

# Abstracts

## ***Keeping up appearances! About (pseudo)integrity, the powerlessness of regulation and the social license theory***

*Patrick Van Calster, Wender van Mansvelt, Niek de Witte and Karin van Wingerde*

In recent years the world has become increasingly aware about the natural environment and how our climate is being affected by mass consumption. Mass media have published a great deal about the issue and news paper articles on environmental change have amplified rapidly over the last decade. Together with the United Nations climate panel, Al Gore even received the Nobel prize in 2007 for his documentary on climate change and the way in which it has become an acute threat to the entire globe. Such attention has been heralded by politicians and climate experts all over the world, for it would move both producers and consumers to behave more environmentally friendly. Indeed, if one may believe firm advertisements it would seem as if producers have really become more conscious. Companies advertise about their sincere dedication to incorporate 'green' solutions into their business strategy and persuade potential customers to buy their green products. But how dedicated are these firms in reality? This chapter reflects on the motivation of firms to acquire an environmentally friendly appearance, arguing that most corporations do not act out of public congeniality. Rather it offers a way to influence popular beliefs, hence increasing their profits. By adopting both a governmental as well as a market oriented approach to the problem, the authors provide a variety of options to deal with such companies.

## ***CSR: its efficiency to prevent corporate crime? The test of Corporate Environmental Responsibility***

*Gudrun Vande Walle and Lieselot Bisschop*

This article sheds light on the prevention of harmful corporate behavior and more in particular discusses Corporate Social Responsibility (CSR). We try to answer the question to what extent CSR is an adequate instrument to prevent harmful entrepreneurship. Our attention centers on a particular domain of corporate harm: corporate environmental crime and corporate environmental responsibility (CER).

An introductory part discusses the definition and development of CSR and CER. A second part concerns comments regarding the adequacy of CSR/CER in preventing corporate (environmental) harm, seen from a criminological point of view. This includes the definition, the etiology and the reactions ('stick' and 'carrot') to corporate (environmental) crime. In a third part, we present the results of an explorative research into the perceptions on corporate environmental responsibility and corpo-

rate environmental crime of various key figures and stakeholders in the European Union (business, government, trade union and NGO). In the end, we reflect on the strengths and weaknesses of CSR/CER as preventive means by providing a number of subjects for debate. Based on the arguments and findings put forward in this article, we conclude by presenting a cautious argument in favor of CSR as an effective instrument to prevent harmful entrepreneurship.

***Waste related crime and vulnerabilities of the waste sector***

*Stijn Van Daele and Tom Vander Beken*

This chapter focuses on crime and criminality within the waste disposal industry. The notion 'waste related crime' deserves a broad assessment. In the first place, this crime is studied from various perspectives: phenomena, purposes and offenders. Each perspective deserves particular attention. One thing that influences all three approaches is the nature of disclosure of environmental crime. These crimes are seldom reported by victims and are often only discovered because of law enforcement efforts. They are often committed to save money and reduce costs. Citizens as well as legal companies and sometimes even criminal organisations can engage in these crimes. After a general outline of environmental crime, the causes of these crimes, embedded in the organisation of the waste management industry, are discussed. A part of these can be brought back to the victimless nature of this crime. Other aspects create additional incentives to engage in criminal activities as well. Examples can be found in regulation and enforcement, which does not capture all aspects of waste management. Other vulnerabilities, however, are part of the economic framework in which waste is dealt with.

***Globalisation of corporate crime: The trade in Liberian conflict timber***

*Kristina De Rycke and Gudrun Vande Walle*

Together with the globalization of markets corporate crime has crossed the borders of the western world with sometimes bad implications for the people in non-western countries. The study of cases of corporate crimes committed by transnational companies in non-western countries forces criminologists to put the concepts and aetiology that have emerged from the short history of organisational criminology under revision and forces them to think about new questions: what about legal but harmful activities in a corrupt political environment? Who are the perpetrators? How to punish in complex transnational cases? The logging and trading of conflict timber in Liberia provides an excellent case against which these questions can be addressed. Besides the fact that the transnational logging industry has created an environmental disaster in Liberia, the case provides a perfect illustration of the complexity of transnational corporate crime: logging and trading conflict timber involves a whole range of responsible actors in Liberia and in western countries; remarkable forms of cooperation between public and private actors are implicated; and different types of crimes are tied up and streng-

then each other. Nevertheless, the case shows that the international community has a number of important yet insufficient instruments at its disposal that may be able to contain corporate crime in non-western countries.

