

# THE NATIONAL PUBLIC SURVEY ON WHITE COLLAR CRIME



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NATIONAL WHITE COLLAR CRIME CENTER  
TRAINING AND RESEARCH INSTITUTE

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**THE  
NATIONAL PUBLIC SURVEY  
ON  
WHITE COLLAR CRIME**

by

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with

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This document provides readers with a rare glimpse of public attitudes regarding fraudulent and economic related crimes. The findings shed light on how often Americans are victimized by these types of crimes and preventive measures to control white collar crime. Comments, recommendations, or general impressions of the content of the program are encouraged. All suggestions, comments, or feedback regarding this course will be acknowledged but only at the request of the sender and with the submission of a return address. Please be as specific as possible in your comments.



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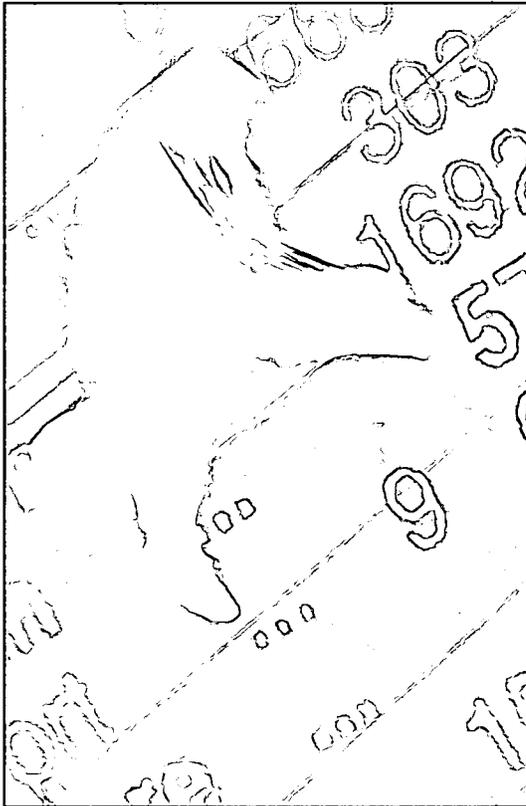
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# INTRODUCTION

The aim of the National White Collar Crime Center (NW3C) in administering the National Survey on White Collar Crime was to add broader and more current information to that furnished by prior surveys. The survey touched upon several perception dimensions to present a comprehensive picture of what the average American thinks about white collar crime.



INSIGHTS  
INSIGHTS  
INSIGHTS

# INTRODUCTION

In January of 1999, The National White Collar Crime Center (NW3C) embarked upon a research project to examine the public's perceptions of and experiences with white collar crime. By April, 1999 the Center had completed a survey of 1,169 U.S. citizens. The results of this survey provide a rare glimpse of public attitudes regarding crimes in which unwilling and unwary customers and consumers are cheated; crimes such as fraud and embezzlement.<sup>1</sup> The results also tell us how often American households are victimized by these crimes, and what they think the government should do to help control white collar crime. The results of this survey should prove informative to the law enforcement community, consumer protection organizations, and victim advocacy groups, as well as to criminologists. In some instances the results may be surprising, for they uncover a deep concern with white collar crime and how effectively the criminal justice system deals with the offenses.

Considering the amount of government funding allocated to the control of "street crime," there has been relatively little funding set aside for the control of white collar crime. This is due in part to a long-standing belief that the public is apathetic towards white collar offenses and offenders.<sup>2</sup> As far back as 1940, Edwin Sutherland, the renowned sociologist who coined the term "white collar crime," complained that "the general public was, sadly, simply not aroused by white collar crime."<sup>3</sup> Later, in 1968, the President's Commission on Law Enforcement and the Administration of Justice concluded that the public was *indifferent* to white collar crime and, in many cases, actually sympathized with white collar offenders.<sup>4</sup>

*...in 1968, the President's Commission on Law Enforcement and the Administration of Justice concluded that the public was indifferent to white collar crime...*

More recently, groups like the National Fraud Center have reported that government funding for the investigation and prosecution of fraud has remained fairly flat over the last 10 years, despite the consistent rise of financial costs and arrests associated with these crimes during the same time period.<sup>5</sup> While it is difficult to precisely measure the sum of the financial losses attributed to white collar crime, criminologists generally agree that white collar crime exacts a cost that dwarfs that incurred from street crime. The Federal Bureau of Investigation's Uniform Crime Reports (UCR) national arrest statistics, for the period from 1988 to 1997, show that while arrests for most index crimes of violence (e.g., murder, nonnegligent manslaughter, rape) and property crimes (e.g., robbery, burglary, motor vehicle theft) have declined, arrests for fraud and embezzlement have risen significantly.<sup>6</sup>

# INSIGHTS

*...there has been  
little attention paid  
to white collar crime.*

In the world of criminal justice research, there has been relatively little attention paid to white collar crime. The number of research studies on white collar crime pales in comparison with the many studies on the commission and control of violent crimes and property crimes. Of the white collar crime studies that *have* been conducted, there has

been a noticeable paucity of studies that question the public on the topic; and most of them have focused almost exclusively on specific aspects, like seriousness or victimization. Others have been couched within more general surveys on crime attitudes.

