

THE MEDIA CONSTRUCTION OF FINANCIAL WHITE-COLLAR CRIMES

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Crimes of deception are treated by the mass media as extensions of 'infotainment', such as individual and corporate celebrities in trouble; 'normal' people turning to fraud because of drugs, gambling or sex; readily visualizable and often short fraud events (like 'identity fraud' or 'card skimming') connected to 'organized crime' or 'terrorism'; or long-term concealment of fraud that shows the 'Establishment' to be incompetent or business people/politicians to be hypocrites. These populist themes, prosecutions and regulatory actions, active non-governmental organizations (NGOs) and lobbyists, media technology and libel risks influence what business activities get labelled as 'fraud' or 'corruption'. However, the growing specialist business and technology press and electronic media report worldwide less sensational cases involving reputational damage, business prospects and technological vulnerability, and these affect business people (if not the general public) in ways that may be neglected by traditional media and crime studies.

Introduction and Theoretical Background

Reiner (2007) suggests that media and crime analysts examine three interrelated issues that have been the primary foci of research: the *content*, *consequences* and *causes* of media representations of crime. He argues that these are phases of an intertwined process that can only be separated artificially: texts, audiences and authors are interdependent, and their separation is only a presentational device. This will be the starting point of this essay, which aims to redress some of the gaps in the analysis of crimes of deception by and against business which have received very modest attention in the burgeoning literature on crime and the media. This will be a broad-ranging review of some key issues rather than the focused exploration of a hypothesis, though one conventional *leitmotif*—whether the media are biased against reporting white-collar crimes because they are owned by business people (Sutherland 1983, originally 1939)—will be examined and found wanting. Rather, an attempt will be made to piece together and to account for the complex strands of what goes into the reporting of financial crime stories.

In essence, the argument here is that white-collar and other financial crimes of deception are treated by the mass media as extensions of 'infotainment'. They typically focus on issues like individual and corporate celebrities in trouble; a drugs, gambling or sex craze taking otherwise successful people off the rails; readily visualizable and often quite short fraud events (like credit-card skimming), preferably connected to 'organized crime' or 'terrorism'; or long-term concealment of fraud that shows up the business and/or regulatory/criminal justice 'Establishment' to be incompetent or the offenders to be hypocrites. The growing specialist business and technology press and electronic media may be interested in those aspects too, but they are also interested in reputational damage, business prospects and technological vulnerability, so cases that

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lack sensationalism may still be reported upon in settings that are salient both to potential victims (for fraud prevention) and to respectable potential offenders as well as to offenders themselves, who may wish to mitigate their social and commercial damage from exposure. The mass media may be relevant both to victims (to avoid being blamed for carelessness or worse) and to defendants of all social groups facing trial before ordinary jurors; but mass media are less salient for elite individuals and businesses with ongoing commercial prospects, who may be more worried about the coverage in the business press (Levi 2002). However, given the rise in global electronic news coverage, these media markets are far from being hermetically sealed.

The underlying empirical basis for this analysis is interviews with leading British and American print and television journalists who have been involved in producing major white-collar crime stories (not all of them used); analysis of fraud stories in major British, American and Australian newspapers (both broadsheet and tabloid, in the case of the United Kingdom); television news and, especially, consumer and documentary programmes on radio and television; and inferences from newsprint, radio and television events over the past 20 years in which this author has been a participant as 'expert commentator', including those not used by the media. There is no space here for any detailed content analysis or elaborated case studies (for which, see Levi forthcoming) and readers will have to look elsewhere for more general literature on media and crime (see, e.g. Ericson 1991; Jewkes 2004; Greer 2005; Mason 2003; Reiner 2007). However, some key themes in media treatment of financial fraud are developed and their limitations set out.

Why is white-collar crime coverage in the media important? First, because the media shape crime discourses and may well influence public perceptions of harmfulness and of what 'the law and order problem' consists of, with consequent effects on:

- enforcement resources (including policing powers);
- the decision making of juries and other tribunals;
- the occupational opportunities and profits of those sanctioned and even for those who, like most employees of the Bank of Credit and Commerce International (BCCI), Banco Ambrosiano, Enron and Parmalat,¹ were never charged with or disciplined for anything but who may be stigmatized by association (like coming from a 'criminal area').

Second, because knowledge of the effects of the media may encourage us to re-think justice policy, such as in relation to pre-trial controls over publicity or jury selection. (There is, however, a difficulty here: knowing and dealing with the prejudices of some jurors may lead to the selecting out of the most prejudiced, but replacing jurors by judges whose prejudices we would not be allowed to examine if they existed is an uncertain benefit, whatever our views on then Prime Minister Berlusconi's allegations that Italian judges are systematically biased against him.) However, pre-trial publicity controls can have the effect of stifling public awareness of fraud risks, make it easier for prosecutors and regulators to drop action against well connected people and firms, and reduce the reputational damage that is part of the deterrence of white-collar crimes, especially since, in lengthy cases, the time (a) from events to their detection as confirmed fraud, and (b) even from police investigation to conviction may last several years.

¹ Parmalat supplied dairy products and employed people in many developed and developing countries.

And finally, media crime research is important because it can illuminate the politics of representation of some social groups and try to account for this. Here, we should note that though uncoupling from the problematic term ‘white-collar crime’, the category of ‘crimes of deception’ as a whole conceals many victim–offender prestige differentials, and both the social backgrounds of offenders and the economic interests harmed by frauds and other ‘economic crimes’ vary widely. Weisburd *et al.* (1991) noted that most fraud offenders before the US Federal courts were closer to blue than to white collar in status. Thus, it makes a difference whether media are reporting on blue-collar ‘criminal types’ defrauding their criminal friends or bankers; on East European ‘oligarchs’ running banks and laundering money and/or defrauding depositors; or on elite bankers defrauding either their peers or ordinary depositors, some of whom are poor. In short, a narrow focus on either offender or victim status alone is an inadequate framework within which to examine allegations of social bias. Furthermore, it is very far from certain what the base rate is against which such bias should be judged: a statistically valid representation of cases brought to court, unweighted by economic and social impact (in which case, the media would be very dull)? Or of commercial misconduct, whether reported to the authorities or not (though victimization surveys have failed to examine this satisfactorily to date, and the social background of many offenders may not be known)? Despite some progress in particular sectors, we do not yet have a satisfactory empirical basis for bias analysis.

Even if there were bias, as seems likely, it might reflect media preference for juxtapositions of ‘the unusual’ as ‘infotainment’ rather than protect elites from public resentment. An example of this preference is the treatment of Nick ‘Rogue Trader’ Leeson’s £830 million fraud that led to the collapse of Barings Bank. Lower-middle-class Leeson himself—described after sentence as ‘The last oik of the British Empire’ (*The Independent*, 4 December 1995)—and his telegenic ‘girl next door’ wife (later divorced) formed a huge contrast with the nobility who dominated the directors and clients of Barings. His trademark reversed baseball cap at the time of his arrest became an iconic picture in all media.