***A matter of bricks and stones: a criminological view in the kitchen of real estate***

*Hans Nelen*

The debate on the entwinement between the real estate sector and serious forms of crime has been dominated for a long time by the image of drug traffickers infiltrating an ‘immaculate’ economic sector in their efforts to launder the proceeds of crime. Recently, in the Netherlands this one-sided perspective shifted, partly due to the results of a large-scale law enforcement investigation into a major fraud scheme. This investigation is still ongoing, but the preliminary results reflect a dark side of the ways ‘regular’ business is being done in this sector. The latter case suggests that the real estate sector may not only attract ‘adventurers’ who invest illegitimate funds for money laundering purposes, but that the sector is also an attractive playing field for white collar criminals. In this contribution the Dutch property market and the crime inducing features of this sector in particular will be scrutinized.

***Compliance in the Belgian financial sector. Or how self regulation and public regulation intertwine***

*Antoinette Verhage*

‘Compliance’ is a blurry concept in which several activities, functions and regulations are gathered. In this contribution, we discuss one of the interpretations of ‘compliance’: the Belgian interpretation of compliance, as applied in the financial sector. The Belgian interpretation of compliance by banks, is strongly related to the battle against money laundering and financing of terrorism, but also to other ‘risk managing’ regulations. We explain why anti money laundering is such an important issue for banks, which motives underlie the implementation of far-reaching anti money laundering measures, and how the compliance function is part of this anti money laundering battle. After this view on the compliance profession in Belgian financial institutions, we conclude that compliance does not simply equal self-regulation, but is merely a combination of several influences, resulting in an intertwining of self regulatory, regulatory and legislative processes.

***The Accounting Establishment***

*Marcel Pheijffer*

The title of this chapter – The Accounting Establishment – refers to a significant report (1976) from the US Senate. The accounting establishment in the United States – and in other parts of the world – is primarily comprised of the Nation’s

largest accounting firms, certain influential professional bodies and business lobbying groups, and also a few federal agencies. This article points out that the recommendations in this and some other reports can be read as important red flags regarding accounting issues. Some structural fatal flaws are detected in the way the profession is organised and regulated. The main conclusion of this article (2008) is the same as in the Senates report (1976): accounting issues are too important to be left to accountants alone.

### ***Identity fraud and foreign corporate entities***

*Henk van de Bunt and Karin van Wingerde*

Increasingly, criminologists have become concerned with the problem of identity fraud. In today's society it has become more important to establish the identity of people in order to assure public safety. At the same time, however, the processes through which our identities have to be determined have increasingly become digital and uniform resulting in more vulnerability for identity fraud rather than less. The current chapter, addresses one type of identity fraud, identity creation, and illustrates this by means of the misuse of foreign corporate entities.

### ***Financial-economic crime: paradigms, causes, victims and the relation to community (oriented) policing***

*Paul Ponsaers*

The interest of this chapter is twofold. The author starts in the first three paragraphs with an overview of some debates that have dominated the study of corporate crime in last decennia: 1. the definition debate and the function of the criminal code for delineation; 2. the main paradigms to explain this kind of crime and 3. the victimisation debate highlighting the way this victim differs from victimisation of traditional crime. However this theoretical overview is not an end but a means to explain the way the criminal justice system can be mobilised. Finally the author explains why the general police is selectively concerned with financial-economic crime and restrains its activities to the fight of crimes related to the financial market. Why is the community oriented policing approach not applicable to police work in the domain of financial economic crime? Why is the general police denying public concerns about environmental crime in the neighbourhood or about unsafe working conditions in the construction sector?

### ***Consumer risks and food safety***

*Tom Lierman*

Food safety and the integral control of the food chain are relatively young concepts but very popular. Although there have been in the (recent) past several examples of scandals and crises in relation to our food, the association with crime

is rarely made. They can be classified in different typologies of fraud. This form of criminology can be considered to be enterprise criminology as well as green criminology. There are numerous enterprises active within the economy of the food chain starting with the countryside industry (agricultural farming, cattle dealers, breeders and people who fatten up), over the sector of the transition (industry of dairy products, slaughterhouses, industry of the feeding of cattle) and ending with the distribution (supermarkets, restaurants, traders). There are many actors (public services, offenders, victims, interested groups and organisations of the sector), directly or indirectly, involved in the prevention (self compliance and surveillance by the enterprises) and repression (the criminal law as *ultimum remedium*) of crime in the food chain.

### ***Environmental law enforcement***

*Annelies Balcaen*

The aim of this contribution is to introduce people in the way environmental law enforcement is organised in Belgium. Environmental law is a complex and hardly transparent legal domain and the Belgian state structure makes it even more complex. That makes that enforcement of environmental law is basically not obvious. Environmental law enforcement is a mixture of criminal, civil law and administrative law partly belonging to the jurisdiction of the criminal court and partly belonging to the competences of the environmental administration. Implementation of measures and sentences differs strongly and it is hard to find enforcers who are experts in the field. Recently a new enforcement law has been introduced in the aim to make the system more efficient.

