-collar criminals are non-violent and are relatively harmless when it comes to an investigation. Stotland (1977) makes a bold claim indicating that detectives dealing with white-collar criminals need not worry about violence because these types of criminals seldom commit any form of assault or battery. This statement is outdated and does not reflect the reality of today's white-collar criminal. It is important to remember that investigators are dealing with crossover criminals as well as traditional white-collar criminals in today's day and age. This is not to imply that so-called "typical" white-collar criminals are not capable of committing acts of violence. It is the belief of the author that anyone is capable of becoming violent when the right amount of pressure is applied to the perpetrator and the circumstances as a whole.

Weisburd and Waring (2001) point out that there are many instances in which white-collar offenders convicted in the federal courts have had multiple arrests and/or convictions. This would repudiate the common perception of the white-collar criminal being a one-time offender. Their research identified that 48 percent of their sample of offenders had at least one arrest, 35.8 percent had at least one arrest before, and 31.3 percent had at least one arrest after. In addition, these authors analyzed the arrest record of their subjects and identified what crime for which they were first arrested. They discovered that of all repeat offenders, 43.2 percent of the subjects were first arrested for a white-collar crime and 9.3 percent had previously been arrested for a violent crime. Further, 24.5 percent had been arrested at least once for a violent crime. This is a staggering statistic considering that only 15.1 percent were strictly convicted of white-collar crimes alone. This provides strong evidence that, despite popular belief identifying white-collar criminals as non-violent, white-collar criminals can and do display violent tendencies. It is unsafe for the general public and investigators to assume that white-collar criminals are harmless and pose no physical threat toward an investigation.

### Concept of red-collar crime

The theory examining white-collar criminals becoming violent toward their victims is a phenomenon many scholars and researchers have ignored. This connection has not been made due to the perception and presumption that these crimes were committed as a crime of passion under extraordinary circumstances. It is also believed by most that these types of crimes are isolated incidents. The reality is that although many write these crimes off as crimes of passion, the real motive behind these violent and heinous acts is concealment of fraud. Perri and Lichtenwald (2007, p. 18) have begun to link and examine this type of violent behavior and have coined the term red-collar crime. They describe this type of criminal as a violent sub-group of the traditional white-collar criminal and explain that the threat of fraud detection serves as the motive for these murders:

This sub-group is referred to as red-collar criminals because they straddle both the white-collar crime arena and, eventually, the violent crime arena. In circumstances where there is threat of detection, red-collar criminals commit brutal acts of violence to silence the people who have detected their fraud and to prevent further disclosure.

Perri and Lichtenwald (2007) also refer to the term fraud-detection homicide to describe this type of violent behavior. In the cases discussed in this paper, all the violent acts were executed after a fraud was committed. These acts of violence were committed as a means to conceal the fraud through silencing the victim or witness who had detected or were in a position to detect the crime.

The question remains: why would these white-collar criminals resort to murder as a way to conceal fraud? It is a risky proposition to kill those who may or may not have detected a crime. In the eyes of the perpetrator, however, it is a risk that they are willing to take. Perri and Lichtenwald (2008, p. 28) point out that:

White-collar criminals thrive on being able to avoid detection in order to carry out their fraud schemes; they have the ability, like a chameleon, to adapt to a given environment.

It is out of desperation that this decision is made and acted upon. The suspect is desperate and can see no other means in which to continue the fraud and avoid jail time. Perri and Lichtenwald (2007, pp. 24-5) argue that:

[ ... ] red-collar criminals perceive the fraud detection as an existential threat, a blow to their self-concept, and, consequently, as an act of "self" preservation, they are willing to resort to violence. As the threat of detection increases, so does the probability that the individual will rationalize murder as a solution to his or her problems[ ... ] red-collar criminals do not reject violence as a solution to a perceived problem, so killing is just as viable a solution as using deceptive and manipulative characteristics to satisfy their needs.

Just as the fraud triangle explains the rationale behind individuals committing white-collar crimes, the same triangle can help explain the reasons for murder. It can be said that every individual has his/her own breaking point, which can be described using the fraud triangle.