Several localized surveys on crime seriousness were administered in the 1970s,<sup>7</sup> and one noteworthy national study on general crime severity was conducted in 1985.<sup>8</sup> Some more recent surveys on telemarketing fraud were conducted by Harris and Associates<sup>9</sup> and by the American Association of Retired Persons.<sup>10</sup> The most notable recent survey examined fraud victimization and was administered by Titus, Heinzmann and Boyle in 1991.<sup>11</sup>

The aim of NW3C in administering the National Public Survey on White Collar Crime was to add broader and more current information to the rich insights furnished by prior surveys. Rather than limiting our focus to any one aspect, we decided to touch upon several perception dimensions to present a comprehensive picture of what the average American thinks about white collar crime. We were interested in obtaining answers to questions such as:

- ◆ How serious do you believe white collar crime is?
- ◆ How safe do you feel from white collar crime?
- ◆ Have you or someone in your household been victimized by white collar crime?
- ◆ Did you report the victimization?
- ◆ What type of person do you believe the average white collar crime victim is?

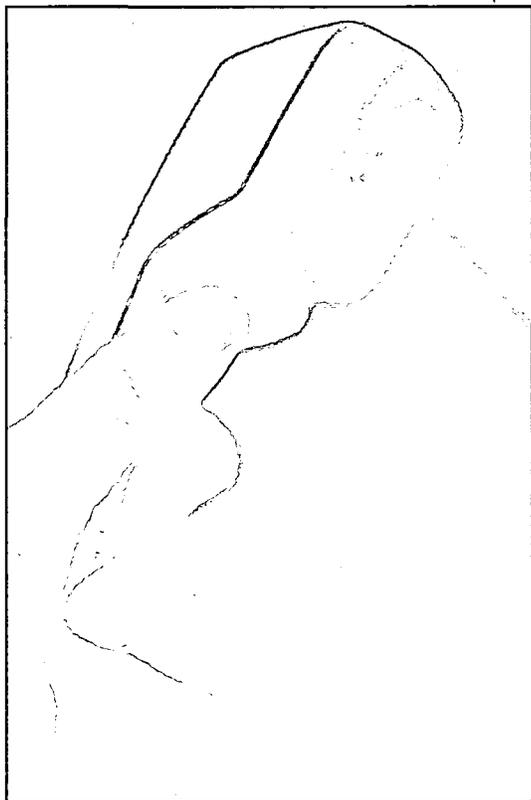
We also asked questions about participation in risk behaviors associated with white collar crime victimization, perceptions of the control of white collar crime, and opinions on workplace theft. (The full text of the questionnaire appears in Appendix A: Survey Questionnaire)

We believe that the many individuals who played a part in the development and administration of the survey have made a meaningful and timely contribution to the body of information that already exists on white collar crime. We hope that it draws attention to a crime area that, unfortunately, is playing a part in the lives of many citizens throughout the US.

INSIGHTS  
**INSIGHTS**



# SURVEY METHODOLOGY



All information for this household survey was collected through a randomized telephone survey of U.S. citizens over the age of 18. The sample was stratified by county to afford each county a selection probability proportionate to the share of telephone households within the county. Steps were taken to ensure that the sample was representative of the general population by age, sex, education, and region.

RESEARCH  
RESEARCH  
RESEARCH

**A** committee of Subject Matter Experts (SMEs) helped formulate the focus of this study. The committee, which met in Morgantown, WV in September 1997, was comprised of scholars specializing in white collar crime, practitioners in the field of white collar crime control, and survey research specialists. After discussing key issues in economic crime, they recommended conducting a public survey specifically to measure the seriousness of white collar crime, victim prevalence, reporting behavior, and attitudes on white collar crime control. After examining a variety of instruments used in previous surveys that explored crime and victimization, our survey questions were drafted and then reviewed by the SME committee.

For the purposes of this study, we defined white collar crime as “planned crimes that involve cheating or lying that usually occur in the course of employment.” Respondents were told that white collar offenses included crimes like fraud, embezzlement, and crimes against public health and safety.

Data for this study were collected through a telephone survey of US citizens. The survey was administered by trained interviewers over a twelve-week period beginning in late January 1999. We obtained the sample from an independent firm specializing in sampling for regional and national studies.<sup>12</sup> The sample was stratified by county to afford each county a selection probability proportionate to the share of telephone households within the county with no bias toward listed numbers.<sup>13</sup> Random numbers were created by systematically randomizing the last two digits affixed to the area code, prefix, and block portions of each telephone number.

