



To Combat White Collar Crimes In Public And Private Sector And Need For Strong Legislation And Ethics

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Abstract:

The paper deals with and investigates the requirement of resilient and strong legislation to combat white collar crimes, which are exponentially increasing with time both in public and private sector organizations. The influence of immoral and illegal practices in government, particularly the bribes of the highest order has paralyzed the normal functioning of the financial and legislative organizations. Bank frauds and cybercrimes are also increasing tremendously by employing digital devices and the internet. The purpose of this research is also to investigate the essence of the application of strong laws as well principles of morality and ethics. It is advocated by the authors of this paper that norms of morality and ethics on one hand impact a healthy effect on reducing such crimes but also enhances the productivity and profitability of the organizations in financial terms. Several modern organizations are incorporating and implementing the codes of ethics in professional practices. More strict must be the legislation and Code of Ethics, Ethics is the deterrence force to discourage the wrongdoings and adopting right approach so that honesty prevails and curses, crimes, offenses and sins can be minimized. There a serious need of introducing the social welfare system adopted in Europe, Canada and the USA. The bank employees are involved in Bank frauds and commit offenses of embezzlements and illegal transitions using the computer and other digital devices. The role of business ethics in the banking sector is of immense importance. The malpractices by some politicians must also be noticed with stern and iron hands.

Keywords: Online and digital Banking, White Collar Frauds, Business Ethics.

1. Introduction

Nowadays, due to depression in the economies of all countries, political instability and the spread of epidemic the Covid-19, there have been adverse behavior of human beings. Even before Covid-19, digital offenses, money

laundering and illegal transactions were at their peak. The world is facing a great challenge to fight out such illegal professional practices. The business activities are also expanding and there is a need for fair transactional financial activities. According to [1], the major sources of illegalities occur due to mal-functional and deliberately stealing the amount from the accounts. Most of the

illegalities are committed using computerized software. The hacking of accounts and websites has become a frequent phenomenon. The offenders manage this with automated and expert systems to damage and spoil important and useful information of transactions and most of the time hack the identity of bank customers to cause financial harm to them.

According to [1], the following important points have been highlighted in this case:

- a. Slack and deceitful behavior of worker and employees
- b. Inefficiency, incompetence, immoral approach towards working,
- c. Wilful negligence and malfunctioning in the business activities particularly while dealing with amounts receiving and onward transferring and money exchange locally and abroad.
- d. Malpractices by private and industrial, commercial organizations and banks
- e. Damaging the market through disinformation,
- f. Defective auditing,
- g. Deficiency of honest and trained bank officers.

Inaccurate 'trade data' is often purposefully floated to mislead and do harm by businesses to other business counterparts. Industry and trade indexes, statistical market conditions measures, comparative parameters of business statistics on which business volume, operation, credit availability, price patterns, benefit potential and investment opportunities rely are carelessly prepared because of ignorance, inexperience, or knowingly deceptive purpose.

According to [2], in lieu of high-speed processing facilities and technological

assistance, automated bank frauds often create a bad name for the bank and suggests inefficient organizational conduct. Business ethics must, however, play a key role in the banking sector.

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2. White Collar Crimes

A crime is peculiar to a group of persons, usually in positions of influence that can be linked to them in their society through their social standing. White-collar crime refers to the nonviolent, politically motivated crime perpetrated by corporations and government professionals. It was first defined by the sociologist Edwin Sutherland in 1939 as "a crime committed by a person of respectability and high social status in the course of the occupation". For example, it is committed for financial gains, such as securities fraud, embezzlement, corporate fraud, and money laundering.

3. Identification Of Unethical Behaviour

Negligent behavior, fraudulent behavior, deviant behavior and moral dilemmas are common in the banking sector. Unethical norms in various functions of banking are observed, such as receiving, collecting, transferring, and paying, lending, dealing, investing, exchanging and servicing money

and money claims both domestically and internationally.

