

## BOOK REVIEWS

**Corporate Crime** by Marshall B Clinard and Peter C Yeager

The Free Press (Macmillan Publishing Company, Inc , 866 Third Avenue, New York, New York 10022), 1980, 356 pp , hardcover—\$16 95

Let the buyer beware This work, billed “the first comprehensive account of the unethical and illegal practices of large corporations,” reflects the strong biases of the authors Throughout *Corporate Crime* runs the assumption that government—especially at the federal administrative level—is a competent, impartial, and beneficent force for social good, and that the typical consumer is incapable of acting, or even thinking, for himself The views of Ralph Nader and others of his ilk are consistently quoted with approval in this book, for example, one suggested remedy for corporate crime, federal chartering of large corporations, is a long-advocated Nadcrite measure

The progovernment bias of the authors is especially important to consider since *Corporate Crime* is offered as a significant addition to the admittedly thin criminological literature dealing with so-called white-collar crime From Professor Edwin Sutherland’s study, *White Collar Crime*, completed more than 30 years ago, and until the Watergate scandal and the associated revelations of illegal corporate activity at home and abroad, most criminological scholarship focused on violent crimes In 1975 and 1976, the authors of this work, Professors Clinard

and Yeager, followed up on that part of Sutherland’s study that dealt with so-called “organizational” crime The Sutherland study distinguished organizational crime from so-called “occupational” crime committed by professionals in their individual capacity (such as an attorney who embezzles her client’s money) Using data supplied by the Securities and Exchange Commission, law reporting services, and business publications such as *The Wall Street Journal*, the authors gathered data in connection with an exploratory study of the causes of corporate crime, the rate of such crime, and sanctions imposed on corporate violators *Corporate Crime* complements the exploratory study in that it treats the economic, legal, and sociological issues associated with corporate crime A central theme of the work is that there exists a corporate “culture,” especially within the oil, motor vehicle and pharmaceutical industries, that encourages corporate officials to engage in wrongdoing Industries and firms having such a culture are especially likely to exhibit disregard for their employees as individuals, and to pressure their policy-making employees either to participate in the wrongdoing or lose their jobs Why this is not true of other large entities, such as labor unions, governmental agencies, or educational institutions, is not fully explained With respect to government, the authors consider its major problems to be the lack of money, data, and coordination, and insufficient coercive power to stop corporate wrongdoing, rather than any governmental propensity to engage in wrongdoing

This book consists of 13 chapters, plus eight appendices reporting the findings of the authors' 1975-76 study. The first chapter focuses on the power of large corporations and their consequent potential for abuse. Here corporate crime is given a broad definition that includes civil and administrative offenses because, according to the authors, traditional definitions of crime may not be applicable to the misdeeds of organizations that hold the legal status of "artificial persons." The social consequences of corporate wrongdoing are also described here even though most corporate violations involve no violence or intimidation in the sense that a "street" crime would, the effects of corporate wrongdoing—in the form of fatalities, injuries, and economic loss to citizens—are nonetheless enormous. The second chapter highlights the growth of corporations and their power, both at home and abroad. The authors note that corporations, because of their size and power, can shape their environment, for example, exerting undue influence on government policy.

Chapter 3, dealing with corporate organization and behavior, identifies three factors that help create an atmosphere conducive to wrongdoing: corporate size, delegation of responsibilities, and specialization. The fourth chapter describes the federal role in controlling corporate abuses and focuses on three agencies, the Federal Trade Commission, the Food and Drug Administration, and the Consumer Product Safety Commission, as examples.

Chapter 5, together with the appendices, reports the findings of the authors' exploratory study. In that study it was found that of the 582 large corporations they selected (stockholder-owned industrial corporations were selected from the *Fortune* 500 list, this group was supplemented by a selection of large wholesale, retail, and service corporations), about 60 percent were charged with at least one violation during the years 1975 and 1976. These violations included environmental offenses, financial irregularities, violation of labor laws, manufacturing unsafe products, unfair trade practices, and

so-called "administrative violations," including disobedience of governmental orders and refusal to cooperate in investigations or comply with paperwork requirements. Of the charged corporations, about 40 percent were charged with multiple violations. The oil, motor vehicle, and pharmaceutical industries contained the most frequent violators, accounting for both the largest number and the largest proportion of charged violations. Such corporate characteristics as size, financial strength, growth rate, and diversification proved to be poor predictors of violations.