Reiner’s (2007) review makes it clear that crime issues (including those relating to victims) loom large in media coverage, and they serve a variety of dramaturgical purposes. Jewkes (2004; see also Levi 2001) has noted that the dramaturgy is extended in media treatment of cybercrimes: if anything, the fact that 17-year-old school kids can hack into the Pentagon or potentially disrupt air traffic control is part of the alarm about loss of adult control that cyber crimes evoke. More generally, people—whether citizens or journalists acting as their proxies—plausibly react to stories about organised criminals stealing our identities to commit credit-card fraud quite differently from the way they would react to:

- stock analysts who advise their clients to buy securities that a different part of their bank is being paid to promote (even when their emails show that they personally judge that the securities are overvalued); or
- fabulously well paid company directors who (usually after taking professional advice asserting that this is not illegal) backdate the beginning of their employment so that their share options gain in value more than they otherwise would (or properly should), or who charge expensive refurbishments of their homes and extravagant entertainments as company expenses.

It is conventional wisdom among those few criminologists and media sociologists who have paid any attention to fraud (and corporate crimes generally) that they are neglected by the print and electronic media. To illustrate, neither fraud nor white-collar crime was indexed by Ericson *et al.* (1987; 1989; 1991), despite their extensive and thoughtful elaboration of the influence of the private sector on the news, perhaps because there were very few major elite financial crime scandals in Canada during the period of their research, which ended before the wave of prominent white-collar prosecutions in North America, Australia and Britain started in earnest with insider trading cases in the United States in 1986. Like other crimes, coverage of white-collar crimes and their control can vary over time, and it is important to incorporate this periodization aspect in explanations.

Alleged media neglect of financial crimes (especially those crimes committed by business) is usually attributed to the power of corporations to manage the news agenda in their favour, whether deliberately (by economic/political pressure), more or less unconsciously by value hegemony (McNair 1993) or as part of the routines of 'newsworthiness' (Chibnall 1977; Box 1983). A wider account still gives business the power to avoid the criminalization of 'their' activities by influencing law itself—see Tombs and Whyte (2001) for the application of this to corporate crimes such as health and safety issues and McBarnet, in this issue, for discussion of law as a permissive mechanism for 'neutralization'. The consensus is summed up by McNair (1993: 48): 'Journalists are not *necessarily* biased towards the powerful—but their bureaucratic organization and cultural assumptions make them conduits of that power.'

The players in financial crime news

The key players in media coverage of financial crimes are multifarious. In addition to the bewildering array of electronic and print media—local and global, rich in resources and poor—they include not just victims, offenders and the institutions of formal governance (police, prosecutors, regulators and trials), but also third parties with an interest in particular outcomes. The latter are constituted by business pressure groups and trade associations; local and global corporate and cyber-security and forensic accounting firms; and anti-corruption, pro-consumer and tax justice NGOs. Industry lobbyists try to increase 'awareness' of harm, such as to try to dissuade consumers from buying counterfeit products or to take greater safety measures ('Don't write down your PIN'), and to get the police and sentencers to act against payment card fraud or 'intellectual property piracy'. One technique is to associate the activity with 'organized crime' or 'financing terrorism' as if, merely by being organized by a syndicate rather than one or a small group of professional criminals or anarchic 'pranksters', that made the impact much worse. Where technology can be added to gangsterdom or terrorism, this makes ideal media copy, though there is sometimes a fight back in the specialist computer press, who tend to be vigorously anti-authoritarian in deconstructing prosecution allegations and suspect the enforcement agencies of repressive paranoia. Some sectors of civil society—such as national chapters of Transparency International and other NGOs such as The CornerHouse (www.thecornerhouse.org.uk) and Unicorn (www.againstcorruption.org), or pressure groups such as the US Center for Public Integrity (www.publicintegrity.org/default.aspx) or journalistic networks such as Reporters without Borders (www.rsf.org)—actively use the media to get their anti-corruption

messages across and advocate tougher legislation and more action against transnational and domestic bribers; the Consumers' Association and its equivalents abroad campaign against consumer product frauds and, more recently, frauds by financial services firms; the Tax Justice Network and some charities campaign against tax avoidance by the super-rich and by multinationals; while some enforcement staff leak information in order to make it more difficult for prosecutorial gatekeepers and judges to suppress prosecutions or to acquit high-status people. United Kingdom regulatory agencies such as Trading Standards officials and the Office of Fair Trading and their non-UK equivalents may be under pressure to show their effectiveness, or want greater powers to deal with 'offenders', perhaps administratively. In the United States, though not in the United Kingdom, Democrat politicians such as New York Attorney General Eliot Spitzer and Manhattan DA Robert Morgenthau may see action against business misconduct as an important part of their social mandate.² So, publicity for some financial crimes or alleged crimes, or for the need to criminalize harms, becomes the site for broader legislative and enforcement power and resource struggles, and personal careers.

As noted above, there are a wider range of prestigious organizations and people involved in pressure over financial crimes than in the area of 'normal' crimes (Schlesinger and Tumber 1994) and who, in the model of Hall *et al.* (1978) and Critcher (2003), can act as 'primary definers' of the nature of criminality for the audience. We will review here how the media deal with these components, accepting that in practice, they are usually woven together in a composite *gestalt*. They are supplemented by one aspect that is almost unique to financial crimes: a limited subset of criminal and regulatory defendants—those prosecuted (in the case of the UK) by the Revenue & Customs Prosecutions Authority and by the Serious Fraud Office (SFO)—have high social status and the money to pay for media campaigns and sophisticated defences. They, therefore, are better placed than most to resist their roles as shamed prison fodder.

Victims of Crimes of Deception

Reiner *et al.* (2003) noted the trend for victims to become the pivotal focus of news stories in the last three decades, paralleling the increasing centrality of victims in criminal justice and criminology. This can take the form of empathy with victims and with their fear of crime. The range of people at risk of victimization and techniques of deception have changed significantly in that period (Shover *et al.* 2003; Friedrichs 2007; Levi 2007; Levi and Pithouse forthcoming), and the data are unavailable anyway to test this on fraud victims. One of the factors democratizing and legitimizing crime control is the view that it exists to protect the vulnerable. Yet, many victims of prosecuted frauds (by volume and value) are wealthy individuals and corporations and, whatever the values of 'the media' (a generalization best avoided), their plight makes poor populist copy unless it is extreme: a reduction in competitive prowess or in the number of annual foreign holidays lacks sufficient edge for serious 'newsworthiness', though the broadsheets may comment.

² Spitzer's website (www.oag.state.ny.us/bio.html) promotes his role in recovering billions of dollars from the financial services sector for their illegal practices. 'Again and again, Attorney General Spitzer has acted to stop fraud in the marketplace, to level the playing field for honest businesses and to help restore confidence in the markets. As a result of these and other actions, he has won national acclaim. He was named "Crusader of the Year" by Time magazine; the "Sheriff of Wall Street" by 60 Minutes; and "The Enforcer" by People magazine. Reader's Digest magazine called him America's "Best Public Servant".'