The perceived pressure for these criminals is high as they contemplate what is at risk for them if the fraud is revealed, including but not limited to: jail time, loss of respect, financial losses, embarrassment, family exile, and loss of status. As these perceived pressures and consequences accumulate, less and less opportunity or rationalization is needed to justify the murder of those individuals in a position to alert third parties of the illegal activity. The more pressure the suspect perceives the easier it is for them to rationalize and validate the crime at hand, even if that crime is as extreme as murder.

### Cases involving red -collar characteristics

The cases that are outlined below provide a detailed analysis of the situation and the circumstances in which each crime was committed. These cases, although under different circumstances, all involve those who would be considered by most as the “typical” white-collar criminal attempting to conceal the crime through the act of murder. It is also important to note that those involved in the following cases had no previous documented record of being violent. Note that this is not a complete list of cases and that many others do exist.

**The Reginald J. Robinson case**—On April 27, 2008 a man by the name of Kashmir Billon was found in his car shot to death. Firefighters arrived on scene first responding to initial reports indicated that a vehicle was on fire. When they arrived they found a man, shot numerous times in the chest, lying outside the burning BMW. Billon was 42 years old and worked as a mortgage lender operating Billon Enterprises. Law enforcement officers investigating the case received a tip from an individual claiming that he was solicited by a Reginald J. Robinson to kill his business partner the Friday before Billon was murdered. The informant told authorities that during a golf game “[ ... ] Robinson offered to pay them \$50,000 to kill a business associate before Monday, April 28 [ ... ]” (Fraley, 2008, para. 5). Authorities investigated the lead and discovered that Robinson in fact was Billon's business partner. In addition, they discovered that Robinson had met with Billon a half an hour before the shooting at a gas station nearby. Robinson was later arrested by police and “[ ... ] was arraigned on charges of murder, solicitation of murder and being a felon in possession of a firearm in connection with the fatal shooting[ ... ] of Kashmir Billon” (Real Estate Fraud led to San Ramon Man's Murder, 2008, para. 2).

The investigation continued and authorities uncovered an alleged bank fraud involving a property owned by Robinson. RR Finance, a company set up by Robinson, bought the 5,000 square foot property for \$210,000. With Billon's financial help, the property was subdivided where two brand new homes were built. Robinson orchestrated a scam involving the sale of one of the homes to a fictitious person that would defraud JPMorgan Chase for \$417,000. The plan involved two individuals, Miguel Angel Alvarado and Javier Gómez, hired to pose as “Francisco,” the invented buyer of the home. Robinson supplied these individuals with both falsified driver's license and green card so that they could obtain financing for the purchase of the home. “Francisco” would purchase the home at an inflated price of \$495,000 and provide the lender with an \$87,000 cashier's check to serve as the down payment. Escrow on the property was set to close April 28, 2008, the day after Billon was murdered. Once the escrow was closed “Francisco” would disappear leaving JPMorgan Chase holding

the worthless mortgage. Robinson on the other hand would pocket the \$417,000 minus his original investment and the fees paid to Mignel Ángel Alvarado and Javier Gómez.

Records indicate that Robinson was in extreme financial duress and authorities speculate that Robinson was looking for a solution for his financial problems:

The California Franchise Tax Board sent him a series of liens demanding thousands of dollars in back taxes and penalties, and [ ... ] a bank financing his home [ ... ] started the foreclosure process, claiming it had not been paid (Bulwa, 2008, para. 21).

Authorities believe that Billon became aware of the scheme and confronted Robinson regarding his illicit transaction. Authorities propose that Robinson became desperate and felt he had no other choice but to silence Billon. Authorities are unsure whether Robinson hired someone to kill Billon, or if he himself was the shooter. Despite the fact that prosecutors cannot prove that Robinson physically killed Billon, the circumstantial evidence linking Robinson to the murder is overwhelming.

