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WHITE COLLAR CRIMES IN THE CYBER WORLD -AN ANALYSIS

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Abstract

The weaponisation of technology reached heights these days which is leading towards the commission of number of crimes. White collar crime is one of those crimes which is in the limelight in present scenario. Dynamicity in the concept of crime from the ancient times to till date demands the apt stack of some rules and regulations which will help in curbing such devastative crimes. The crime which requires no physical force but still emerging as antagonistic factor towards the society. The mind game is all that is happening under the blanket of technology. Money laundering, banking frauds, copyright infringement, trade secret thefts etc. are the common examples of white collar crimes Despite the settled laws and legislations these crimes are very common in news highlights everyday. The need of the hour is to revisit these legislations and to come up with something which will have a greater impact on perpetrators.

Keywords: Crime, Cyber Crime, White Collar Crime

Introduction

Cyber. It is the inevitable prefix that currently defines our world. From people's privacy to interstate relations, the word "cyber" dominates headlines and discussions – so much so that we risk becoming paralyzed by the magnitude of the problems we face. Despite many remaining questions about the future of cybersecurity and governance, we must keep in mind that international cooperation is a key element in addressing the growing threats of cybercrime. Online exploitation and abuse of girls and boys; black cyber markets for the buying and selling of illegal drugs and firearms; Ransomware attacks and human traffickers are using social networks to attract victims. The unprecedented scope of cyber crime – crossing borders into our homes, schools, businesses, hospitals and other critical service providers – only amplifies the threats.[1]

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[1] ARTICLE: Acting to stop cybercrime (unodc.org) accessed on 02-11-2023

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Keeping people online more secure is a huge task and no entity or government has the perfect solution. Nevertheless, much can be done to intensify prevention and improve the response to cybercrimes, for example:. Build capacities, mainly law enforcement to cover possible legal gaps, particularly in developing countries;. And strengthen international cooperation and dialogue - between governments and the United Nations, as well as with other international and regional organizations, INTERPOL, business and civil society. Crimes related to cybercrime, such as the spread of malware, ransom ware, and hacking, the use of other programs for financial data theft, online child sexual exploitation and abuse, all have something in common beyond the term "cyber ": all are crimes. Police, prosecutors, and judges need to understand these crimes and must have the appropriate tools to enable them to investigate and prosecute offenders as well as protect victims. They must also be able to process and prosecute cases.[2]

The development of criminology has provided various theories regarding criminal behavior and the reasons why crimes occur. One such theory was the rational choice theory where a person commits a crime because of his circumstances. These situation-based theories focus more on the social and economic determinants of crime, such as family background and wealth levels. But this idea was criticized by criminologist and sociologist Edwin H. Sutherland when he introduced and popularized the term "white-collar crime" in the year 1939. He defined the term as a crime committed by a person of respectable and high social status. His job or business course. These crimes are committed by unethical people in the desire to get maximum profit from their business, job or profession. These crimes are mainly committed for financial purposes. Examples of white collar crimes are bank fraud, blackmail, bribery, cellular phone fraud, computer fraud, counterfeiting, credit card fraud, money schemes, fraudulent employment placement rackets, counterfeiting, health care fraud, etc. White collar crimes have developed their own dimension with time. The major change in this category of crime happened when the invention of technology blessed us with the Internet. The rise of the Internet has given rise to various computer crimes or cyber crimes. This leads to a mix of white collar crimes and cyber crimes.[3]

Characteristics of common white collar crimes

When it comes to white collar crimes, fraud is by far the most prevalent. To commit fraud, someone must knowingly make a false statement or omit relevant information. Trusting that

[2] ibid
[3] White Collar Crime in Cyber Crime - iPleaders accessed on 06-11-2023

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deception results in one losing money. Common types of deception include:

1. In the context of computers, "computer theft" refers to the illegal acquisition of financial, credit card or confidential business data.
2. Bankruptcy scams involve unlawful debtor harassment, creditor fraud, and asset concealment.
3. Accepting bribes in the health care industry, or charging for services not provided or unnecessary equipment or personnel. All sectors of the healthcare industry are vulnerable to these types of scams. This includes clinics, nursing homes, pharmacists, laboratories, mental institutions, emergency services, physicians' offices and even patients' residences.
4. Telephone solicitation (or "telemarketing") is a form of fraud where potential victims are contacted primarily through the use of the telephone.
5. Using another person's credit card details to make illegal transactions is known as credit card theft.
6. Insurance evasion refers to the practice of making exaggerated or fictitious claims against an insurer.
7. Use of the postal system for fraudulent purposes
8. Public housing, agricultural programs, military procurement, educational programs, and other government activities are all vulnerable to government fraud, which can take many forms, such as bribery in contracts, collusion between contractors, false invoices, misverification of standard parts. of, and replacement of counterfeit parts.
9. Commercial credit fraud, counterfeit checks, counterfeit movable instruments, mortgage fraud, verification and fake applications are all examples of financial fraud. Ponzi schemes and theft from investment funds are examples of stock scams.
10. Manufacture of counterfeit currency and production of counterfeit luxury goods are examples of counterfeiting.[4]