The controversial issue of ‘victim deserts’ and ‘victim precipitation’ is most commonly encountered in explanations of violence, but ‘blaming the victim’ is also present in many frauds, in the self-definitions of victims as well as in media and social group commentary (Levi and Pithouse 1992). Deserving victims are those who did not think that they were not doing anything risky and/or those who took every effort to protect themselves but were cleverly deceived. Thus, as in the representation of corporate pension fund frauds such as Maxwell’s Mirror Group from the early 1990s onwards, or investment schemes such as Barlow Clowes, which targeted retiring teachers and other older people with promises that their money was ‘safe as the Bank of England’, the media embrace the ‘widows and orphans’ and assist their campaigns for redress on the basis of their legitimate expectations (see also Robb in this issue). After a major political struggle supported by the media, Barlow Clowes investors were compensated because of the government’s maladministration of licensing and regulation (Le Quesne 1988; Levi and Pithouse 1992; Lever 1992).³ Compensation claims have been the subject of major media and Parliamentary campaigns for justice that had little to do with the usual ‘law and order news’ fare of tougher policing, prosecutions or sentencing; and both pensioners and other savers who have lost money or failed to gain money promised have received strong media and political support for their complaints of ‘mis-selling’ (a term that is more business-friendly than ‘fraud’ but is also more likely to lead to business willingness to compensate).

In some frauds, there are multiple victims of the same scheme (running even into hundreds of thousands, in some pyramid-selling scams). In others, such as credit-card fraud, the card issuer acts almost like an insurer, compensating the direct victims of crime for their financial (though not emotional) loss. In the particular case of frauds directly or indirectly against banks, for example, there may be commentary on their recklessness, especially in cyberfrauds or where there is ‘identity fraud’—a protean term that may include every occasion on which someone pretends to be someone they are not. A Google search indicates that there were 2,330 news articles worldwide mentioning identity fraud in the last two weeks of August 2006 alone, and a more detailed review of identity theft and fraud articles in 2005–06 shows that both in the United Kingdom and the United States, hacks into information held by third-party card-processing firms attracted opprobrium for the data administrators and were treated as major populist items in the tabloid and broadsheet press and some electronic media. Where laptops containing personal data on thousands of US military veterans are stolen, or CardSystems’ computer processes led to the leak of information on 40 million credit-card customers, these arouse popular fears and are cross-media in their coverage. The rise of specialist computer magazines has fuelled this attention (see, e.g. www.wired.com/news/politics/privacy/0,71622-0.html?tw=wn_index_2). Analytically, there is a major gap between objective information insecurity and the criminal exploitation of that data: ChoicePoint, one of the largest data brokers in the world, in early 2005 admitted that it had released to fraudsters sensitive data on roughly 163,000 people who signed up as customers starting in 2001. At least 800 cases of identity theft resulted: 0.5 per cent of the ‘at risk’ population. The company paid \$15 million in a settlement with the Federal Trade Commission in 2006.

³ Campaigns for Justice are not restricted to fraud. Over 1,000 Allied Steel & Wire employees’ contributory pension funds largely disappeared when their firm went into receivership in 2002, and failed (in July 2006) in their attempts to get the European Court of Justice to rule that the UK government had a legal duty to protect or compensate them.

British television journalist, Paul Kenyon, demonstrated how easy identity theft was when creating a photographic driving licence for himself in the name of registered blind then Home Secretary David Blunkett (http://news.bbc.co.uk/1/hi/programmes/kenyon_confronts/2625395.stm). Though identity theft and identity fraud are used very loosely, there has been a longer drip of articles in mainstream broadsheet and tabloid newspapers suggesting that people are right to be worried about the ability of others (criminals or governments) to reconstruct them from apparently trivial items, such as 'Q. What could a boarding pass tell an identity fraudster about you? A. Way too much' (*The Guardian*, 3 May 2006, available online at www.guardian.co.uk/airlines/story/0,,1766267,00.html). It is not surprising, therefore, that the Home Office has had an identity-theft working party or (with strong help from the private sector) has developed a specialist website (www.identity-theft.org.uk/) as part of its crime (and fear) reduction strategy (see also www.cifas.org.uk/identity_fraud.asp). So, too, has the US Federal Trade Commission (www.consumer.gov/idtheft/). In addition to these, there have been media campaigns in the United Kingdom and United States by financial intelligence firms such as Experian and product firms such as Fellowes to enhance awareness of risk and purchase their shredders to reduce the risk of 'bin raiding' by thieves (www.e-consultancy.com/news-blog/210603/raising-concern-about-identity-fraud-in-great-britain.html?keywords=mori). All of these campaigns generate significant publicity (and, as the data show, greater shredder sales), and there are weekly stories—many of them critical of banks⁴—about impersonation and identity theft, mostly in the consumer affairs or money sections of newspapers and on consumer radio and television programmes. On the other hand, for risks facing businesses, there are many conferences but relatively few media items outside the specialist and business press, such as *Accountancy Age*, *The Banker*, *Computer Weekly*, the *Financial Times* and *Wall Street Journal*, who have business people and professionals as their target audience.

Offenders, defendants and the media

In order to create proper 'folk devils', one has to have truly innocent victims. One difficulty for applying this construct to 'City fraud' is that the 'suits' giving evidence for the prosecution as victims or witnesses may be hard to distinguish from those as defendants in the dock.⁵ The routine cases of deception with institutional victims very seldom receive any publicity in the tabloid media: rather like violence, all media prefer to emphasize the polar extremes, of cases with traumatized victims and, preferably, in combination with offenders whom they can paint as extravagant and uncaring, though 'fall from grace' lifestyle stories about pillars of the community will do almost as well. Somewhere in between are stories involving (both as victims and offenders) major corporate institutions with high public name recognition factors, from Guinness (renamed Diageo afterwards partly because of the stigma associated with the case—see Levi 1991) and Prudential to more obscure and less global brands. The most common famous institutions to appear in the media as victims are large banks and card issuers;

⁴ Not untypical is a full page article headlined 'We Take Identity Theft Seriously, But Our Banks Are Dragging their Feet' (*The Observer*, 'Cash' section, 3 September 2006).

⁵ Or *not* in the dock, since the specialist courts with computer screens for electronic documentation and satellite technology for remote interrogations in the big London cases have done away with the dock; so, the accused sit with their lawyers rather than being in a special place of stigma.

partly because of the use of discretion not to prosecute—especially where corporate criminal conviction would lead to a loss of banking or securities licence—offenders tend to be less universally recognized names. However, in part due to the campaigning of NGOs, French company Elf (now part of Total), German companies Mercedes and Volkswagen, UK defence company BAE and US defence company Boeing have all been ‘scandalized’ and some prosecuted in the past decade for their alleged role as offenders in mostly overseas bribery cases. Not just the left-leaning *The Guardian* but also pro-business newspapers such as the *Financial Times* and *The Economist* have given substantial space to reports on corruption, such as from The CornerHouse and Transparency International castigating UK government and prosecution inactivity.

The media sometimes label financial crimes as ‘organized crime’, but almost exclusively when committed by Mafia-type associations or by people with connections to the ‘underworld’, in which case they have used terms such as ‘organised crime moving in on commerce’ since the 1950s (Levi 1981). Examples include VAT carousel frauds, widely covered in broadsheet and tabloid media and on television in August 2006, prompted by UK Treasury alarm at the possible £30 billion losses in 2006, which in turn energized HMRC to mount some high-profile cross-border cases and raids accompanied by some reporters.