**The Albert Walker case**—Albert Walker was a businessman who worked for a financial services company in Canada. Walker began luring his friends, family, and parishioners from his local church to make investments with him. “Walker duped his friends and acquaintances by assuring them that their money would be invested in government bonds and other solid investments” (Babbage, 2007, para. 4). He would instead send the money to various offshore companies and accounts in which Walker controlled. One such offshore company included the United Canvest Corporation in the Cayman Islands. Eventually, Albert Walker fled Canada taking with him between \$2.5 and \$3.2 million worth of investments from over 70 individual investors. In 1990, Walker migrated to England with his daughter, Sheena Walker, and started a new life with the money he had embezzled. Meanwhile in Canada, officials had charged Walker with 18 counts of fraud, theft, and money laundering.

In 1992, Walker had become close friends with a television repairman named Ronald Platt who lived in Essex, England. Platt had expressed to Walker that he had an interest to move to Canada. Walker encouraged his friend to move to Canada, and in 1992 paid for all the expenses associated with his relocation:

In exchange for bankrolling Platt's emigration to Canada in 1992, Walker took possession of Platt's birth certificate and driving license, and lived for three years with Sheena in southeast England as Mr and Mrs. Platt (Daughter of the Killer Albert Walker Breaks Silence, 2005, para. 15).

After three years of living under the name of Ronald Platt, the real Ronald Platt returned to England due to economical deficiencies with the Canadian economy. The real Ronald Platt took residence nearby where Walker was living causing a problem for the imposter. Now with two Ronald Platts living nearby, Walker became fearful of being discovered and prosecuted for his past crimes.

In desperation Walker convinced Platt to accompany him and help on a short sailing trip. Once at sea, Walker hit Platt over the head rendering him unconscious. Walker then tied a ten-pound anchor to Platt's belt and threw him overboard leaving him there to drown. One week later miles offshore, a commercial fisherman pulling up his fishing net discovered Platt tangled in the net along with the anchor in which he was attached:

Police initially thought the victim had committed suicide. But after establishing Platt's identity through the (serial number of the) Rolex watch on his wrist, and discovering that someone else was living under his name, Devon police launched a murder investigation Jenish, 1998, para. 5).

British police arrested and charged Walker with the murder of Platt before he was able to flee the country. In 1998, British courts convicted Walker of murder and sentenced him to life in prison. "That same year the Canadian court charged Walker with 37 counts of fraud, which was to replace the 18 counts he had been charged with in 1993" (Perri and Lichtenwald, 2007, p. 26). Walker has since been extradited to Canada, where he is to serve the remainder of his prison sentence. Upon return to Canada in 2005, Walker has since pled guilty to 20 frauds and theft-related charges and has been sentenced to five additional years in prison. To date investigators have only been able to recover one million of the reported \$2.5-\$3.2 million that Walker initially swindled from friends and family, leaving the majority still to be discovered.

**The Dennis Gaede case**—Dennis Gaede was an accountant who worked part-time as a tax preparer. In 2001 Gaede fled his home in Wisconsin avoiding felony charges, for aiding in a jailbreak, and moved to Fargo, North Dakota. He also brought along his wife, Diana Fruge, her son Joshua, and the identity of his close friend Timothy Wicks. "[ ... ] Gaede assumed the identity of Wicks. Gaede had prepared his tax returns so he had access to all Wicks' personal information" (Ex-Wife Implicates Dennis Gaede in Murder, 2004, para. 22). Once settled in Fargo, Gaede used Wicks' identity to find a job as a bookkeeper, buy a home, and open numerous credit cards.

Wicks having kept in contact Gaede throughout the move to North Dakota, told Gaede that someone had been fraudulently using his identity to open a credit card. Fearful of getting caught and being forced to go to prison, Gaede convinced Wicks to come visit him in Fargo. Knowing that Wicks was an aspiring musician, Gaede told him that he had gotten them a job paying \$800 a week to play in a band in Canada. During this same time Gaede began to steal funds from his work, first starting very small with minute amounts of petty cash. As time progressed the amount stolen gradually increased, growing from \$20 in petty cash to \$4,000 checks being written and cashed without authorization. Upon further inquiry "[ ... ] around Christmas[ ... ] [the company] noticed money missing - \$15,000 in checks paid to Tim Wicks or his wife [Diana Fruge]" (Gaede Accused of Stealing Wicks' Identity, 2002, para. 17). They discovered that Gaede had given himself a Christmas bonus to which he was not entitled. Outraged, his employer contacted Fargo police and proceeded to file criminal charges against Gaede for embezzlement. By this time Gaede had stopped showing up for work all together.