Private Banks, industrial, commercial, multistate, multipurpose banks and holding companies are often seen practicing unethical conduct in one way or the other. The private commercial banks working in credit to business and operations in the fields of “thrifts”, savings and time deposits, mortgages, lending and dealing with consumer loans, personal loans and securities businesses also have been involved in well-known unethical practices. Commercial banks and the “thrifts” are affected by new products and services of development by securities firms including money market funds.

The trust companies and financial enterprises are also engaged in many kinds of illegal and unethical practices while transferring money at home and abroad, collection and exchanges while providing services as stock transfer agent at the time of bringing the buyer and the seller together as a travel agent.

Some other major restrictions and measures that are to be practiced in the practice are not adequately followed. Due to weak accounting practices and lost records, significant and severe mistakes are made in the banking industry. This leads to opportunities for fraud. Frauds also arise out of false declarations. Goods in transit may also be a source of fraud by certain companies. Some bank frauds are committed in collaboration with the auditors.

4.0 Most Unethical Practices, Bribe and Corruption

Bribe and Corruption are all around us in this era, in Police, courts, health, education, money landing from the public exchequer in public and private organizations. Universally known

corruption is that people have to pay a bribe for Public Services at the grass-roots level. The paying of bribes varies with respect to discretion and contact with consumers gives public employees the ability to claim bribes, the extraction of bribes varies according to industry, region and particular local circumstances. For contracts and permits worth vast amounts of money, the literature on corruption appears to concentrate on great corruption. However, to access public benefits, 1.6 billion persons annually have to pay a small bribe. These bribes decrease the efficacy of donor assistance designed to reduce hunger in developed countries. Acts such as replacing corrupt politicians with machines, encouraging more transparent governance, and allowing people a choice between service-providing entities will help eliminate bribery in service delivery.

According to [3], the literature on corruption tends to focus on great corruption in the case of contracts and permits worth large sums of money. However, 1.6 billion individuals have to pay a nominal bribe annually in order to obtain access to public benefits. These bribes decrease the impact of donor aid planned in developing countries to reduce poverty. Acts such as substituting computers for crooked officials, fostering more open government, and encouraging individuals to select between service-providing companies can help eradicate bribery in service delivery.

When public services such as health, education, and police are pursued, residents are most likely in touch with the government. People can need to pay petty bribes to get these facilities in countries with crooked public employees. Survey research showed that in order to get public benefits, 1.6 billion people annually have to pay a bribe. Petty bribery in developed countries will minimize the efficacy

of donor funding for poverty reduction programs. Reforms that will help minimize bribery of particular facilities are in progress. The political corruption is high in most evident in several countries [3] and very low in Japan about 1% and 77% in Liberia; Lithuania with a high level of bribery, 29% . However, the average among EU member states is 4%; it is just as low in the Anglo-American world.

The need for transparency has been discussed in [4]. According to [5]and [6], it is suggested that how to control them using the e-government technology in Bangladesh. The concept of mainstreaming has been presented in [7]. The articles [8], [9] and [10] describe the details of political corruption. Various reforms have been proposed to combat corruption. The articles discuss the anticorruption methodologies for implementation.

4.1. Bribe, Corruption and Political Culture

Political culture theorists predict that most people in cultures defined as oppressive by Western norms will consider bribery as the natural way of doing things. Surveys, however, regularly find that a vast majority agree that accepting a bribe is incorrect, while the minority that finds bribery appropriate does not account for the actual rate of corruption. People are willing to pay a bribe as a lesser evil where there is a discrepancy between an ethical reluctance to indulge in wrongdoing and the desire to look after the welfare of family members or care for the education of a child. People pay bribes as they are requested by elected authorities as a prerequisite.

4.2. Payment of Bribe to voters by politicians

A case has been recently highlighted in the

press regarding payments of very heavy amounts of bribe to the potential voters in the Senate Elections. This incident occurred in 2018, but the videos appeared on social media and other TV channels of Pakistan, in February 2021. A prominent personality of a principal government has been involved.

