White Collar Crime

The following is an overview of offenses generally considered to be examples of white-collar crime.

Securities Fraud

Securities fraud comes in many flavors, but one common type is "insider trading," in which someone with inside information about a company or investment trades on that information in violation of a duty or obligation. For example, an executive knows confidential information about an upcoming company earnings report decides to sell of a chunk of his stock in the company. That would be considered securities fraud; specifically, insider trading.

Another type of securities fraud occurs when someone seeks investment in a company by knowingly misstating the company's prospects, health, or finances. By luring an investor to put up money based on false or misleading information, the company and individuals within it commit securities fraud. False or misleading statements in public reports from publicly traded companies also can constitute securities fraud. To commit securities fraud, those speaking on behalf of the business must make these f alse statements with knowledge that they're false, or at least reasonably should have known them to be false.

Other White-Collar Frauds

Many types of fraudulent schemes, including mortgage fraud and insurance fraud, are amongst the more common white collar crimes. These can be as common as an individual embarking on an insurance scheme to improperly collect on an insurance policy after lying in application materials. They can also extend to larger scale schemes by businesses to defraud their customers or others in the marketplace.

Ponzi schemes and o ther business related scams to fraudulently take money from investors have been some of the most famous white-collar crimes. These can take all shapes and sizes.

Embezzlement

The crime of embezzlement involves improperly taking money from someone to whom you owe some type of duty. The most common example is a company employee that embezzles money from their employer by siphoning money into a personal account.

Tax Evasion

Criminal tax evasion is a white-collar crime through which the perpetrator attempts to avoid taxes they would otherwise owe. Tax evasion can range from simply filing tax forms with false information to illegally transferring property so as to avoid tax obligations. Individuals as well as businesses can commit criminal tax evasion. As with fraud, there are perhaps infinite ways to commit tax evasion.

Money Laundering

Money laundering is the c riminal act of filtering illegally obtained ("dirty") money through a series of transactions designed to make the money appear legitimate ("clean"). Money laundering often involves three steps:

1. First, the money is deposited into a financial institution such as a bank or brokerage.

2. Next, the money is separated from its illegal origin by layers of often complex transactions, making it more difficult to trace the "dirty" money.

3. The third step is integration. This is where the freshly "cleaned" money is mixed with legally obtained money, often through the purchase or sale of assets.

Charged with a White-Collar Criminal Offense Mr. Forester as an Attorney, a CPA, a former state auditor and a forensic accountant can help.