

## WHITE COLLAR CRIME AS ORGANIZED INSTITUTIONAL CRIME

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### Abstract

The object of treatment in this paper is the problem of detection and treatment of corruption. There is no single definition for corruption and in this case it is limited to the corruption practices of white-collar crime, being a link to institutional organized crime, with confirmation of the suspicion of crime in the Prosecutor's Office - especially that of serious crimes which is the main pillar of the state in this right to enforce the law and fight the phenomenon, as well as the state courts. Its meaning is broad and cannot be defined only by accepting or giving a bribe to an official or buying it, as is often practiced. Corruption is often carried out by a highly organized group of people, which gives us elements of institutional organized crime. Since corruption, especially political corruption, is carried out by highly qualified and professional persons, this greatly complicates the operation of the law, detection, investigation, prosecution and judgment of authoritative persons, decision-makers, due to the great powers to hide the traces of corruption and especially the crime of money laundering, being a serious consequence and with great material and moral damage for the citizens of a state. Due to the problems leading to the discovery and proof of this crime and due to the way it is committed, the secret nature, corruption is part of the crimes where the rate of proof is extremely low or even definitely impossible. The work is mainly elaborated on the problems encountered not only by the agencies, the bodies that have a mandate to prevent and fight this negative phenomenon in our society, but also the media and especially the citizens who are involved in harm from authoritative persons and state institutions. A major problem where the citizen there is no address for orientation and when the organized Institutional group usurps the State Institutions and in some form is created as a Mafia group.

*Keywords:* corruption, white collar, exposed, Kosovo, organized Institutional group.

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### Introduction

A phenomenon that can already be a worrying problem, which degrades security, stability and social well-being. White-collar crimes get their name from the fact that they are usually committed by authoritative employees, taking advantage of their position within a company or government agency to extract some financial benefit. (Hayes 2023).<sup>1</sup>

This harmful factor takes on proportions, especially in transit countries and in fragile political situations.

Corruption poses a danger to a healthy economy and to democratic relations.

This phenomenon has taken on large proportions, especially in the form of money laundering. The limits of the extent of corruption do not or do not recognize the state borders of a country. The act of corruption through white-collar officials is related to the violation of legal provisions as well as the code of ethics. Authoritative persons involved, creating groups organized as a chain from institution to institution. It is seen as an open threat to society, economy, administration, and social order.

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<sup>1</sup> Adam Hayes , What Is White-Collar Crime? Meaning, Types, and Examples. Updated May 31, 2023,p.g.2  
<https://www.investopedia.com/terms/w/white-collar-crime.asp>

<https://doi.org/10.62792/ut.jus.v12.i21-22.p2759>

## White Collar Crime

White collar crime is a term that refers to non-violent, financially motivated criminal activities,

Coined by criminologist Edwin Sutherland in 1939, the term "white-collar crime" refers to non-violent crimes committed by business or government professionals.<sup>2</sup>

White-collar crime is a type of non-violent crime that is financially motivated.

Due to the sophisticated technology now available, however, even white-collar crimes may result in tens of millions in losses for the victims. So, these crimes are known as non-violent, but in the end they turn out to be not without victims.

Based on the nature of history, known at the beginning as non-violent crimes, it can lead to the hypothesis that the increase in the desire, opportunity, and groups in cooperation for this form of crime - enrichment using authority and position - has also gained power.

Powers that even the human life is not valued anymore - so the authority also takes victims in people - to achieve the goal of profits. non-functioning of the law. Involved in crime, persons called to justice,

They are given the authority not to choose strategies, only to achieve the benefits.

This tragedy is increasing especially in developing countries that have emerged from the war crisis.

Fragile politics, frequent honors of the government.

In cases of any nature of corruption, there is every element of committing the act and one of them is the will to commit and it exists from the moment when:

The perpetrator took into account the consequences, was aware that his actions could cause the consequence, regardless of whether he wanted such a consequence or not,<sup>3</sup> whatever they may be.

### Identification of a White-Collar actions Crime's

The identification of this form of crime is not difficult to investigate and under control everything is dependent from the country it happens and going to grow, having in consideration these types of crimes, are committed by individuals at the highest levels of society - decision-makers. Official positions whose professional roles provide them with ample opportunity for profit.

High crime is the danger of the state-citizens. The state has the responsibility to protect and provide security and stability in its territory. Criminality, in addition to endangering and damaging internal security, also affects international security, relations between states - transnational organized crime.

These kind of process of corruption depend on Interest of Government of and state. But the whole thing remains a problem, since the people involved are officials and often decision-makers of the law and justice (prosecutors, judges, police - or any of the competent bodies to fight crime).