Most crimes on the Internet are white collar crimes because they do not involve any violence and are only financially motivated. Before the Internet era, these crimes were beyond the scope of computers only but now they are occurring at a wider pace through the Internet and the Internet world. Any crime committed on the internet is called cyber crime. White-collar, cyber crimes

[4] Gupta Himanshu Volume 25, March 2023 ISSN 2581-5504 www.penacclaims.com Page "White Collar Crime and India-Legal Insight"

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appear innocent because there is a lack of violence and they do not occur on the streets. The laws for these crimes have increased their dimensions and we are making more stringent laws for these white collar, cyber crimes. Many white collar crimes occur every day on the Internet.[5]

Reasons for the increase of white collar crimes in India The main reasons for the increase in white collar crimes in India are greed, rivalry and lack of adequate laws to prevent such crimes.

1. **Greed:** Machiavelli, considered the founder of modern political philosophy, was adamant that people are greedy by nature. He claimed that a man could more quickly and easily forget his father's demise than lose his inheritance. The same is true when white collar crimes are committed.
2. **Easy, long and fast effect:** The pressures of business, politics and rapidly increasing technology have given criminals access to new ways of committing white-collar crimes. Thanks to technology, it can now be faster and easier for a person to be harmed or lose something.
3. **Competition:** After reading Charles Darwin's "On the Origin of Species", Herbert Spencer coined the expression "survival of the fittest" to describe how evolution works. This shows that there will always be competition between species, and the best survivor will be the one that can best adapt to the environment.
4. **Lack of strict laws:** Law enforcement appears reluctant to pursue these cases as investigating and tracking these crimes becomes a challenging and complex task, as most of these crimes are made possible through the internet and digital methods of transfer payments.
5. **Modern technology:** One of the expectations of modern technology is ease of doing business. In a way, this expectation also applies to white-collar crimes, making it possible for them to reach more people and commit crimes on a larger scale without attracting the attention of the law.[6]

Major White Collar Cyber Crimes In India

1. **Computer Intrusion (Hacking):** This is one of the white collar crimes, cyber crimes that occur instantly over the internet. Hacking is a term generally defined as accessing a computer or the Internet without proper authorization. Hacking is the manipulation of the

[5] White Collar Crime in Cyber Crime - iPleaders accessed on 06-11-2023
[6] White-Collar Crime in India Overview, Types, Reasons (vakilsearch.com) accessed on 07-11-2023

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internal workings of information technology. Hackers attack user's private information for financial gain and monetary gain. The act of hacking also has other purposes such as someone accessing their family's email account, technically they would be account hackers. Sections 65 and 66 of the IT Act in India deal with the act of hacking, while Section 70 of the Act defines the punishment for it. Hacking includes various activities as per law such as introducing malicious software, destroying information, downloading copies, interference, unauthorized access to information. The revolutionary case in the field of hacking was the case of September 1999 when some hackers broke into the website of NASDAQ and American Stock Exchange. The case has been called a "bold electronic insult to the world's financial markets." The crime of hacking creates a cycle of crimes, if it is committed with the intention of committing further crimes, parallel to those crimes are the crimes of theft, cheating, forgery, etc. There are various forms of hacking such as disruption of information systems, execution of malicious software that modifies or destroys data for example "I Love You, Melissa" a virus which was a controversy in 1999 after it shut down the internet for a few days and Other similar "Trojan Horses".[7]