Chapters 6 through 8 describe miscellaneous aspects of offending corporate conduct: antitrust violations, foreign, domestic, and commercial bribery, and inadequate control over financial irregularities by the accounting profession.

In Chapters 9 and 10, the authors discuss what they consider "socially responsible" and "ethical" corporate conduct. They deplore the corporate orientation solely toward making profits, at the expense of consumer and community interests, and they cite a variety of practices as evidence of how business' own ethical standards have failed. Misleading and irresponsible advertising, pollution, bribery, and disregard of the communities that host industrial facilities are cited. It is argued here that corporations, by ignoring community interests, are in large part responsible for their poor image among the American public. The eleventh chapter concentrates on the especially bad records of the oil, motor vehicle, and pharmaceutical industries. In this chapter the authors' rhetorical strategy, namely citing examples of flagrantly bad corporate behavior and leaving the reader with the impression that such corruption pervades the entire industry (or even business in general) is most evident.

The way in which corporate officials are handled by the criminal justice system is the focus of Chapter 12. The frequent complaint that sentences given "white-collar" violators are too lenient is repeated here and buttressed by examples: those convicted of antitrust violations in the folding-carton

industry conspiracy received modest fines, short jail terms (if any), and probation. Authors Clinard and Yeager argue that corporate officials are treated even more leniently than white-collar criminals in general, many corporate officials are in fact rewarded by the corporations for which they were working, a practice that reinforces the notion that nonviolent corporate crimes are merely "technical" violations rather than offenses against the public.

The final chapter presents a series of proposals for controlling corporate crime. They rest on the premise that businesses are incapable of enforcing ethical standards of conduct of their own, as well as an assertion that the very manner in which corporations are organized precludes any efforts to improve their ethical practices. The recommended measures range from consumer pressure in the form of boycotts of offending firms and development of a stronger business ethic, to outright federal ownership of corporations as a last resort. (With respect to the latter the authors cite the Tennessee Valley Authority and Petro-Canada as successful examples, and ignore such notorious failures as the U.S. Postal Service and British Steel.) Most of the authors' proposals involve an increase in government's role as regulator and, by implication, as representative of "consumers." In this chapter, the authors' wide-eyed faith in the ability of government to promote the public good is most apparent. But throughout this work the authors quote with approval a number of statements urging a wider federal role in protecting citizens. The most incredible such quotation, made in support of federal chartering of corporations, asserts that the government's proper role is that of "quarterback of the economy."

It is unfortunate that a significant and needed study of corporate crime has been swallowed whole by such strident advocacy of the authors' political and economic views. Nevertheless, this book should be examined by policy makers of all philosophies and should serve as the basis for further, much-needed research in this area. It defines well the nature and extent of corporate antisocial

behavior and the resulting losses to society. Without question, a social problem of this magnitude deserves greater attention in both the scholarly and policy-making communities. However, two themes stressed in *Corporate Crime*—namely the weakly defined assertion that "cultures" conducive to wrongdoing pervade corporations and that increased government control is the best solution to current problems—deserve to be tested by debate and criticism before they ought to be accepted as authoritative research findings.

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**Detroit and the Problem of Order, 1830–1880: A Geography of Crime, Riot, and Policing** by John C. Schneider

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In this book Schneider uses a multidisciplinary perspective in his study of the establishment of the Detroit Police Department. He integrates concepts from a broadly defined social science base that includes geography, sociology, history, political science, and planning. From this broad theoretical perspective he focuses on crime, mob violence, and police development "with an analysis of the city's spatial evolution" (p. 3). In doing this, Schneider breaks with the traditional historiography of the police that concentrates on the political, legal, and administrative aspects of police development, while ignoring the physical environment in which these social forces interact. This approach follows the theoretical model used by Sam Bass Warner (*The Private City*, Philadelphia: University of Pennsylvania Press, 1968), and results in