We should also understand white-collar crime publicity in terms of the cult of celebrity in late modernity; thus, after some enforcement action, the media tend to focus on white-collar individual or corporate defendants that their readers and viewers will have heard of, such as middle-class ‘home-maker’ icon Martha Stewart, jailed in 2004 and released in 2006 to public fascination and economic rebirth, or Lord Jeffrey Archer; Ernest Saunders, the chief executive of Guinness, convicted in 1989 of theft; performers such as comedian Ken Dodd, acquitted of tax evasion; and leading politicians such as Jonathan Aitken, who was jailed for perjury in 1999 following a failed libel action.⁶ Sports stars are a particular focus; they include jockey Lester Piggott, jailed for tax evasion; England soccer coach Terry Venables, not prosecuted but banned from acting as a company director; and boxing promoters Frank Warren (likewise banned) and American Don King, as well as UK soccer managers accused in 2006 of taking ‘bungs’ over transfers. Match-fixing is a particular theme that has attracted publicity, tapping into public cynicism, as discussed by Karstedt and Farrall in this issue (yet with continued heavy spending on betting). This led to volumes of newsprint in the main and sports sections over UK Champion Jockey Kieran Fallon, charged and banned from racing in the United Kingdom and United States in 2006 in connection with alleged race-fixing, and scandals in the German and, especially, Italian leagues; and the criminal and libel trials involving famous footballers such as Bruce Grobelaar. The purchase of British Premier League soccer teams by Russian and other East European and Israeli multimillionaires has also focused interest on their previous questionable business activities, in both main and sports sections. The cultural obsession with entrepreneurs has generated a host of biographies as well as news and magazine stories about people alleged to be ‘on the fringe’ in business morality or honesty about their backgrounds: Australia and America have their share of Alan Bond-type ‘larger than life’ characters but in Britain, these include Mohammed Al Fayed (the owner of Harrods), Lord

⁶ At the press conference in 1995 at which he announced his resignation to fight a libel action against *The Guardian*, he hypocritically declaimed ‘If it falls to me to start a fight to cut out the cancer of bent and twisted journalism in our country with the simple sword of truth and the trusty shield of British fair play, so be it. I am ready for the fight. The fight against falsehood and those who peddle it. My fight begins today’; see www.guardian.co.uk/aitken.

Archer, Lord Conrad Black (the former owner of the *Daily Telegraph*), Sir Richard Branson (Virgin) and Robert Maxwell. However, these have had to be carefully written, given libel risks discussed later. Although my interviews indicate some fraud news stories that have been ‘spiked’ so as not to generate hostile exchanges between newspaper proprietors or with other powerful people, the media are not shy of attacking their own when they fall from grace, or, in the case of both Robert Maxwell and Lord Black, fall from *hubris*. Analogies with *Citizen Kane* were commonplace and a favourite quote was that Conrad Black’s trouble was that he tried to ‘live like a billionaire when he was only a millionaire’ (*The Guardian*, 2 September 2004). For both business and celebrity reasons, the prosecutions and civil lawsuits for hundreds of millions of dollars received substantial ongoing publicity in Canada, Israel, the United Kingdom and United States, where he formerly owned newspapers.

Some brief examples will illustrate these points. A solid ‘fall from grace’ story is ‘Collared: The Fallen Angel of Fraud’, about a lawyer who was a pillar of the community but borrowed money on clients’ homes in a vain attempt to make profitable a failing commercial development in Australia (*Sydney Morning Herald*, 7 February 1996). A more complex story (only partly because he was a less socially virtuous person) was ‘Fraudster Tycoon Tumbles’ (*The Guardian*, 24 December 1997), about property developer Jurgen Schneider, portrayed by the German judge as ‘an insecure person driven by a compulsion to impress his father with his success’, and accompanied by a photograph of the man plainly seriously distressed by his fate (though not accompanied by any photograph of the many business victims made bankrupt by his debts and deceptions). The judge’s comments were widely publicized in Germany and led *The Guardian* to subtitle its piece ‘Shaming of the Bankers’, quoting (in translation) the judge thus:

The case is a sort of picture of Germany’s society, and of German banks especially, where the rule holds that appearances take prominence over reality. If someone wants a small bank loan, he’s strictly controlled, but if someone wants millions and pretends to own billions, then the bankers will carry the money to him If financing questions had been properly examined, some utter nonsense would have become apparent.

Added populist spice was provided by the outrage of many smaller creditors, who lost money because they assumed that any firm backed by Deutsche Bank was credit-worthy, juxtaposing their righteous anger with an earlier statement by the former Chairman of the bank that its losses of DM1.5 billion in this case were ‘peanuts’. So, in the *Schneider* case, the bank was deemed to be a blameworthy victim but the other victims were blameless.

Defendants’ media strategies

One of the differences between white-collar and other accused is that the elite among them—not, of course, the plethora of swindlers of moderate social standing such as credit-card, insurance and tax fraudsters—are used to serving as primary definers and used to exerting control within the legitimate commercial world. How do defendants adapt, often with advice from their lawyers and PR firms? They have to consider two issues, which may not always be harmonious: (i) avoiding imprisonment or serious regulatory action, and (ii) reducing harm to their future business career. Thus, it depends what stage of the process they are operating in and whether they intend to plead not

guilty. In the United States, efforts may be made by elites to get the authorities to process cases administratively or civilly, or, at worst, via a 'deferred prosecution' (under which they agree to major internal reforms in return for not being prosecuted); the latter was done by KPMG in 2006 in its settlement of the tax-shelter case. Usually, if news gets out (sometimes because of stock-exchange rules about disclosure, sometimes because the regulators or prosecutors want to show that they are active), they will try to stress to the media the ambiguity in the criminal law and their personal non-culpability (see McBarnet and Braithwaite and Braithwaite in this issue).

In a sensational British case, they may try to use the risk of prejudice against them to pressurize the Attorney General into warning the media about Contempt of Court. This was tried by the Maxwell brothers in the aftermath of their deceased father Robert's massive frauds against company pensioners and banks. On 14 January 1992, the Select Committee on Social Security (which had responsibility for pensions) set up a series of high-profile hearings covered extensively by the media live, as well as in remarkable and unprecedented detail in all the major news programmes—breakfast, lunchtime and evening. This level of anathematization is normal in the United States, but very rare in the United Kingdom. The refusal of the Maxwell brothers to answer the questions of the committee on the grounds that—on legal advice—they anticipated charges and did not wish to incriminate themselves was covered in a hostile manner on all news broadcasts each time that they appeared (and when, initially, they refused to appear). *The Sun* reported 'Lock 'em up! MPs in rage as Maxwell brothers refuse to answer'. Even *The Guardian* headlined 'Ungolden Silence', making derogatory comments about the failure of the committee to ask who was paying the fees of the Maxwells' counsel. Social hostility to lawyers was tapped by frequent references to their bringing 'along expensive QCs': the BBC news, for example, referred to the Maxwells' being 'silent and shielded by lawyers' (3 March 1992). Eventually, after numerous defence protests, in February 1994, the Attorney General stepped in to prohibit the showing of 'Maxwell—The Musical' in the West End, though far fewer people would have seen it even in the London jury catchment area compared with daily newspapers. There were around 5,000 articles in UK national newspapers on the Maxwells between November 1991 and the end of 1994, before the trial, at which they were both acquitted.