Gaede then left for Milwaukee to pick up Wicks and brought him back to his home in Fargo where they would stay for a couple of days before they would supposedly leave for Canada. In December 2001, Gaede shot Wicks in the chest; not dying immediately, Gaede proceeded to suffocate him by placing a garbage bag over his head. Gaede then drained Wicks' bank accounts and proceeded to rent a backhoe so that he could bury the body in his backyard. However, the ground was so frozen that the backhoe proved to be ineffective. Moving to the next alternative, Gaede planned to drive to Michigan near his family's cabin, and dump the body in a cement sewer:

Plan B involved using Wicks' credit card to rent a U-haul, go into this store to buy an ax, gloves and other items[ ... ] they drove to the upper peninsula of Michigan to bury the body [ ... ] (Stafford, 2006, para. 52).

Gaede, unable to locate the concrete sewer to dump the body, decided to dump the body in the surrounding area. In an attempt to hide the identity of the body, Gaede dismembered the body by cutting off the hands and head and disposing of the body parts in separate locations in Wisconsin and Michigan.

Meanwhile, the embezzlement investigation led by Fargo police had identified Gaede as the culprit responsible for stealing the identity of Wicks. The dismembered body was soon discovered and police were able to identify the victim as Timothy Wicks. Investigators were able to link Gaede to the murder once they searched his home and found DNA evidence. Gaede was subsequently tracked to a campground in Nebraska in a recreation vehicle purchased with Wicks' money. Gaede was then convicted for the murder of Wicks and is serving a life sentence without the possibility of parole.

**The Irwin M Margolies case**—During 1981 and 1982, Irwin M. Margolies, the owner of the Condor Company, was coordinating a multi-million dollar embezzlement scheme that would essentially defraud their investors and creditors. Margolies forced his controller, Margaret Barbera, to approve and record fictitious sales on the company's books. “[ ... ] Margaret Barbera, said that Irwin Margolies[ ... ] had told her that he had ‘generated invoices that were fictitious’ to get advance payments on the hills from a financing company” (Raab, 1982b, para 2). She agreed to help with accounting for these fictitious invoices because Margolies indicated that he was in financial trouble and assured her that he would repay the financial company for the advance. Margolies began to abuse the use of fictitious invoices and continued to obtain additional advances from creditors using the money to finance their personal expenses. The continuous falsification of company sales led to the eventual bankruptcy of the company.

Once the company failed and filed bankruptcy, leaving lenders holding \$6 million worth of debt that they would have to write-off as a loss, a federal investigation was launched. The investigation led authorities to Barbera who controlled the company financial records. “She had pleaded guilty[ ... ] to Federal conspiracy charges involving fraud and[ ... ] had agreed to cooperate with the United States Attorney's office[ ... ]” (Raab, 1982a, para. 4). The prosecution also obtained the former bookkeeper of Condor Company, Jenny Soo Chin, to help with the investigation and to testify against her former employer, Margolies.



In an attempt to escape jail time, Margolies, destroyed all accessible company documents. He then confided in his lawyer, Henry Oestericher, asking him to coordinate the murders of both Chin and Barberd. Oestericher testified:

Mr Margolies wanted to kill the two employees[ ... ] because he had learned they would aid the Federal Government in its investigation into his business[ ... ] But he wanted[ ... ] Barbera killed first because she had the records that would convict him (Chambers, 19M, para. 4).

Oestericher proceeded to find and hire Donald Nash to carry out the two murders. Nash stalked the two victims for months before making his move. On January 5, 1981 as Chin was leaving Barbera's apartment she was abducted by a man wearing a ski mask:

Nine days later, Mrs. Chin's blood-stained station wagon with a .22-caliber shell casing in it was recovered[ ... ] Her body has never been found, but she is presumed by the police to have been slain" (Raab, 1983, para. 6).