Based on the practice and from different sources of this type of topic, it is mentioned that it is hard to be assumed or said that when the next white-collar criminal activity will occur or may be the case. However, based on many ways of investigation, on possible international practices, on the knowledge that you can base on the previous events of a suspected person,

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<sup>2</sup>National University. (n.d). Title: Common White-Collar Crimes. Topic: White Collar Crimes and Their Impact(pp.2 ) R..... November 17, 2023.From. <https://www.nu.edu/blog/common-white-collar-crimes/>

<sup>3</sup> Korrupsioni zyrtar dhe veprat penale kundër detyrës zyrtare Udhëzues i veçantë(2021).Title: Dashja (pp.16) Review: November 17,2023. From: [https://supreme.gjyqesori-rks.org/wp-content/uploads/legalOpinions/98248\\_UDHEZUESI%20PER%20VEPRAT%20E%20KORRUPSIONIT-10%20qershor%202021.pdf](https://supreme.gjyqesori-rks.org/wp-content/uploads/legalOpinions/98248_UDHEZUESI%20PER%20VEPRAT%20E%20KORRUPSIONIT-10%20qershor%202021.pdf)

you can keep yourself alert on the signs and flow of the activity of the suspect/t's. This action is usually carried out by a group organized in cooperation!

Below are some tips that can be used in work practices to identify white collar crime.

- Data Investigation
- Monitor the Signs
- Workplace Empowerment

White-collar crimes majorly affect financial institutions and businesses but not only the effects of white-collar crimes extend beyond immediate financial loss.

Despite their nonviolent nature, the impact of these crimes is far from benign. They can result in significant financial losses for individuals, corporations, and economies.

They can erode trust in economic and political institutions, contribute to social inequality, and even destabilize financial markets.

White-collar crime encompasses a wide range of offenses, including as the following:

- Tax Evasion
- Counterfeiting of Currency
- Embezzlement
- Insider Trading
- Bribery,
- Espionage<sup>4</sup>
- Cybercrime
- Fraud

But looking from difference sources of literature, the White-collar crimes can range, and some of the most common forms of white-collar crime are mentioned as follow but looking that corruption is mostly through the financial benefit the topic is oriented in ways over money:

- Money laundering,
- Fraud and tax evasions

The benefits can be of different forms, whether real estate or other forms, but the most concrete form is through financial benefits, and the main important and problematic, last years it may consider the money laundering crimes.

## **Money Laundering**

This process, or this phenomenon of enrichment, should be taken seriously since it could easily be described as a fatal failure and the undermining of a society in that state.

This activity rules the state institutions (courts, prosecutors, police and all the factors responsible for the rule and respect of law).

There are different ways of presenting the definition of this phenomenon, but in general, this phenomenon is known as the process where the money of illegal criminal activity, where the perpetrators of the act, act in different ways to clean up those profits, the benefits that seem to be have come from a legitimate source and which is also described as a serious financial crime, which is used by both white-collar and street criminals - or persons not in official, authoritative, decision-making positions at work.

This process is of critical importance, as it allows the criminal to enjoy these profits without jeopardizing their source.

Money laundering is a process that typically follows three stages to finally release laundered funds into the legal financial system.<sup>5</sup>

3 Stages of Money Laundering:

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<sup>4</sup>CFI (n.d.) Title: White-Collar Crime. Topic: Types of White-Collar Crime. (pp.4-5) Review: November 17,2023. From: <https://corporatefinanceinstitute.com/resources/esg/white-collar-crime/>

<sup>5</sup> United Nations Office on Drugs and Crime, (n.d.) Topic: Money Laundering (pp.1). Review: November 17,2023. From: <https://www.unodc.org/romena/en/money-laundering.html>

- Placement
- Layering
- Integration

Process of the money laundering has developed and has brought irreparable consequences for the citizens, especially in the forms of cooperation of institutional organized crime through different forms of private businesses. This includes especially the health sector, and different sports centers (formal gyms, etc.). While the most degenerate for the nation and the state, but also in international influence, it turns out to be the privatization of Education!

A large number of education centers have caused irreparable damage to citizens, being materially and morally damaged, deceived for study programs and false diplomas. In these forms, strategies used against unprotected citizens - persons official in collaborations, for illegal enrichment.

These crimes by official persons, who, by acting or not acting, have allowed this activity, where thousands of students have been harmed.

above all drastic crime as it turns out that in the group organized in this enrichment strategy results in the cooperation of staff from competent bodies called to fight crime, justice, police, institutions responsible for state education, etc.

A large number of education centers have caused irreparable damage to the citizens, being materially and morally damaged, deceived for study programs and false diplomas, using these businesses for illegal enrichment. But not only that, the tragedy continues considering that now in the education of many countries, there is no decent education. The former generations are being replaced by this staff of people who do everything by buying money (position, diplomas, etc.) so the crime in the states goes as far as making the security, stability and life of the citizens impossible. Especially when the law institutions of a state are led by people who go above the law by committing different crimes, precisely those called against crime. Networks of people have been created, the employment of familyism has been created, giving a kind of bribery through white collar, in state institutions.