Defendants may try to place in the media alternative views of 'what happened', which is often more ambiguous than for other crimes. They may even try to transform themselves from villains to the victims of abusive regulators or prosecutors. Entrepreneur Asil Nadir, who illegally fled bail in the United Kingdom to the no-extradition Turkish Republic of North Cyprus to avoid an 'unfair trial' over the massive losses at Polly Peck, persuaded otherwise aggressively anti-fraudster radio and television British journalist Roger Cook that Nadir and all who worked for him were themselves victims of a malicious plot by the SFO and Metropolitan Police (13 May 1997⁷), and has maintained this view from exile ever since (up to the time of writing). *The Guardian* newspaper had an ambiguous position on Nadir, sometimes critical of his conduct, sometimes accepting that he might have been a victim of an Establishment Conspiracy (though it was never clear why he should have been thus targeted). Others were mainly critical of him, accepting the official line.

⁷ See also the account of this investigation at <http://nakedspygirl.blogspot.com>.

A particularly intriguing example of a defence media strategy was the (eventually unsuccessful) campaign of the 'Natwest 3' in 2005–06 to avoid extradition to the United States in connection with activities undertaken with Enron: the nomenclature was deliberately chosen by them and their advisers to invite comparison with the mis-carriages of justice of the Birmingham Six and the Cardiff Three. This became the focus of an astonishing media attack upon the abuse of 'fast-track' Europe–United States extradition arrangements in the aftermath of '9/11' to deal with white-collar criminals, culminating in a well publicized Confederation of British Industry-supported 'protest march' of pin-striped suited company directors to Parliament to complain about the over-reach of American criminal law. Television news, tabloids and, particularly, all broadsheets including *The Guardian* carried broadly sympathetic interviews with the bankers, often photographed open-shirted with their families in the background; The *Daily Telegraph* mounted a full campaign on this issue, and alongside business people and other newspapers, put heavy pressure on the UK government, to the extent that the Prime Minister and Attorney General expressed support for the defendants' plea to be allowed bail despite their involuntary appearance before the US courts. Bail (but not the right to return to the United Kingdom) was granted and they largely fell off the media map, though the (anti-US legal imperialism) issue continued to be referred to whenever British business people were arrested at US airports en route for other jurisdictions, or others were extradited. There were some deeply sceptical voices, such as in the 'City Slickers' column of the fortnightly British satirical magazine *Private Eye*, which, over two decades, has consistently critiqued both the PR of fraud defendants and regulators/prosecutors deemed to be too slow to act.

Sentencing frauds and the media

In trials involving major executives and/or corporations, several newspapers have reporters involved long-term in attending trials. This was the case with Enron, World-Com and other major cases, which, following US Sentencing Guidelines, were given condign punishment (Levi 2006), as it was in the 1980s and early 1990s British trials like *Guinness* and *Blue Arrow* and American trials like that of Ivan Boesky and Mike Milken. In others, there are unlikely to be any reporters present (especially since the death of the 'court reporter' role on local newspapers, due to financial cutbacks), so they are dependent on press statements or 'inside tips' from police or other interested parties. Judges sometimes use the sentencing process as a pulpit for the denunciatory principle of punishment, with the aim of satisfying the general public (as well as deterring other business people) via expected media reportage. One such case was *Guinness*, the first of the major Serious Fraud Office (SFO) trials, in which the judge sentenced CEO Ernest Saunders to jail for five years for theft of funds as a 'success fee' for the takeover of Distillers, stating that 'I have no doubt that but for the existence of the scheme the outrageously high payments to . . . would not have been made—*those rewards that exceeded even the dreams of avarice*'. None of the British tabloids carried any other story on the front page, and all had at least five pages of news and 'analysis'. The broadsheet 'serious' press were predictably more restrained, but *Guinness* was given enormous prominence everywhere (see Levi 1991 for a detailed review of media coverage).

Likewise, when it came to sentence, only the *Daily Mirror*, which had an 'exclusive' on a different topic, relegated it to the inside pages, and the record fine of £5 million on

the multimillionaire owner of Heron Corporation who had unlawfully assisted the Guinness takeover of Distillers, Gerald Ronson, gave the primary cue. The *Daily Star* won the headline war, with ‘Guinness Crook of Records’ on the front page and ‘Shares Fiddle Boss Will Make £27,000 Each Day He’s In Clink’ inside; *The Sun* came a close second, with ‘£5m: That’s fine for Ronson’; the *Daily Mirror* picked up the theme of disgrace also, with ‘The Price of Greed: Tycoon Collapses as Shamed Mr. Big Gets 5 Years in Jail’. There was no relationship between type of storyline and the general ideological line of the newspaper: this was just a major news story on radio, television and in all the newspapers reflecting the cultural shock of (relative) elites being convicted in the United Kingdom. An Irish BBC journalist telephoned me and asked if I considered that the five-year sentence meant that there was ‘one law for the rich and another for the poor’. When I replied that this was not necessarily so, she rang off, obviously not wanting this ‘line’ in her story. Interviewed on BBC Television’s ‘Newsnight’, family member and director Jonathan Guinness⁸ was asked how he felt about ‘the ruin of a man who made you very rich’. He replied ‘richer . . . Well, embarrassed, obviously . . . but I would not have come to any other verdict’. He praised what Ernest Saunders had done for his company, and expressed sympathy for his situation. He added the classical allusions of the properly educated that ‘like many people who fly high, he got too close to the sun. He got precisely what you get in a Greek tragedy, which is *hubris*’. For Saunders, then, *hubris* was followed by Nemesis, though Saunders continued to hog the hostile headlines because of his recovery from the supposed dementia which persuaded the Court of Appeal to release him early from prison, making him a symbol of devious business elites outwitting the criminal justice system even after conviction.

Reintegration?

Although British culture appears more resistant than American culture to the ‘born again’ role, some UK defendants appear to survive disgrace, though whether former elites are accepted again in the heart of the Establishment is a more uncertain issue. Leeson’s jail sentence was publicized in all the newspapers—including the bottom-tabloid *Daily Star*—along with ill-informed xenophobic comments in the tabloids about the conditions in Changi Prison in Singapore (which, in other contexts, many of the tabloid newspapers would positively commend for British criminals!). However, after his release, alongside many former fraudsters and politically involved convicted conservatives, especially in the United States, there was little criticism as he pursued well paid public-speaking engagements (a proportion of which went by agreement to the Barings liquidators) and even obtained a commercial manager role in minor Irish soccer club Galway United. Jailed insurance fraudster Lord ‘Charlie’ Brocket became a television star due to his charming performance in the television programme ‘I’m a Celebrity Get Me Out of Here’. Lord Archer became more a figure of fun because of the puncturing of his pretensions, but Jonathan Aitken’s more subtle conversion to become a preacher, his books (Aitken 2000; 2004; 2006) such as *Pride and Perjury*, and marriage to the widow of actor Rex Harrison were treated with reasonable sympathy;

⁸ Jonathan Guinness, who became, by heredity, the peer Lord Moyne, later acted as Chairman of a huge Swedish company called Trustor, and was disqualified as a company director and bankrupted for £40 million himself, as well as being acquitted of fraud in a Swedish trial that was heavily reported in the Swedish electronic and print media.

neither of them, however, was permitted by the leader to return to the Conservative Party fold. Gerald Ronson (jailed over *Guinness*) had never attracted much personally negative publicity and though the media (especially the *Daily Telegraph*) dramatized with some horror his shaking hands with the Queen Mother at a Royal Opera House fund-raising function while on parole, he was treated as a 'stand-up guy' and his commercial rehabilitation was viewed neutrally (see, e.g. *The Independent*, 18 October 2000). In 2003, his wife Gael was made a Dame for charitable services to Jewish Care and the Royal Opera House, without adverse media comment.