On April 12, 1982, Barbera was abducted from a rooftop parking lot. Three CBS employees were shot and killed while attempting to come to her aid. She was later found murdered with a fatal gunshot wound to the back of the head. Margolies paid Nash \$8,000 for each murder and he received an additional \$5,000 for having to kill the three CBS employees.

In exchange for his testimony implicating Margolies and Nash in the murder for hire scheme, Oestericher received state and federal immunity in connection to the murders and the fraud. In addition to the testimony provided by Oestericher linking Nash to the five murders, evidence collected at the murder scenes were also critical in incriminating Nash. Police recovered .22-caliber shell casings from the murder scenes and Nash's place of residence. Ballistics tests revealed that all the casings were shot from the same .22-caliber handgun. Nash was eventually convicted and is serving a life sentence without the chance of parole. Margolies was convicted and is serving a 28 year Federal prison term for the nearly \$6 million fraud involving his jewelry company. In addition to this charge Margolies has also been convicted for the murders of federal witnesses and will serve an additional life sentence that is added on to his previous sentence.

Despite the fact that the above cases directly address the relationship, if any, between white-collar criminals and violence, very limited data is available with respect to this issue. A lack of resources often prevents law enforcement from pursuing these criminals and corporate investigations (civil) are often handled internally only with no outside prosecution. As a result, it is extremely difficult to actually know how many white-collar criminals have violent tendencies. Future researchers should focus on the collection of such statistics by encouraging public and private entities to be more vigilant in the prosecution of white-collar criminals so that they may then be tracked in the system.

### **The risks associated with being a forensic accountant**

As the use of forensic accountants and fraud examiners becomes more common, it is important to emphasize the potential dangers that these individuals unknowingly face throughout their daily activities when investigating a case of fraud. Many within the field do not realize or acknowledge that investigating fraud can and does have potentially

dangerous consequences. The fact of the matter is that forensic accounts and fraud examiners are in the position to ruin someone's livelihood and career. Depending what is revealed during an investigation peoples' lives may be ruined, reputations are tarnished, people are at risk of receiving massive fines and harsh prison sentencing, lifestyle is taken away, and families are torn apart The list of potential consequences is endless. In reality these fraudsters have the world to lose and many will do anything to maintain their current lifestyles and avoid the embarrassment of being discovered.

The two cases dismissed below aim to outline that forensic accountants and fraud examiners in many ways deal with the same dangers as a detective investigating a crime without the luxury or ability to carry with them protection such as a firearm. This is not to state or imply, however, that forensic accountants and fraud examiners are in more danger than law enforcement officers on a daily basis. It is strictly meant to point out that when forensic accountants and fraud examiners are investigating a case of fraud, the same dangers apply to them during interviews and collection of evidence as does law enforcement officers.

**The Al Vondra case**—In Cleveland, Ohio, Al Vondra during his normal commute to the office was driving on Interstate 77 when unexpectedly all four of the tires on his vehicle exploded. As he lost control of the vehicle, the gas tank slammed into the pavement at over 65 miles per hour sliding to a complete stop. Luckily for Vondra Lhe vehicle did not catch fire and no additional collisions occurred. He was able to walk away from accident with no major injuries to report:

At the time[ ... ] [of the accident,] Vondra was working with the US Department of Justice to liquidate a \$20 million portfolio owned by a group of businessmen engaged in a highly risky and[ ... ] illegal investment scheme[ ... ] (Attempted Murder of a Fraud Examiner, n.d., para. 2).