2. Cyber/Internet Fraud

Another type of white collar crime on the Internet is cyber fraud which occurs when someone intercepts/hacks another person's computer to access personal information which mainly includes credit card information, social security numbers and other bank accounts. Information is included. Like cyber hacking, fraud is also unknown. Online auction fraud is also a crime that a person may commit unknowingly, or may be unaware of the serious consequences. Another category in the list of frauds is wire fraud which occurs through email, text, fax, etc. This involves interstate communications and is illegal. This can be against both the individual or the corporation. The banking and financial sector is a fraud against the corporation. In India, we do not have any direct law for cyber fraud except fraud related to e-commerce under Section 44 of the IT Act, which is also not a criminal liability. But, as IPC Section 25 (Fraud Act), Sections 415 and 416 (Fraud by Impersonation) and Sections 417 to 420 (Serious Fraud) can deal with internet fraud, it comes under IPC Section 415 i.e. “Fraud”. Debate over the word "fraud". The act of cyber fraud can also be dealt with in IT Act Section 71 i.e. penalty for misrepresentation.[8]

[7] White Collar Crime in Cyber Crime - iPleaders accessed on 07-11-2023
[8] ibid

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3. **Identity theft**

This white collar cyber crime deals with data theft or data related crimes. This happens when one's identity is taken over by another. Identity theft takes different forms such as IP spoofing, page jacking, cross-site scripting, etc. IP spoofing involves a person impersonating a victim's computer to access privileged protocols without authorization, this is done with the help of software. Page jacking is the copying of a website so that the user lands on another site, thinking it is a different site. This is done by reprogramming the logo or link of that particular site. Cross-site crossing forces a user's computer to send restricted information without that user/owner's permission. These identity thefts are primarily committed to gain financial or information-based gain. These white-collar crimes occur instantly on the Internet without our knowledge. The largest case of identity theft occurred in January 2009, when a man named Albert Gonzalez was arrested for launching a global scheme to steal data from 130 million credit and debit cards by hacking 7 major companies. He is one of America's most notorious cyber criminals. Crime boss. In India, data theft falls under Section 66 of the IT Act before the 2008 amendment. But after amendment, new offenses have been introduced in Sections 66A to 66D in the IT Act. In Gurgaon, India, only 70 cases of identity theft and fake social networking profiles have been reported so far in 2012.[9]

4. **Phishing**

This is done primarily for financial gain by electronically impersonating someone else. This can be done by using someone's login information to gain access to personal information, or by using or cloning someone else's digital signature in electronic contracts without authorization. Mobile SIM cards are made so that an account can be created using someone else's information. The most revolutionary identity theft was committed by an Indian married couple in America, Amar Singh and Neha Punjabi Singh. They have scammed $13 million by skimming credit cards and phishing through the internet. Identities extracted online have been sold to different people for stays in 5-star hotels or hiring expensive cars or private jets. A shopping market has been created for the sale of these identities at discounted prices. There are mainly 3 types of fishing – dragnet method, rod and reel method and lobster pot method. A recent trend of phishing has emerged in the name of vishing. This is called voice phishing, where someone will call you and

[9] White Collar Crime in Cyber Crime - iPleaders accessed on 07-11-2023

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deceive you by pretending to be from a bank and then extracting detailed account information. These calls are linked to the fraud control department. This is a very disturbing and complex system of phishing where a person gives away his/her information without knowing and then has to suffer huge financial and financial losses.[10]

5. **Copyright theft**

This is one of the most common and frequent white collar crimes that occur online. From time to time people distribute, download, and share copyrighted data on the Internet. The most widely used copyright data download hub is Torrent. This activity attracts intellectual property laws that can include everything from trade secrets, music, movies, and more. This is a widespread issue with millions of criminals worldwide, with law enforcement facing pressure from media companies to crack down on piracy criminals.[11]

The top most white collar crimes are as follows:

1. Securities Fraud by Harshad Mehta (1988-1995) From 1988 to 1995, Indian stockbroker Harshad Mehta masterminded a significant securities fraud. Mehta exploited loopholes in the banking system to manipulate stock prices to make illegal profits. They artificially inflated the value of some shares by buying shares with borrowed money and simultaneously selling them at higher prices, a practice known as circular trading. This inflated stock prices by creating fake demand. Due to Mehta's actions, the stock market witnessed a boom and reached record highs. However, journalist Sucheta Dalal exposed the fraud, causing the market to collapse. When Mehta was detained in 1992, he was charged with forgery, fraud and breach of trust. [12]

2. 2G Scam The 2G scam, one of India's largest corruption scandals, relates to irregularities in the distribution of licenses for 2G spectrum used for mobile phone services. This happened between 2007 and 2008, while A. Raja was the Communications Minister at that time. The scheme involved charging low fees for licenses and favoritism while granting them, resulting in huge losses to the government exchequer. The Comptroller and Auditor General (CAG) had estimated the loss to be around Rs. 1.76 trillion, or about $39 billion. The scandal sparked public outrage, inquiries and ensuing legal actions.