The voters were also the member of a Provincial Assembly, who were receiving bribe money, in order to elect the members of Senate. It amounts to selling and purchasing the votes. In the video, it can be seen the politicians and legislators receiving the bribe. The impact of such incidents is extremely damaging for the country and its reputation.

The members elected in this manner are usually responsible for money laundering, inflation and financial frauds. There must be some administrative measures to implement strict laws to combat corruption and bribery. The significance, seriousness and importance of such offenses must be top priority of the federal and provisional governments, a useful survey has been presented in [14], giving the case study regarding Australia.

The public apprehensions and insights of white-collar crime have been discussed at great length in [15]. There is another interesting national public survey has been conducted and presented in [16] regarding white-collar crime. Crime intensity research is relevant because it has direct consequences about whether or not.

Table 1: Areas of White Collar Crime [17]

Credit Card	Counterfeiting	Insurance Trickery
Currency arrangement	Embezzlement	Investment Act to commit fraud
Kickback	Black Money	Income Tax avoidance

The public will support the use of criminal penalties against the unlawful use of white collars. The traditional view of the population as oblivious to such transgressions was underlying the People do not see white-collar crimes as serious, they say. By proving that this belief is based on the analysis of severity led to the finding that the study was empirically unfounded. The public wants that white-collar criminals to be prosecuted and punished as often or worse than other traditional street crimes for crimes with severe harm. The other serious duty of the government is to enhance its ability to properly prosecute and eliminate violence from the White Collar crimes. Though it is said there is normally no physical violence, but it is there in some cases. The well-known types of white-collar crime are corporate, state-corporate, occupational and governmental,

A central observation in recent literature is that both the American public and people are Other Western nations are very willing to prosecute criminals wearing any wrongdoing criminally. Necklace of color. With this basic policy dilemma settled, a new generation of research needs is expected to be undertaken. The previous section detailed the significance of concentrating on styles of White-collar crime and main moral values that could inflate or minimize public crime.

5. Role Of Ethics On White Collar Crimes

According to [1], economic theory and strategies are driven by behavioral assumptions. Based on actions, economic models are developed and tested; thus, principles, beliefs and economic growth go side by side. The whole set of individual behaviors, judgments, interpretations and behavioral habits was accepted by beliefs. The

foundation incorporate ethics is the truthfulness and trustworthiness of comments and acts. Continuing professional advancement requires expertise and study extension. The most common aspects of corporate ethics are Prevention of conflicts of interests, user, boss and institution loyalty, the risk to outsiders and the public. Major rises in theft and fraud are being committed on a wide and small scale owing to the digitalization of financial networks. Credit cards, money laundering, internal misappropriations, mobile banking, fake emails and misrepresentation of customers are linked to popular bank frauds.

Let us first explore the principles of 'good,' 'right' and 'obligation' in order to create an operationally viable framework for business ethics. These major variables revolve around the ultimate topic of moral philosophy. Then the questions arise: how can enjoyment be exercised? Should he practice it in a reasonable, neutral, judicial manner? Social concepts such as prudence, benevolence and equity are self-explanatory, while mathematical axioms and theorems do not imitate them, they are applicable to human actions (like mathematical formulas). Likewise, in the field of business ethics, considerations such as aesthetic assessments of objective validity and impartiality, good conscience (legally), humanity and social love build a disposition. Such ideal ideals, such as the importance of intelligence, tradition, intellectual activity, truthfulness, love of truth, purity, temperance and modesty, also have a major positive influence on functional ethics.

The Business Ethics is producing and enhancing productivity in the international and national organizations. The business leaders realize the relationship between morality ethics and corporate's advantages. In the marketcustomer, stakeholders, stockholders

and company's relations do have positive and fruitful impact on the business. The Ethics brings several advantages in the market, such as improved performance and workers are dedicated to their duty and reputation of the firm leads to more profitability. In their decision-making, companies and customers cite business policies and principles as prime factors. Superior performance of workers: Businesses with good management policies and defined principles report enhanced morale of staff, decreased recruitment of employees and increased efficiency. The reputation of a corporation will never recover until harmed by controversy or unethical conduct - resulting in decreased sales, reduced productivity of staff and heightened regulatory and media attention. Emphasizing prudent corporate behavior is the best way to protect the valuable assets of a business.