As the forensic accountant on the case, Vondra was put in charge with the task of uncovering the details of the illegal investment scheme. During his investigation Vondra found that the principles responsible for the investment fund were targeting heavily invested retirement funds and Amish investors to use the funds in high-risk investment environment All those involved in the deceptive investment scheme were prosecuted for their illicit activities. Owing to the timing of the accident in relation to the criminal investigation in which Vondra was involved, the US Department of Justice contacted the Federal Bureau of Investigation (FBI) to investigate the accident to determine foul play. Unfortunately, the FBI investigation was unable to link someone to the incident:

For Vondra, It was his awakening to just how serious the consequences of this sort of accounting work could be. After all, people don't normally try to kill you for doing their taxes (Attempted Murder of a Fraud Examiner, n.d., para. 2).

**The Michael Wansley case**—Michael Wansley was an Australian auditor and an insolvency expert who worked for Deloitte Touche Tohmatsu. Wansley, along with a team of 14, were sent to Bangkok to help with the restructuring of many Thailand sugar mill companies. “Mr Wansley[ ... ] was working for the banking neditors of the Kaset Thai Sugar Co to help address the firm's 17.1 billion[ ... ] [\$495 million] debt” (Gunman held for

Murder of Australian Auditor, 2002, para. 5). During the investigation Wansley uncovered a substantial fraud within the accounts of the Namtel Kaset Sugar Group. Upon discovering the immense fraud taking place, Wansley began to propose aggressive counter measures on the areas in which controls were being bypassed and fraud was being perpetrated.

Wansley soon began to receive death threats regarding the findings and his persistence in resolving the matter. “Although he'd been warned to stay away, there was a misguided belief that being a foreigner would keep Wansley safe from intimidation” (Lloyd, 2002, para. 10). On March 10, 1999, on route to the client location, a motorcycle pulled up next to Wansley's vehicle upon which a passenger opened fire. Wansley was shot eight times and died on scene. The driver of the motorcycle and the gunman were both later apprehended on March 21, 1999 and were convicted five days later sentenced to life in prison.

The murder had also been connected to Namtel Kaset Sugar Group including the mill's human resource manager and the owner, Pradit Siriviriyakul. A mill employee “[...] revealed Pradit had told an employee: ‘This must be [kept] quiet- it's good that the foreigner is dead – so that nothing comes back to us’” (Levett, 2006, para. 9). Other evidence connecting Siriviriyakul to the apparent contract killing included the gunman's phone records indicating that the gunman had called Siriviriyakul on both his mobile phone as well as his landline. Despite this evidence, the Thailand courts ruled that there was not sufficient evidence incriminating Siriviriyakul. All charges against Siriviriyakul were dropped. However, many continue to speculate that Siriviriyakul was the one responsible for ordering the killing. Many also feel that due to government corruption and an alleged \$4 million bribe to a judge earlier in the trial, the man truly responsible for the death of Wansley remains a free man.

### **What can fraud examiners do to prepare for red-collar crime?**

It is virtually unknown what people are capable of when the right circumstances and pressures are applied to a situation. Murder is not a far stretch for many white-collar criminals as the risk of being exposed as a nook or becoming humiliated often is too much for an individual to handle. It is important for fraud examiners (and other investigators) to recognize that red-collar criminals kill as a solution to a perceived problem. The main objective for someone investigating fraud should be to become more aware of the dangers associated with an investigation. In some ways the fraud examiner should continue an investigation as an officer of the law would. An investigator must be prepared for the worst when investigating a potential fraud.

This is especially true when participating in interviews with those suspected of participating in fraudulent transactions. The interview can pose to be the most dangerous aspect of the investigation for a fraud examiner. This is because it is at this time that the interviewee is being pushed to provide the truth and is at risk of exposing him/herself to the consequences associated with the crime. Those being interviewed may lash out violently when the pressure of an interview builds and the suspect is unable to cope with their anxiety. Red-collar criminals look the same and often act the same as everyone else. Just as there is not a true stereotypical mold for a white-collar criminal, there is no such mold for red-collar criminals that describe what they look like or even how they act.