Within each household, an individual was randomly selected to serve as the survey respondent. We employed recognized methods of

randomized selection in an effort to achieve satisfactory representation of the total population of the US on such factors as age and sex.<sup>14</sup> The data were weighted on age, sex, education, and region to transform the sample into proportions representative of the parameters of the larger population. The amount of weighting required was minimal.

The level of public participation in the survey was lower than anticipated and, therefore, necessitates the exercising of caution in the interpretation of results and the degree to which they represent the opinions and experiences of the entire adult population of the US. As explained by past works on survey design and administration, major obstacles to making contact with eligible survey respondents can be the “gatekeepers” and “gatekeeper devices” that prevent such contact.<sup>15</sup>

Such was the case for the present survey. A high percentage (50%) of gatekeepers (i.e., individuals answering the telephone) terminated dialogue with interviewers before the interviewers had an opportunity to interact with eligible, randomly selected respondents within the

household. In addition, screening devices for incoming calls (e.g., answering machines, caller ID) also presented hurdles to successfully contacting eligible respondents, leaving the study with a household participation rate of 37%. When interviewers were successful in getting beyond gatekeepers and gatekeeper devices, the participation rate of contacted, eligible respondents was more encouraging. Of 1,582 cases in which eligible respondents were successfully contacted, 1,169 (74%) completed interviews, 408 (25%) refused to be interviewed, and 5 (<1%) terminated dialogue after the interview began but before the interview could be completed (see Appendix B for discussion).

***White collar crime was defined as “planned crimes that involve cheating or lying that usually occur in the course of employment.”***

Data were collected using a Computer Assisted Telephone Interviewing (CATI) system. The CATI system is a valuable tool for compiling data because it strengthens supervision of the survey process and permits continuous and easy examination of the sample database. This system immediately captures the information, allowing the research team to examine emerging trends throughout the data collection process.

The telephone interviewers, who were recruited from an external employment agency, underwent a rigorous three-part training. The first phase involved fourteen hours of training on general interviewing techniques including acceptable interviewing styles and handling difficult respondents. (The instruction was based on the University of Michigan's Institute for Social Research interviewer training program.) The second phase consisted of six hours of training specific to the white collar crime survey being utilized, including review of the survey instrument, fallback and introduction statements, and question-by-question objectives. The third phase of the training involved instruction on operating the CATI software. Interviewer progress and skills were monitored using the telephone system that enabled each supervisor to listen to interviews in progress. Additional supervision of the interviewers' work occurred through review of completed interviews.

Three criteria were established to select an appropriate respondent: s/he had to be a household member, over the age of 18, and a US citizen. When interviewers were prevented from reaching a household member and/or the respondent because of answering machines, temporary disconnects, or gatekeeper refusals, they were instructed to set a callback for two days later and one calling shift forward. The hope was that the respondent would be available at a different time. In most cases, the number of callbacks was

***The CATI system... captures the information [in a database], allowing the research team to examine emerging trends throughout the data collection process.***

***The instrument was pilot-tested to ensure clarity and reliability of the questions.***

set at a maximum of ten. Households were called more than ten times if we felt it was possible to obtain a completed interview from that household. Calls were made to each time zone along the following schedule: Monday through Thursday, 10am to 2pm and 4pm to 9pm; Friday, 10am to 2pm; Saturday, 12pm to 6pm; and Sunday, 2pm to 8pm (these refer to destination household times, *not* call center times). To prevent accidental dialing, the CATI software automatically disabled telephone numbers in a particular time zone outside

the parameters of these hours. Households that had requested a callback beyond the prescribed limits were, however, accommodated by our call center interviewers.

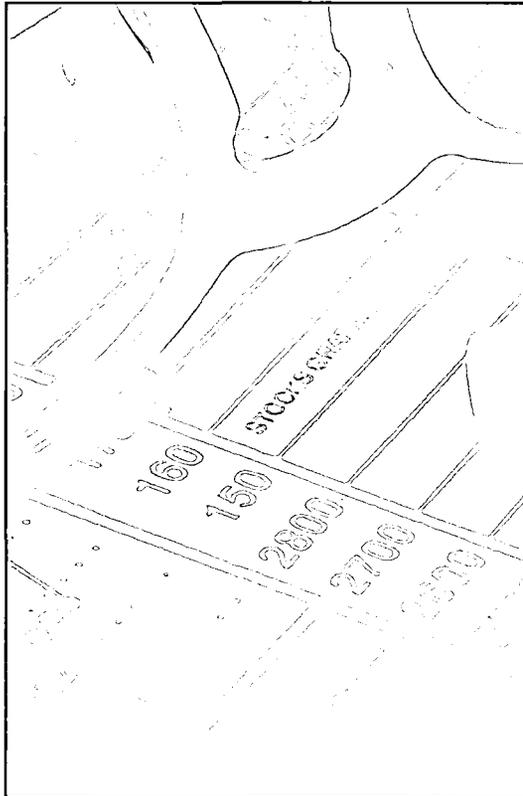
At the close of the study, we made an attempt to convert respondent refusals into completed interviews. We determined which numbers to call back based on which interviewer had been refused (some interviewers were stronger than others), the circumstances of the refusal, and how "hard" the refusal was. We had moderate success converting refusals: after contacting 28% ( $n=374$ ) of those households that originally refused, we were able to complete interviews with 14% ( $n=61$ ) of them.