[10] ibid
[11] White Collar Crime in Cyber Crime - iPleaders accessed on 07-11-2023
[12] The Law Advice - Articles - White-collar crimes in India accessed on 07-11-2023

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Several people, including government officials and corporate executives, were accused of participating in conspiracy and corruption.[13]

A Contributing Factor – The Internet

Along with the explosion of the Internet and ever-expanding technology has also come a rise in "cyber crime" – which includes myriad online fraud schemes and various forms of "phishing" for people's personal information. The crime of identity theft. Cyber crime is basically any crime that is committed with the aid of computer technology. It's hard to keep in mind that the term "hacking" – where a computer criminal breaks into a large database, such as a retail store's credit card records, to steal both identifying information and money – did not even exist in mainstream culture. 30 years ago. Furthermore, many people consider the terms "phishing," "email scam" and the ubiquitous "cyber crime" to be foreign. Computers gave us tools and capabilities that did not even exist before. However, "progress" always comes with a price - and the price tag for our computerized and cell phone-connected world is a whole new category of crimes that, like computers and cell phones, did not exist until the advent of the new Were not. Technology has made such crimes possible.

Measures to Control White Collar Cyber Crimes

Although with the passage of time and improvement in technology, easy and user-friendly methods have been provided to the consumers for their daily activities but at the same time it has given rise to the harsh world of security threats by various information technology agencies like hackers, crackers etc. Methods have been introduced to curb such destructive activities to achieve the main objectives of the technology to provide some sense of security to the users. Some of the basic key measures used to curb cyber crimes are as follows:

1. Encryption: It is considered an important tool to protect data in transit. By this method plain text (readable) can be converted into cipher text (coded language) and the data recipient can decrypt it by converting it back into plain text again using the private key. This way no one except the recipient who has the private key to decrypt the data can gain access to the sensitive information.
2. Synchronized Passwords: These are password schemes, which are used to change passwords on user and host tokens. The password on the synchronized card changes every

[13] ibid

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30-60 seconds making it valid only once for a log-on session. Signature, voice, fingerprint recognition or retina and biometric recognition etc. are other useful methods introduced to generate passwords and pass phrases.

3. Firewall: It creates a wall between the system and potential intruders to protect classified documents from being leaked or accessed. This will only allow data to flow into the computer that has been recognized and verified by one's system. It allows access to the system only to people already registered on the computer.
4. Digital signatures: These are created through cryptography by applying algorithms. It has major use in the banking business where customer signatures are identified using this method before banks enter into large transactions.[14]

Preventive Measures

Prevention is always better than cure. Therefore, it is always better to be careful while using the net. Shailesh Kumar Zarkar, technical advisor and network security consultant, Mumbai Police Cyber Crime Cell, advocates the 5P mantra for online security: Precaution, Prevention, Protect, Preserve and Persistence. “Take security seriously,” he says. "If you protect your customer's data, your employee's privacy, and your company, you are doing your part in the larger scheme of regulating and enforcing rules on the Net through our community." A citizen should keep the following things in mind-

1. Avoid disclosing any information related to yourself to prevent cyber stalking.
2. Always avoid sending photos online especially to strangers and chat friends as there have been incidents of misuse of photos.
3. Always use latest and updated antivirus software to avoid virus attacks.
4. Always keep a backup of the volume so that there is no data loss in case of virus contamination
5. To avoid fraud, never send your credit card number to any site that is not secure.
6. Always keep an eye on the sites your children are accessing to prevent any kind of harassment or perversion among children.
7. It is better to use a security program that gives control over cookies and the information sent back to the site because leaving cookies unchecked can prove fatal.

[14] White Collar Crimes - cyber crimes (legalservicesindia.com) accessed on 07-11-2023

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8. Web site owners should monitor traffic and check for any irregularities on the site. This can be achieved by deploying host-based intrusion detection tools on servers.
9. Using a firewall can be beneficial.
10. Web servers running public sites should be physically separated and protected from the internal corporate network.[15]

Conclusion

White collar crimes are generally committed by high profile persons who have reached a level where they are confident about not getting caught or by marginalized group of persons who have no resources to live a peaceful and happy life in this modern world. The need of the hour is to take strict measures to curb such antagonistic activities in our society. This is only possible with strict and apt law enforcement. Law enforcement agencies should come up with supportive hands to help those who got defrauded and to punish those who committed such activities.

[15] White Collar Crimes - cyber crimes (legalservicesindia.com) accessed on 07-11-2023