Anyone could potentially become a white-collar criminal and anyone can potentially become violent. With this in mind, it is easy to conclude that just about anyone could become a red-collar criminal when the right amount of pressure is present in a given situation. Fraud examiners must not ignore the potential risks associated with an investigation or for that matter, become lax or too comfortable. It is important to be prepared for anything, even violence. For many investigators, especially fraud examiners, additional training may be necessary. This may include training in the use of a firearm or, at a minimum, knowledge of self-defense techniques that could be used in the event that a situation turns violent. It may not be practical but fraud examiners, accountants, and other non-law enforcement professionals may want to consider being accompanied by an experienced police officer when conducting interviews. At a minimum, all individuals should take appropriate precautions (e.g. similar to those taken by law enforcement) when conducting investigations/interviews of suspected white-collar criminals.

## Conclusion

Public perception and understanding of the negative impact of white-collar crime has evolved considerably since the term was first introduced. During the last decade the public has become outraged with the amount of corporate greed and corruption within large organizations. Previously, white-collar crime was seen as a victimless crime that did not deserve large prison terms or consequences. But, as evidenced from the large corporate scandals in the early part of the century, it has become clear that 1,000s of victims are likely from white-collar crime. And the cascading impact of such trauma can have ripple effects throughout society. For example, multi-million dollar scandals may lead to increased taxes, lost investments/retirement and lost employment. Greed is an ongoing problem in the corporate world and it is this individual greed that fuels the fire for fraud. Regulations need to be in place to help minimize the chance that such crimes can be prevented.

Despite the best attempts by government legislation, there is no real solution for fraud other than awareness by consumers, government, employees, corporations, and executives. Unfortunately, fraud cannot be legislated away as has been evident from the last set of laws that were passed, namely the Sarbanes-Oxley Act. This was passed in part as a way to deter corporate fraud, yet less than seven years later, another round of corporate greed and fraud has collapsed the financial market. Fraud is a never-ending phenomenon that will require society's sustained attention.

The main reason why white-collar crimes are perceived as non-violent and as less serious than street crimes is because the public does not have a clear perception of white-collar crimes and its consequences. Rosenmerkel (2001, p. 325) argues that in order for public perception to change, an accurate depiction of white-collar crime and its dangers must be presented in such a way that the general public understands so they are:

[ ... ] able to identify the problem with the commission of a particular offense. It is only then that they might be able to realize the true harm that can result from white-collar crimes.

Hopefully the cases reported here shed light on an area that has been previously neglected. It is important for all those involved in an investigation to be aware of the possibility that white-collar crime can and does become violent. Being aware and prepared for violence is the best way to combat the dangers associated with an investigation. Future researchers may want to study white-collar criminals more closely in an attempt to identify possible individual differences, such as a personality trait like psychopathy, which may cause an individual to behave violently. Ultimately, the goal should be to understand if/when there is an increased risk of violence from any given suspect.

## Biographies

Richard G. Brody is the Rutledge Professor of Accounting in the Anderson School of Management at the University of New Mexico (UNM). He earned his PhD in Accounting from Arizona State University. He is a Certified Public Accountant, a Certified Fraud Examiner and a Forensic Certified Public Accountant. Brody also holds the Certified in Financial Forensics credential. He is an Associate Director for UNM's Center for Information Assurance Research and Education and serves on the Board of Advisors for *Fraud Magazine*, the monthly publication of the Association of Certified Fraud Examiners. Brody's research addresses issues related to forensic accounting, auditing, and corporate governance. Recent research has focused on issues such as corporate fraud, identity theft and the impact of corporate governance structure on auditor judgment.

Kent A. Kiehl is an Associate Professor of Psychology and Neuroscience at the UNM and the Director of the Mobile Imaging Core and Clinical Cognitive Neuroscience at the Mind Research Network in Albuquerque, New Mexico. He completed his Masters and Doctorate in Psychology at the University of British Columbia. Kiehl conducts clinical neuroscience research of major mental illnesses, with special focus on criminal psychopathy, substance abuse, and psychotic disorders. Kiehl uses non-invasive techniques for measuring brain function, including event-related potentials and functional magnetic resonance imaging. He has authored over 80 peer-reviewed manuscripts and book chapters and he currently directs five major National Institutes of Health projects in the areas of adolescent psychopathy, adult psychopathy, substance abuse, and early stage psychosis.

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