The instrument was pilot-tested to ensure clarity and the reliability of the questions. When successful contacts were made, interviewers explained where they were calling from and the purpose of the survey. Interviewers were prepared to answer questions posed by the respondents at any point during the call. The most commonly asked questions involved the nature of the NW3C, how the respondent's phone number was obtained, and how the collected information would be used.

\$ FRAUD

# QUESTIONNAIRE CONTENT

Survey questions were designed to address a wide spectrum of areas related to the public's perception of and experience with white collar crime. Respondents were asked a series of questions on white collar crime seriousness, risk behavior, victimization, offense reporting, and law enforcement response.



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The first section of the questionnaire was dedicated to perceptions of white collar crime seriousness. We asked respondents to compare the seriousness of a series of white collar crime events to “street crime” events. We included white collar crimes that have both direct and indirect impacts on the public. Respondents were asked to compare four different pairs of scenarios and choose which scenario they felt was more serious. Ideas for the seriousness scenarios were drawn from previously used seriousness studies.<sup>16</sup>

Eight different scenario pairs were written and divided into two different sets. Half of the sample was asked the scenarios in set 1 and the other half was asked the scenarios in set 2. When the scenarios were divided between the two sets, one scenario was held constant. That is, in set 1, scenario A was compared to scenario B; in set 2, scenario A was compared to scenario C. This was done so that we could ask a larger number of seriousness questions and so that the researchers could measure if seriousness perceptions changed when comparing one crime to two others or when different perpetrators committed a similar crime.

Following this section, respondents were asked three questions on the perceived likelihood of a white collar crime offender being arrested and punished. We then sought to measure attitudes and behavior on reporting occurrences of white collar crime. We asked respondents if they would report white collar victimizations and if so, to whom.

The next section concentrated on participation in risk behaviors. These questions, recommended by the SMEs, were posed in order to determine if respondents were cognizant of behaviors that may be risky. Most of these questions centered on everyday occurrences that may unknowingly put a person at risk.

All eight victimization questions were recommended by SME members because they best represented some of today’s most commonly occurring frauds (Internet fraud, stolen PIN numbers). Interviewers first described the fraud and then asked the respondents if they or others in their household had been victimized in this way in the last twelve months. Following each victimization question, we asked if the crime had been reported, to whom it had been reported, and the outcome. In addition, we asked the respondents how safe they felt from future victimization.

The victimization section was followed by questions on respondents’ perceptions of characteristics of the average victim of consumer fraud. We chose to use the term “consumer fraud” instead of “white collar crime” because we believed it represented crimes that the average American could more easily relate to and crimes for which the general public would have developed a clearer picture of victimization. Through the responses to these questions, we sought to compare perceived characteristics with actual characteristics derived from past victimization studies.

The sequence of questions within most of the question sets was randomized to correct for possible response order bias.<sup>17</sup> Specific question sets that were sequentially randomized were the seriousness questions, questions on the causes of workplace theft, the risk questions, victim prevalence questions, and victimization perception questions.

*We asked respondents to compare the seriousness of...crimes that have both direct and indirect impacts on the public.*

# RESULTS



Survey results reveal a growing public concern with the seriousness of white collar crime and the criminal justice system's ability to control it. The percentage of households victimized by white collar crime was higher than anticipated, while the reporting of these crimes remained low.

The National Public Survey on White Collar Crime was designed to measure American opinion at the household level. Obviously, it is impractical to survey each member of a chosen household and we do lose some accuracy in our findings as a result. However, the corresponding strength in expanding our informational base by utilizing the household unit rather than the individual unit is a true advantage. We want to caution the reader in interpreting results when comparing responses pertaining to individuals with responses that pertain to an entire household.

Data captured by CATI was imported into SPSS (Statistical Package for the Social Sciences) for statistical analysis. Although the large majority of our data presentation is descriptive in nature, we did employ nonparametric and multivariate methods as well. These included chi-square and logistic regression analyses to further evaluate important intra-categorical and inter-categorical differences.

## Seriousness

How serious does the general public view white collar crime? This was a central question that the survey was designed to answer.