Changing Technology, Defamation and Financial Crime News

Changes in news production factors are significant to understanding media treatment of frauds and corruption. Tumber (1993) examined the selling of scandal in the United Kingdom and Thompson (2000), advancing what he termed 'a social theory of scandal', argued that scandals were 'struggles over symbolic power in which reputation and trust are at stake' (p. 262). He further argued that changes in media motivation and technology transformed the visibility and altered the relations between public and private life. Subsequent to Thompson's work, the rise of blogs and internet sites that are difficult to control by national defamation laws have opened up public figures and businesses to wider criticism, whether true or false (and even intentional disinformation). Newspaper websites have raised bigger questions of vulnerability to forum-shopping by those accused of misconduct, with the United Kingdom's plaintiff-friendly system making it the jurisdiction of choice for suppression and damages. Thus, material appearing in a plaintiff-unfriendly jurisdiction newspaper such as the *New York Times* may be read online in the United Kingdom and be deemed to be sold here, enabling libel actions in the United Kingdom. A fascinating insight into some of the problems of media commentary in the United Kingdom, contrasted with the United States, is provided by the case of *Loutchansky v. Times Newspapers Ltd and others* (QBD, 27 April 2001) [2001] All E.R. (D) 207 (Apr); *Loutchansky v. Times Newspapers* (Nos 2–5) [2001] E.W.C.A. Civ. 1805 CA. In that case, despite his conviction in Latvia and previous media reports of investigations plus a statement by the former CIA Director about his corporate links with Russian criminal activity, the judge found that *The Times* had libelled an Uzbeki businessman in 1999 over reported links with Russian organized crime. In *Loutchansky v. Times Newspapers Ltd and others* (No 2), 5 December 2001, the Court of Appeal partially rejected the judge's conclusions, but, in this and other cases (such as that involving the former Conservative Party Treasurer, Lord Ashcroft, and his corporate dealings in Belize), the perils of even suggesting that a prominent public figure is suspected of organized crime or fraud activities are plain. Extreme care is exercised internally, with stories signed off by the legal department, before running stories suggesting that any major public figure is involved in fraud or any other crimes. In this sense, criminologists' attempts to re-label harm by business as crimes are unlikely to be reflected in media coverage which uses that label, since to do so would be economic suicide.

On the one hand, my UK interviews with media people indicate that due to media ownership's having become more purely business-oriented and conglomerate, dominated by 'bean-counters' (a negative term for accountants), there are today even fewer funds than during the late 1960s available for pre-scandal financial investigation by electronic and print journalists (such as in *The Sunday Times*), though, if a scandal

happens, ‘herd journalism’ means that heavy expenditure is possible, as papers compete to gain exclusives or fresh angles. On the other hand, the rise of cheap micro-technologies has enabled covert recording by ‘undercover reporters’ for print, radio and television, though this technique is more often and more easily used on retail and credit-card fraudsters than on rings of corporate price-fixing cartels, which anyway would take a lot longer to make—likewise with elaborate and expensive sting operations⁹ mounted on celebrities and ‘organized criminals’ by newspapers like the *News of the World*. The ‘in your face’ reporting of corporate immorality is intermittently fashionable, especially in consumer programmes—in part due to its espousal by Michael Moore in the United States and then the United Kingdom, with ‘TV Nation’, ‘The Awful Truth’ and ‘Michael Moore Live’ (aired on Channel 4). However, this ‘door-stepping’ technique is not novel, being crafted first in the United Kingdom by Roger Cook on radio (‘Checkpoint’) from 1971 and on television (‘The Cook Report’) from 1985. Many television producers have a horror of making programmes that are just ‘talking heads’ which, they fear, no one will watch, and the difficulties of making frauds ‘filmic’ are viewed as a deterrent, despite chances of location shots on Caribbean ‘fraud haven’ beaches.

Once published somewhere, global electronic news gathering enables instantaneous worldwide publicity, directly or via the major agencies such as Associated Press and Reuters. Hence, Google news searches following ‘events’ show media in a huge variety of countries reporting the verdicts in Enron and in other multinational cases such as *Parmalat*. This is an important component of reputational risk—the downside element to global branding by multinationals which means that they may damage their expensive branding (and balance sheet ‘goodwill’) if they are exposed as misbehaving in any part of their operations worldwide. Rationally, subject to corporate and individual ‘risk appetite’ and circumstances, one would expect it to deter misconduct and crimes that are expected to have some chance of being discovered and publicized in the media, to some extent independent of prosecution, conviction and imprisonment. Here, foreign NGOs and investigators may—sometimes prompted by disenchanted public officials—throw up major stories for the media elsewhere to seize upon. Thus, when regulators/whistleblowers reveal that Royal Dutch Shell has falsified its oil reserves, leading its share price to be artificially high, the markets are affected by a more general loss of trust in the management. This is so even though there are no criminal prosecutions to date and the United States announced in 2006 that there would be neither prosecutions nor regulatory action: market rumour could have happened without a large media effect, but partly because of the ‘facts of the case’, the financial press took this as a major feature of Royal Dutch Shell’s split governance structures, which were changed in response. In a sense, although this was not publicized as a systemic problem of the industry, the size of Shell meant that it was taken more like a rotten barrel than a rotten apple.

Criminal or regulatory sanctions in such cases, however, can come from several jurisdictions, sustaining media interest. Although its corporate conviction was reversed by the US Supreme Court in 2006 on technical grounds, the well publicized role of

⁹ Newspaper undercover operations that—because of the total absence of informed consent by those involved—certainly would not pass the British Society of Criminology’s ethical research guidelines, and recently have been treated as inadmissible in evidence because the courts believed that they may have provoked the crimes.

accountants Andersen in shredding Enron documents (see McBarnet in this issue) led to a fatal loss of credibility and financial value in the firm's audit opinions, and to its collapse: since there were Andersen partnerships in most countries, this received global publicity despite substantial routine advertising by Andersen and their long-standing normal role as primary definers on accountancy issues.¹⁰

Mathiesen (1997) argues that mass media technologies provide the means for the many to see the few—the synopticon as contrasted with the normal panopticon. However, this reciprocal process of surveillance between elites and masses is highly unbalanced. The greater damage that can be done to the powerful by exposure and scandal does not fundamentally change structures of power and advantage but rather, he argues, legitimates capitalism more effectively by creating the illusion of control. The evidence suggests that although the many have more insights into the fraudulent few than they used to do, the Panopticon is, on balance, the dominant view.