6. Ethics Of Islam

Trust and fear to Allah the Almighty is the binding power behind Business Ethics in Islam. "Every religion has distinctive virtue and Islam's distinctive virtue is modesty." In Islam, "Every good work is charity" (Hadith Mubarik), where the word "good" means what is recognized to be good, fit, decent, being, virtuous character, duty, goodness, rightful favor, bounty, and obedience to Allah. "Hazrat Amru Abbas" (91,2210); "What is Islam?" asked the Prophet (PBUH). The prophet Muhammad wrote, "Purity of speech and hospitality." Peace be upon him. The course of world history was transformed by Islam through Prophet Muhammad Peace be upon the life. The deterrent force in Islam is fear of Allah Almighty and the life hereinafter, which protect us not to commit sins and crime.

7. Conclusion And Recommendations:

1. The government must take positive steps

to reduce corruption and bribery. Overhauling of anti-corruption institutions must be accomplished. The utilization of public funds must not be allowed to plunder and wasted. Take stern action against the public servant to be placed under strict surveillance to combat Bribery and corruption.

2. Computerization termed as e-commerce and e-governance must introduce in all public sector organizations. Reviewing reducing the regulations and making the procedure easier through applicable software will also boost the process. Special vigilance is required for services where millions of people are affected by bribes and corruption. Let the freedom of the press be restored so that they may launch the campaign against bribery and corruption.
3. Old un-useful laws and regulations must be repealed and substituted by new stern legislation to combat the financing terrorism. Randomly application of discretionary powers is the actual cause in such actions, therefore, these powers must be abridged, curtailed and reduced, and let the officers work according to law, Rules and Regulations. By electronic means, track elected authorities. Encourage the use of social media to condemn corruption and ransom requests on particular services. Let public expenditures comply with citizen entitlements.
4. In the area of business ethics, economics and morals, comprehensive programs can be planned and developed for bankers during training at banking institutes. In-house ethics activities, conferences, seminars and short-term training in ethical philosophy related to banking and employee advice must also be created. In

order to organize moral education, all meaningful actions should be taken.

5. Try to amend legal and ethical standards in terms of moral principles by incorporating improvements to current codes. The survival of the fittest is the spirit of the banking industry, technical advice, experience, skills and business expertise are passed and banking management remains fit. Policymakers and clients are professional, ingenious, educated and knowledgeable while working with workers. The laws must be based on and drawn from a defensible moral theory that takes into account market dynamics.
6. It is important to hire citizens with good faith and ordinary conscientiousness so that they embrace with honesty the codes and concepts. Public officials must be able to benefit from the support of intellectuals from outside the profession in question.
7. If a person has been wrongfully permitted to join as an employee, management must have the right to discharge the misfit if it is not to contribute successfully to the accomplishment of pre-settled goals. Employee competency, behavior, preparation and expertise requirements should be favored over political pressure for appointments in the banking sector, especially for technical personnel.
8. Many banking sector companies have provisions that forbid workers from receiving gifts, ensuring that consumers are not placed in an uncomfortable situation by breaking corporate policy. Because of the benefit that is given and nothing more, a customer can use the services. Steps to restore conventional principles should be taken to inject trust

and honesty into banking industry practices and partnerships to build profitable relationships with staff, clients.

9. Measures should be taken to eradicate unethical norms and malpractices for bridge financing. It is a short-term financial arrangement given to the industrialists for their projects and recoverable from the sales of products. For this purpose, political bribe, discretion and element of exemptions work.
10. Discretions and illegal exemptions are killers of every system. The unlimited discretionary and exemptionary powers lead to unethical norms. Lacunas in the policies, which keep the policies-unimplemented and ultimately the circle of exemptions and discretion create a vicious circle of corruption.

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