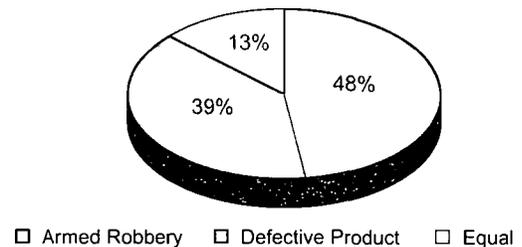
Survey research conducted in the 1970s revealed that the general public, at that time, was fairly indifferent toward the commission of white collar crimes.<sup>18</sup> Subsequent surveys demonstrated that a growing proportion of Americans was viewing certain white collar crimes as serious offenses, namely those offenses that resulted in some type of physical harm.<sup>19</sup> Still, these same surveys showed that the public was relatively unconcerned about such crimes as fraud and embezzlement. The seriousness level ratings obtained through the present survey show some clear signs that the public's perceptions of white collar crime seriousness are changing.

Figures 1 through 4 demonstrate that many now believe that white collar crime can be as serious or more serious than certain types of street crimes.

When respondents were presented hypothetical scenarios in which white collar offenses resulting in injury were compared with armed robberies resulting in injury, the responses were consistent with results of earlier surveys mentioned above. The majority of respondents found the white collar crimes causing injury to be either as serious or more serious than the armed robberies (Figure 1).

**Figure 1**

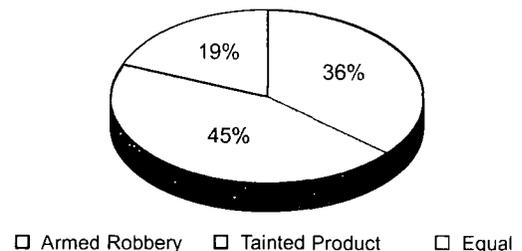
Which is more serious: armed robbery causing serious injury, or neglecting to recall a vehicle that results in a serious injury?



This difference was somewhat more pronounced when the white collar crime offender's criminal intent was more evident (Figure 2).

**Figure 2**

Which is more serious: armed robbery causing serious injury, or allowing tainted meat to be sold which results in one person becoming ill?

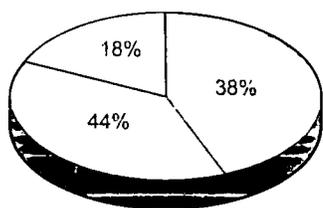


Unlike prior surveys on perceptions of white collar crime, present survey results showed *white collar crimes need not result in physical injury for the public to view the crimes as serious*. Figures 3 and 4 illustrate that many now believe that these types of white collar crimes can be as serious or

more serious than certain street crimes. Respondents were presented with a series of hypothetical scenarios, comparing white collar crimes and street crimes. When asked to compare a "street" theft (stealing a handbag containing \$100 from someone on the street) with a fraud (a contractor defrauding someone of \$100), slightly more respondents believed the fraud to be more serious (44%) than did those who found the "street theft" to be more serious (38%). The remaining respondents, (18%) viewed the crimes as equal in level of seriousness (Figure 3).

**Figure 3**

Which is more serious: a "street" thief, or a contract fraudster who steals \$100?

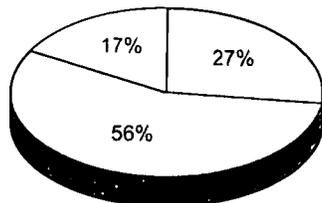


Thief     Contract fraudster     Equal

Changing the white collar offense to embezzlement and the offender to a bank teller resulted in over twice as many respondents indicating the white collar crime as more serious than the "street" theft (Figure 4).

**Figure 4**

Which is more serious: a "street" thief, or embezzler who steals \$100?

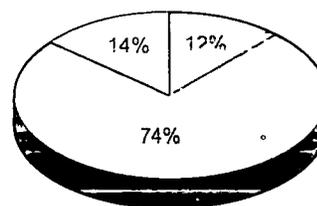


Thief     Embezzler     Equal

Results from additional scenarios underscored the importance that the status or authority of white collar crime plays in the public's perception of white collar crime seriousness. Figures 5 and 6 on bribery present how perceptions of the offense seriousness can change depending on the professional position of the offender and the level of trust associated with that position. In both scenarios, the public official's offense is perceived by most to be more serious than that of the corporation or private citizen.

**Figure 5**

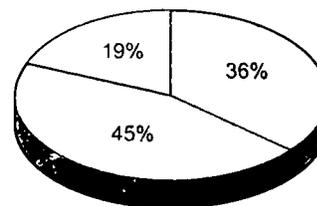
Which is more serious: a public official accepting a bribe, or a private citizen bribing a public official?



Private Citizen     Public Official     Equal

**Figure 6**

Which is more serious: a public official accepting a bribe, or a corporation bribing a public official?