Power, media and reporting of crimes of deception

Few seriously argue nowadays that one can 'read off' crime news as a reflection of economic interests (see Barlow *et al.* 1995 for a more general discussion). The relationship of fraud and corruption with 'High Politics' can be seen most clearly in developing countries (e.g. Kenya, in 2006) but it appears also in some European (particularly France—Roussel 2002—and Italy) and American scandals (*Savings & Loans*, *Whitewater-gate*, *Enron*); however, most frauds prosecuted and reported upon lack this direct connection. Social-security fraud and illegal immigrants may be treated by the tabloid media as belonging together in the anti-Pantheon of Folk Devils. However, except for the collapse of the Dot.Coms and Enron, which were used to leverage regulation by those concerned about corporate transparency and accountability (in the Sarbanes-Oxley Act 2002), frauds are seldom treated as symbolic of crises in capitalism. Nor are 'abuse' of tax regulations and corporate domicile (Braithwaite and Braithwaite, and McBarnet, this issue). Pragmatic factors would stop their being reported as crimes because libel actions would follow, but they appear seldom in mainstream news also (a) because they are hard to grasp and (b) perhaps because global media firms (but not the BBC!) themselves take advantage of such lawful if 'on the margins' methods to increase profits, making it career-limiting and pointless for journalists to spend time on stories that their editors will reject.

As with police corruption, are individual and corporate 'fraudsters' treated as isolated 'rotten apples' or alternatively are used to symbolize wider problems in the state of the nation, in the culture of business, or indeed capitalism generally? This appears to vary over time. When there are a bunch of collapses/scandals happening at roughly the same time, this leads business sections in broadsheets to ask whether this symbolizes something wrong in the environment. Thus it was in the United States with the slew of Dot.com collapses and Enron. At other times, such as the UK 1987–92, prosecutions in *Guinness* and *Blue Arrow* raised critical questions about the neo-liberal values of the City of London, but the fashion for prosecuting elite firms soon declined and, with it, the

¹⁰ Most of the Andersen staff were taken on by other firms, and it is difficult to conceive of further prosecutions eliminating other Big Four firms, hence, perhaps, the deferred prosecution agreement that allowed KPMG to avoid prosecution for its tax shelter promotions.

event ‘hooks’ upon which to hang such lamentations (Fooks 2003). However, we should not assume that it is appropriate for the media to treat such crimes as if they were endemic or ‘rotten barrel’ rather than ‘rotten apple’; unless prompted by ideological considerations, such a conclusion should surely depend on ‘plausible evidence’ about the prevalence and incidence of fraud in particular sectors of the economy and claims on the public purse, bearing in mind the limitations of what media investigators, police and regulators take the trouble to know about those sectors. Even if we had better offending and victimization surveys than currently exist, this would throw more limited light than we would need to know upon such matters (Levi and Pithouse forthcoming; Bussman and Werle, and Karstedt and Farrall in this issue).

Media and crime studies agree that the demand for ‘objective’ news reporting and the continual time pressures of news production combine to generate an over-reliance on official sources which, in turn, serve to orient the media around the ‘definitions of reality’ that those ‘accredited sources’ provide as ‘primary definers’ (Cricher 2003; Schlesinger and Tumber 1994). Since some high-status defendants are (or were) such accredited sources, they—like former Italian Prime Minister, Silvio Berlusconi, and senior British Labour and other Party figures embroiled in the ‘cash for honours’ 2006 scandal—are well placed to offer their reasoned and ‘reasonable’ side of the story, except where it is difficult to see what a sensible defence would look like.

However, whether or not connected to the general ‘de-subordination’ in late-modern society and cynicism about professionals, financial crime reporting regularly contains comments attacking government, regulators and professional self-regulatory agencies, as well as the accountants and lawyers acting for the various parties. This theme is echoed in various British cases, such as *Barlow Clowes*, *BCCI*, *Maxwell* and *Asil Nadir’s Polly Peck*, and is symbolized in the *Private Eye* terminology for the Department of Trade and Industry as ‘the Department of Temerity and Inactivity’ and the Serious Fraud Office as ‘the Serious Farce Office’ and the ‘Seriously Flawed Office’. Fooks (2003) argues that such attacks on competence discouraged the SFO from risky prosecutions that challenged the City of London’s *mores*, since media criticism might have led to the SFO’s closure as ‘ineffective’.

The treatment of white-collar crimes in the business press shows that even if Sutherland was originally correct in asserting that the media are uninterested in white-collar crimes, quite the reverse is the case nowadays *provided that there is some event-peg such as a fine or a prosecution or a liquidation upon which to hang a story*.¹¹ Clearly, the number of these international stories varies enormously, but illustrate both (a) the willingness to publicize white-collar investigations, at least once some official action and/or market reaction occurs, and (b) the geographical spread of the issues, at least in a globalized financial press reporting on a multinational corporate world. Thus, the Geneva paper *Le Temps* reported (10 May 2002) stories (my translation) on the decisions of Prosecutor-General in relation to one major financial crime; the arrest for active and passive corruption of a retired Swiss Foreign Office staff member and two others in Switzerland; the potential loss of US\$49 million by the Cantonal Bank of Vaud from an alleged

¹¹ See, for an earlier review, Stephenson-Burton (1995). We appreciate that some colleagues might counter that specialist business media falls outside the loop because there is no need to mystify them; but this does not take into account the realities of modern news-gathering and story generation, in which journalists rely on each other to an ever increasing extent. The *Financial Times* is generally available on the street and news stands, and is collected by radio and television journalists when deciding what stories to run with.

fraud on the London Metals Exchange; the embarrassment caused to UBS (Union Bank of Switzerland) by the Enron allegations; the fraud allegations against Zurich-based FIFA President Joseph Blatter (carried in many newspapers around the world and developed in 2006 in a UK BBC-TV 'Panorama' programme, 'The Beautiful Bung', 11 June 2006, and a book by long-term investigative journalist Andrew Jennings (2006)); and a two-page spread on whether Swiss banking secrecy would disappear and what would be the consequences. It is not suggested that this level of coverage happens every day—just that *any* regular reader of business broadsheet or even tabloid newspapers would be aware that crimes are *not* produced solely by the working and unemployed classes, even if their judgement of who are the 'dangerous classes' remains immured in the poor and the foreign.

In many of the emerging economies of Central and Eastern Europe, in Latin-America and, more sporadically, in Africa and Asia, many newspapers enthusiastically publish scandal about people in high places, even when they are not owned or financially supported by opposition parties, though, as coverage of corruption allegations against the Berlusconi governments and against Kenyan government in 2006 showed, this becomes more partisan where the media are fervently politically connected, and different messages are conveyed.

Though not always in a consistent way over time, across and between nations, scandal and prosecutions affect shareholder valuations, the corporate image credibility upon which so much marketing is invested and—perhaps to a lesser extent—the social status ambitions upon which many leading business people are focused. In a consumerist society and one obsessed with 'personalities', the media can also gain from warning the public of risks from sorts of activities and firms, and from attacking greedy corporations even if the latter are also their advertisers, though the prospect of losing revenue may put a brake on their attacks on particular firms. Thus, we see consumer columns in several newspapers (and television programmes), including the very popular right-wing 'middlebrow' newspaper *Mail on Sunday*. Encouraged by government, this and many other newspapers regularly attack banks, car dealers/manufacturers and other large businesses under the banner 'Rip-Off Britain'. This does not appear to harm capitalism—indeed, given such huge, anonymous markets, it may help capitalism to function as well as make it seem fairer. It also embodies the tensions between encouraging consumer spending (and advertising to promote it), on the one hand, and 'fairness' expectations by readers and viewers, on the other.