And that in these situations it turns out that a wide group of official persons are involved, who by acting or not acting have allowed this activity to harm thousands of students and also in this enrichment strategy result in the cooperation of staff from competent bodies called to fight crime, justice, etc.

The crime of money laundering and the illegal enrichment of this form of corruption has affected the citizens and damaged them forever, but the crime has been silenced because it was committed by white-collar people!

The benefits from these forms are of large amounts, and then to those representatives in decision-making positions of the law, they give the opportunity to expand the pause.

Being authoritative persons, in order to escape the declaration of assets, they also use international forms of money laundering. cryptocurrency, exchange of profit from ready money with real estate (apartments, land, luxury cars, etc.).

Being authoritative, in line with the implementation of the law, the recognition of the legislation, the most dangerous crime of a state - remains the involvement of official persons from Law Institutions - the judiciary, the police and agencies or whoever is called to respect the law of a State!

And for this in some cases, in countries with fragile policies, citizens remain unprotected before justice and this phenomenon can only be fought by the international factor!

white collar crime can loosely be defined as a cancer cell, where the State and the law do not end - a metastasis develops without hope for stability, security ore future of the citizens.

In a way, white collar workers can also be classified as mafia groups, since they have the right to rule of law, where governments are silent!

## International legislation

Through the Global Program, UNODC encourages States to develop policies to combat money laundering and terrorist financing, monitors and analyzes related problems and responses, raises public awareness of money laundering and terrorist financing and acts as a coordinator of initiatives done jointly by the United Nations and other international organizations.

Money laundering is dealt with in the 1988 Vienna UN Convention. The Financial Action Task Force was also created by many other organizations.

ATF Recommendations

Creation and ongoing maintenance

Together, the Forty Recommendations on Money Laundering and eight (now nine) Special Recommendations on Terrorism Financing set the international standard for anti-money laundering measures and combating the financing of terrorism and terrorist acts.

In February 2012, the FATF codified its recommendations and Interpretive Notes into one document that maintains SR VIII (renamed Recommendation 8), and also includes new rules on weapons of mass destruction, corruption and wire transfers (Recommendation 16, commonly known as the “travel rule”).<sup>[13]</sup>

It sets international standards that aim to prevent these illegal activities and the harm they cause to society<sup>6</sup>.

They also created, among other things, Forty recommendations on money laundering. Forty Recommendations require states, among other things, to:

Implement relevant international conventions.<sup>7</sup>

Criminalize money laundering and enable authorities to confiscate the proceeds of money laundering.

Implement customer due diligence (e.g., identity verification), record keeping and suspicious transaction reporting requirements for financial institutions and designated non-financial businesses and professions.

Establish a financial intelligence unit to receive and disseminate suspicious transaction reports, and

Cooperate internationally in investigating and prosecuting money laundering.

Money laundering and corruption are often intrinsically linked. The process of money laundering is to hide that those funds are generated by criminal activity.

This is why FATF standards are so important to the fight against corruption. Although designed to combat money laundering and terrorist financing, when implemented effectively they also assist investigations into corrupt activities.

The FATF is also working to tackle the misuse of citizenship by investment schemes and working closely with international bodies such as the OECD Working Group on Bribery, the G20 Anti-Corruption Working Group and the Conference of States Parties to the United Nations Convention Against Corruption. .

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<sup>6</sup> Topic: Corruption (N/A) Review:12 dec.2023. From <https://www.fatf-gafi.org/en/topics/corruption.html>

<sup>7</sup> Topic: FATF Recommendations(N/A) Review:12 dec.2023. From: <https://www.fatf-gafi.org/en/topics/fatf-recommendations.html>.

## Conclusion

Money laundering is a leading factor in white-collar criminality. There is an early definition of what is called white collar crime.

This form of corruption is believed to be a global problem of many countries, considering that profits in various forms have increased (tenders, court cases, prosecutors, ghost businesses, cultural projects etc)

Degradation in the respect and functioning of the law brings an increase in murders, crimes of different forms that already originate from representatives called for justice, from official staff in state institutions. All these concerns degrade the social life of citizens and are the basis of the Security of a state.

State is not endangered or collapsed only by external factors or international policies.

The state is like an fruit (apple) which is mostly endangered by its own internal institutions and leadership.

The fight against this phenomenon, especially in countries emerging from wars or crises in recent years, is almost impossible since the perpetrators of these crimes are the very people called to fight against these crimes and phenomena.

The phenomenon of money laundering and white-collar officials is also a transnational phenomenon, cooperating in possible ways through businesses, drugs, weapons. Recent years, especially virtual currencies. It is known that virtual currencies appear in many forms and are often referred to also as crypto currencies.

In some countries where years have passed and this phenomenon of white-collar crime, the first useful step would be to deeply introduce "judicial reform".

The peak of all possible crime phenomena is suspicion from the justice system. Non-respect, implementation, and correct functioning of the law.

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