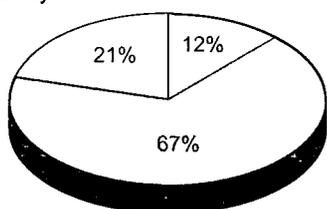


Corporation     Public Official     Equal

Findings on the perceived seriousness of health care fraud show that the criminal actions of health insurance companies and physicians are generally viewed as more serious than similar actions conducted by individual patients (Figures 7 and 8). Recent research by the American Association of Retired Persons (AARP) partially supports this finding: twice as many respondents chose doctors over patients as being more likely to commit health care fraud in the US.<sup>20</sup>

**Figure 7**

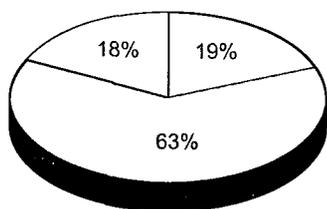
Which is more serious: a patient filing a false insurance claim, or a doctor lying on a claim to collect more money?



- Patient files a false claim
- Doctor files a false claim
- Equal

**Figure 8**

Which is more serious: a patient filing a false insurance claim, or a health insurance company denying a valid claim?



- Patient files a false claim
- Insurance company denies valid claim
- Equal

## Victimization

Besides gauging the public's perception of the gravity of white collar crime, we were interested in determining how often households had been victimized by white collar criminals. Previous surveys have provided some insight into the frequency of white collar crime victimization. Harris and Associates' survey found that close to one in three Americans have, at some point, been defrauded in some manner.<sup>21</sup> Fewer than one third reported the incidents, and nearly two thirds reported not knowing to whom they should report the crimes. A later study conducted in 1991, found that 15% of those surveyed nationally had been defrauded during a one year period prior to the survey administration. Only 15% of the victimizations were reported—the majority (62%) to law enforcement agencies.<sup>22</sup>

The present survey was designed to collect more recent information on white collar crime victimization and reporting patterns. While the present survey examined areas previously covered by earlier surveys, survey questions posed to the public were not identical to those from the earlier surveys. Therefore, direct comparisons with past findings should be done with caution. However, in and of themselves, the victimization results illustrate the growing degree to which households are affected by white collar crime, and the continued problem of underreporting of white collar crimes.

## Victimization Question Areas

To determine the extent of victimization in our sample, survey respondents were asked questions on different economic crime offense areas. Respondents were queried on whether anyone in their household had been defrauded in the twelve months prior to the survey by:

- ◆ Financial planners/stockbrokers?
- ◆ Auto repairmen?
- ◆ Merchants (i.e., product pricing fraud)?

Respondents were also asked if they or others in their household had fallen victims to fraud through:

- ◆ Internet transactions?
- ◆ Unauthorized use of their credit cards?
- ◆ Use of 800 or 900 telephone numbers?
- ◆ Unauthorized use of a personal identification number (PIN)?

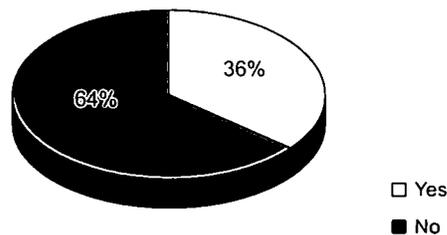
Finally, respondents were asked if anyone in the household had responded to an offer for:

- ◆ A free prize or vacation that turned out not to be free?
- ◆ A free product sample that turned out not to be free?

The following figure presents the results of the response to these questions. As can be seen in Figure 9, more than 1 in 3 households in the study had been victimized by at least one of these offenses.

**Figure 9**

Households victimized by white collar crime in the last year

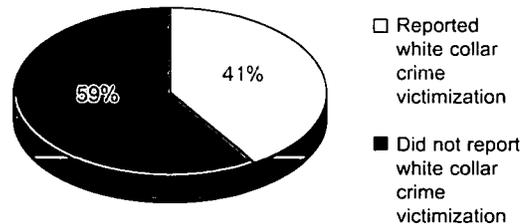


## Victimization Reporting Patterns

Respondents representing victimized households were asked if they reported the crime to law enforcement agencies (i.e., police or related law enforcement, district attorney, state attorney general), consumer protection agencies (including Better Business Bureaus), or other entities (i.e., personal lawyer, credit card company, telephone company, the company or individual initiating the offense). Only 41% were found to have reported the crimes to one of the above (Figure 10).

**Figure 10**

Households reporting white collar crime victimization last year



VICTIM  
VICTIM  
VICTIM

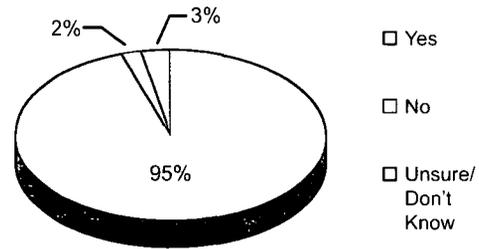
An interesting aspect of the survey findings above is the wide gap between how the public thinks they *will* react if victimized by a white collar crime and how they actually *do* react. Prior to being asked questions on actual victimizations, respondents were asked if they would report a white collar offense if it was committed against them (Figure 11). Nearly all in the sample (95%) indicated that they would report the offense, yet less than half of all households were found to actually have done so.