Conclusions

At a wider structural level, the ownership of the mass media may inhibit certain forms of reporting first, by not investing the staff recruitment and time or travel budgets needed, especially for transnational investigations which are extremely expensive; second, by interlocking interests and webs of influence that may transcend direct economic co-ownership conflicts; and third, by ideology that may be semi-autonomous from economic interests, such as not undermining confidence in the financial services industry (which is a heavy advertiser and employer), though few think that capitalism is at risk from fraud stories. The impact of these factors may vary substantially between cultures and over time, for traditions of media independence can and do impact on conduct, even though not embodied in formal procedures or law, and though capable of being broken by ruthless entrepreneurs in a global market. The impact also depends on what level of political and law enforcement involvement either in crimes of deception or in 'organized crime' generally exists. In Britain, where such involvement is relatively low, the importance of media

problem distortion may be less than in Italy during the post-War period or in countries in transition such as Serbia. In the United States, although television is even less interested in complex fraud stories than in the United Kingdom, reporters such as Kurt Eichenwald appear to be given substantial space by the *New York Times* to comment at length on financial scandals such as *Enron*. This is not the case for British reporters, although, for over two decades, journalists such as Michael Gillard, Paul Lashmar, David Leigh and Tom Bower have sought to get the resources to cover complex financial crime stories and corrupt/ fraudulent entrepreneurs, while people like the *Mail on Sunday*'s Tony Hetherington have tirelessly covered smaller-scale consumer and investment frauds.

What normally happens in Western societies is that once a scandal breaks and especially if some official action is taken, all the major media are given funds to throw some extra light on events that are deemed 'newsworthy'. It would be too crude to account for this in terms of its looking like too obvious suppression to ignore a major financial scandal: *Enron*, for example, was rather like Texan 'soaps' such as 'Dallas' or 'Dynasty' in its sensational connections with the White House and politicians of both parties, and American prosecutors and District Attorneys are fond of making white-collar suspects do 'the perp walk' in handcuffs before the television cameras (as satirized brilliantly by Wolfe (1987)). However, there may still be some 'spin' or avenues deliberately left unexplored about relationships between white-collar criminals, organized criminals and senior figures in the state, whether through active suppression or simply the common understanding that unless the researcher can find alternative employment via this 'path to glory' (and sell the story to another newspaper/television programme in the same or another country), such obsession with uncovering networks of relationships is a career-limiting move. Most frauds by volume are reasonably covered as one-off events (like most crimes). However, in others, the sheer length of time taken for investigations, prosecutions and appeals gives ample scope for redefinition, and for this subset of financial crimes, the sense of there being an unfolding story is much greater than for normal crimes. The Bank of Credit and Commerce International (BCCI) was closed down by the Bank of England in 1991, and numerous criminal, civil and regulatory actions around the world ensued; it was only in 2006 that the attempts of the liquidators to sue the Bank of England for regulatory negligence failed, with a massive order for costs against them. Not all actions have yet been finalized, 15 years on. Thus do structural, cultural and personal factors interweave and interpenetrate to 'produce' news and documentaries on white-collar and organized crime.

Some fraud and corruption cases come to symbolize the 'state of society'. The current Chairman of Deutsche Bank, Joseph Ackermann, received significant publicity in the business sections of the press when prosecuted for corruption after he and others allegedly approved around 60 million Euros in bonuses for themselves following their agreement to sell 'their' company, Mannesmann, to Vodaphone in 2000. In this case, as in other European scandals involving Ahold (the Dutch retail group), Skandia (the Swedish insurer) and Volkswagen, the publicity becomes the template for cultural conflicts over the international homogenization of 'business values' and their corrosive effects on the more civilized and disciplined national ethos whose virtues were depicted in Weber's focus on capitalism and the 'Protestant ethic'.

The ways in which these media reports will be interpreted by the public is less well understood. How, for example, do the Italian public view the stories on Parmalat, produced by media that are more explicitly politicized than in the United Kingdom? Do they see it as a gross crime, aided by a complicit set of regulators; as a fraud operating

in the interstices of national regulators unable to coordinate the control of a global set of businesses with different corporate entities in jurisdictions with different levels of transparency; as a 'bonfire of the vanities' by the founder caught up in the *machismo* of competition among industrialists to run their 'family' soccer clubs (like Parma) and support family businesses; or as 'organized crime'? The impact of the media upon these alternative constructs remains unknown, but this is an important though difficult arena for theoretically informed empirical analysis.

Films such as 'Wall Street', 'Rogue Trader', 'Catch Me If You Can' and 'Enron: The Smartest Guys in the Room' may catch the *zeitgeist* and hold up a light to particular corporate or individual values, are accessible to the wider public and not very technical on the financial world. However, as some television journalists have complained in interviews with me, fraud is not a coherent signifier of images of disorder and pain, though some white-collar suspects can be demonized, and hostile images are available for some subtypes of fraud like those against 'widows and orphans'. A rare example of an attempt to re-frame the public debate (from *petit bourgeois* rather than elite suspects) is the extraordinary press conference called by the organizer of cockle-picking (seafood) in Northern England, following the tragic drowning of 20 Chinese labourers on shifting sands while working at night (*The Guardian* and most other newspapers, 14 February 2004), which led to legislative reforms. Headlined 'Arrested Cockle Buyer Lashes Out at Police', the director accused police and the government of inventing the term 'gangmasters' to shift blame for the tragedy from local people whom, he alleged, had committed racist attacks on the Chinese who were not being underpaid by him. Lancashire police—who normally would be regarded as 'primary definers' of the news agenda—responded: 'Two men are currently on bail after being arrested on suspicion of manslaughter, and it is completely inappropriate for them to be commenting on this inquiry.' On one interpretation, the normal role of suspects is to remain at the mercy of whatever hostile publicity the police and media might generate against them; so it is deemed 'inappropriate'—even for business people—to contest this social definition of their situation as villains rather than victims. Yet, in other cases, such as the 'Natwest 3' in 2006, more elite business people are better able to create a sense of ambiguity over 'what happened' and to deconstruct the official interpretation of the harm done and/or their culpability for it (though they were extradited in the end). Thus, there remains a dynamic discourse in which police, prosecutors, regulators, suspects, victims and pressure groups vie for audience by media that will publicize the case or conduct and their construction of it, mainly if it contains 'famous names', unusual features or significant harm that they expect to be visualizable by their readers and viewers. Though insecurities about investment, mortgage and private pension schemes may mount over time, and there is widespread disillusionment about the integrity of business (Karstedt and Farrall, this volume), no areas of socio-economic harm or risk of harm from business activities have as yet attracted a visceral reaction from either the media or the public that compares with identity fraud,¹² still less with other areas of 'moral panic' such as paedophilia.

¹² Cynics might be tempted to argue that this is because identity thefts and frauds seem well suited to help justify the UK government's obsession with identity cards as a solution, but this would be too crude an account, quite apart from the empirical problem of just how—even if the technology works—such cards would help with online and consumer frauds. See Levi *et al.* (2007) and Tombs (2006) for discussions of the harm from different forms of violence, including health and safety at work, and the 'problems' of getting people to think differently about what 'violence' means. In general (see also Ericson and Doyle, in this issue) the relationship between risk and either harm, incidence or prevalence is very poorly dealt with in event-driven media accounts.

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