### ***Companies and the violation of international law***

*Wim Huisman*

This chapter provides an insight into the prevalence and appearances of the involvement of multinational corporations to human rights violations and environmental harm. It will be explored whether this complicity can result in a criminal breach of international criminal law and if the company can be held liable for these crimes. Violations of international law by multinationals appear to be more than an accidental phenomenon. Most prominently in developmental countries and conflict areas, economic interests of corporations can lead to human rights violations. While corporations are increasingly internationalising, regulation and enforcement remain mostly only available on a national level.

### ***Private control in case of horizontal fraud***

*Bart De Bie*

In this chapter we focus within a Belgian context on the so called horizontal fraud, financial economic crime from which companies can become a victim.

Major corporate fraud scandals in the last decade and the political reaction thereupon from the US, European and Belgium authorities have had a substantial impact on the market development of private fraud enforcement initiatives. In continental Europe, a new discipline, forensic audit, is born. In Belgium, the Institute of Forensic Auditors (IFA), founded in 2001 as a not for profit association sets standards and monitors compliance to these standards. The Big Four and independent forensic audit firms develop specialized preventive and investigative services, both for private and public sector. With the support of the IFA, also private-public co-operation in combating fraud is enhanced in two directions: from public to private and from private to public.

***Investigating internal fraud by private research bureaus***

*Patrick Van Calster*

This contribution explores the practical possibilities and strategies private research bureaus have to research internal fraud.

***Internal fraud: irregularities in a culture of carelessness? On processes of sense-making and decision making in organisations as a result of internal fraud and the investigation by a private research bureau***

*Patrick Van Calster*

Many, if not most criminological research is merely interested in organisations as rational and functional actors and neglects human processes that are underlying these rationalities and functionalities. This contribution is interested in both, that is it is interested in both processes of decision-making and processes of sense-making. After all, organisations have to make sense from a pile of data and information and have to cope with ambiguity and confusion. We are interested in how organisations cope when confronted with internal fraud. We will elaborate on the fear that is involved with denominating fraud, the changes it brings to processes of organisation, the organisation communications on fraud, the possibility of image damage and the reasons why organisations are not reporting to the public services.

***Towards stimulating integrity management in the public sector***

*Evi Devis and Jeroen Maesschalck*

This chapter aims to take a perspective that is broader than organizational crime. It focuses on ‘integrity’ within organizations, which not only refers to the absence of crime, but also to appropriate and considerate handling of ethical dilemmas. Appropriate ethics management will therefore not only include ‘compliance’ instruments (e.g. rules, laws, procedures, punishment mechanisms,...), but also ‘integrity’ instruments (e.g. value codes, coaching, interactive training, etc.) that

support staff in dealing with ethical dilemmas. The chapter focuses on ethics in the public sector, because of the recent interesting movements in this sector. The chapter starts out by defining the central concepts and then lists some reasons for a growing interest for integrity in the public sector. It then continues by explaining each of the two main approaches to ethics management, illustrating each of them with a concrete example of an instrument: whistle-blowing arrangements as an example of the compliance-approach and dilemma training sessions as an example of the integrity approach. The last paragraph presents the elements of a 'toolbox' for ethics management in the public sector: a number of instruments that could be used by public managers. The conclusion presents a plea for more mutual learning between the literature on organizational crime on the one hand and the literature on organizational ethics or integrity on the other.

### ***Integrity and integrity violation in the public and private sector***

*Leo Huberts, Michel Hoenderboom and Judith van der Veer*

This chapter argues that criminologists could enrich their research by not only focusing on 'corporate crime', but also on 'corporate integrity'. Integrity does not only encompass adherence to formal (legal) rules, but also correspondence with the prevailing moral norms and values. Integrity therefore requires constant debate about what 'relevant publics' consider acceptable or not acceptable. A move from research on organizational crime towards research on organizational integrity adds to our knowledge on (the causes of) integrity violations and helps to develop strategies to safeguard ethical behaviour.

### ***Enforcement capture***

*Bob Hoogenboom*

The literature concerning inspection and enforcement is mainly concentrated on legal definitions, on competences, reorganisation and less bureaucratic control systems. Less attention goes out to the way the private sector (un)consciously or improperly manipulates the inspection and enforcement agencies. In this chapter the author is looking further than behind the traditional approach to behaviour that endangers public interest but is not considered as such. The central concept is regulatory capture, in this chapter referring to the situation of an enforcement agency that is considered to serve the public interests but is captured by the private interests of one company. The chapter is abundantly illustrated with real stories of manipulation. It is in fact an indictment of criminology that is captured by the criminal code and limits its research to open sources. Criminologists miss a part of reality. The author pleads to leave the pathway of conservative methods and resources and to search for hidden and 'dirty data'.