Figure 12 provides more detailed information on the types of law enforcement and consumer protection authorities in receipt of the reports. Of those crimes reported, few were reported to crime control agencies (13%) or consumer protection agencies (8%). The percentage of reports made to crime control agencies was fairly evenly split between police/law enforcement agencies and district attorney/attorney general offices.

Figure 13 illustrates that in over 8 in 10 cases (82%) in which a white collar crime was reported, the entity receiving the report was something other than a crime control or consumer protection agency. Looking at the broader picture of *all* white collar crime victimizations uncovered through the survey (reported and not reported), *over 9 in 10 (93%) never made it into the files of crime control or consumer protection agencies.* Only 7 in 100 crimes were brought to the attention of agencies responsible for addressing white collar crime.

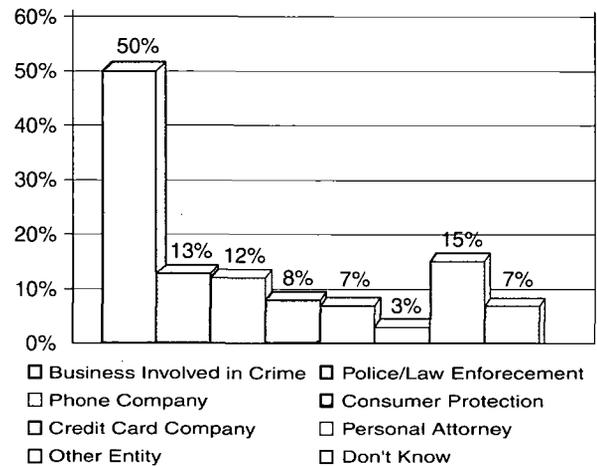
**Figure 11**

If you were to become a victim of a fraud, would you report it?



**Figure 12**

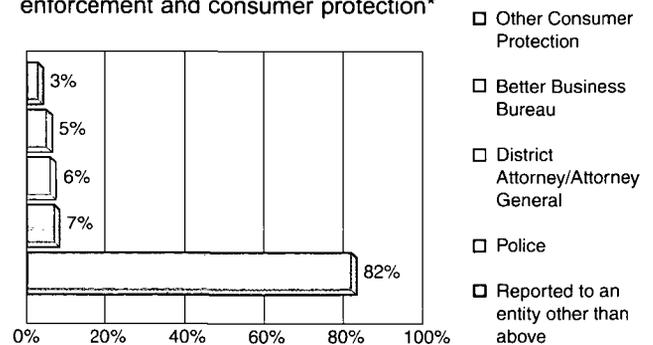
To whom does the public report white collar crimes?\*



\*Total percentage exceeds 100 due to some respondents notifying more than one entity.

**Figure 13**

White collar crime reporting patterns to law enforcement and consumer protection\*



\*Total percentage exceeds 100 due to some respondents notifying more than one entity.

REPORT  
REPORT  
REPORT

A breakdown of the percentage of those households victimized by type of offense and the percentage of those reporting with those offense types (Table 1) demonstrate how those victimized by the free prize fraud were significantly less likely to report this offense than those victimized by other offenses. Only 1 in 7 (14%) victims of free prize fraud reported the crime to anyone, whereas victims reported other types of fraud 40% of the time or more.

**Table 1**

Offense <sup>1</sup>	Sample Households Victimized	Victimizations Reported
Product Pricing Fraud	15% (n=174)	45% (n=78)
"Free Prize" Fraud	14% (n=158)	14% (n=22)
Auto Repair Fraud	13% (n=152)	47% (n=70)
800/900 # Scam	3% (n=38)	68% (n=25)
Unauth. PIN # Use	3% (n=35)	44% (n=15)
Unauth. Credit Card Use	3% (n=31)	63% (n=19)
Internet Fraud	3% (n=31)	59% (n=18)
Financial Planning Fraud	2% (n=27)	43% (n=12)

<sup>1</sup>Households could be victimized by more than one of these

**High Risk Behaviors**

Those surveyed for our study were asked about their engagement in certain behaviors that could make them susceptible to white collar crime victimization. Specifically, respondents were asked if they:

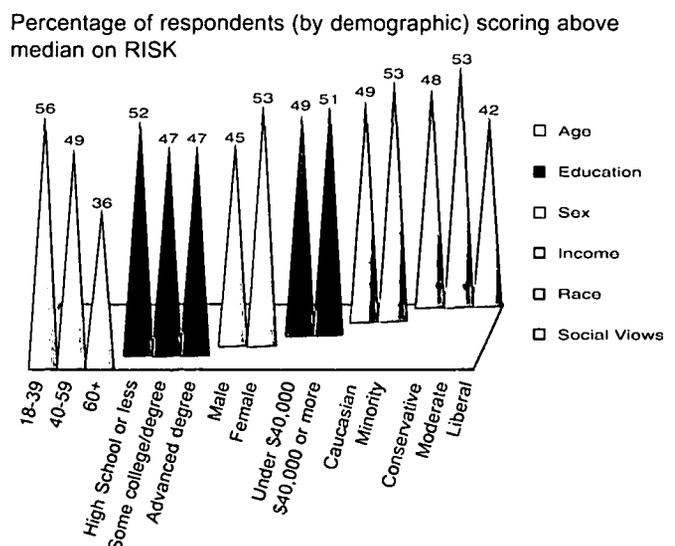
- ◆ Had ever responded to unsolicited mailings by purchasing an item to become eligible for a free prize
- ◆ Had ever responded to unsolicited mailings *without* purchasing an item to become eligible for a free prize
- ◆ Had given their PIN or ATM codes to others
- ◆ Neglected to perform background checks on contractors
- ◆ Neglected to destroy credit card solicitations
- ◆ Gave their credit card numbers over cordless telephones
- ◆ Had difficulty in resisting sales pitches

One important objective of the survey was to identify any particular demographic group or groups more likely to participate in behavior that may put them at risk for white collar crime victimization.

To facilitate the understanding of the relationship between participating in risk behaviors and demographic groups, we combined the responses of the seven questions (above) for each participant into one new variable (RISK). The RISK variable is merely a "risk behavior count" that ranges from 0 to 7: zero meaning the respondent engaged in none of the risk behaviors asked, and seven indicating all risk behaviors asked about were engaged in.<sup>23</sup>

The overall sample median score on RISK was 2, which translates into the average respondent having participated in 2 of the risk behaviors asked about in our survey. To more effectively examine the relationship between demographic groups and RISK, respondents were divided into two categories: high risk and low risk. To form these groups we placed all respondents who scored over 2 on RISK in the high-risk group and under 2 in the low risk group. Those scoring exactly 2 were not included in the analyses with other demographic variables. The results of comparisons of RISK with age, education, sex, income, race, and social views are presented in Figure 14 below.

**Figure 14**



A decline in risk behavior seems to be associated with aging. Adults (ages 18–39) were somewhat more likely to engage in risk behaviors than mature adults (ages 40–59), and significantly more likely to participate in risk behaviors than seniors (ages 60+). Mature adults were found to be significantly more likely to engage in risky behaviors than seniors.<sup>24</sup>

Logistic regression analysis was performed to determine what demographic factors (i.e., age, sex, social view, education, and race) would have any impact in predicting risk behavior. Females were significantly more likely than males to engage in risk behavior; however, age seems to be the strongest predictor of risk behavior, eclipsing all other demographic measures.<sup>25</sup>

### Impressions of the “Typical” Victim

A final area of questions on white collar crime victimization was devoted to the respondents’ impressions of who they believed would be most likely to be victimized in terms of age and education level. Regarding age, the majority of respondents (60%) believed that those most likely to be victimized would be over 60 years of age. When asked about education level, nearly half (49%) also believed that those with less than a college education would be more likely to be victimized than those who had some college experience. These perceptions are inconsistent with findings of demographics of victims surveyed in earlier victimization surveys (Titus, Heinzlmann and Boyle, 1995), which found that younger adults (18–34 years of age) and those with some college or college degrees were more likely to be victimized.

### White Collar Crime Control

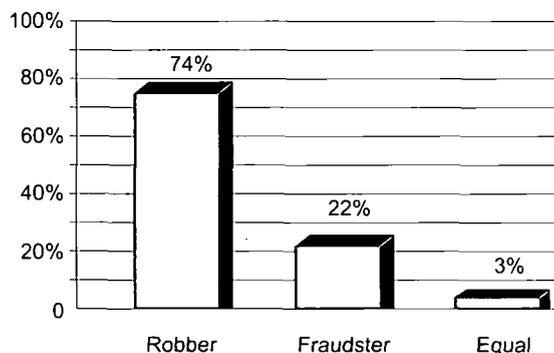
Besides perceptions of white collar crime seriousness and actual victimization of white collar crime, the NW3C was interested in discovering the most prevalent views on the social control of white collar crime. Primary questions focused on perceptions of the likelihood of

apprehension of fraudsters, how they are sanctioned if convicted, how they *should* be sanctioned and the level of resources respondents are willing to support to ensure tighter control of white collar crime.

Respondents were presented with a scenario comparing the chances of apprehension of someone stealing \$1,000 in a robbery with someone obtaining \$1,000 through a fraudulent action. Less than one quarter (22%) of the sample believed the fraudster had a greater likelihood of apprehension (Figure 15).

Figure 15

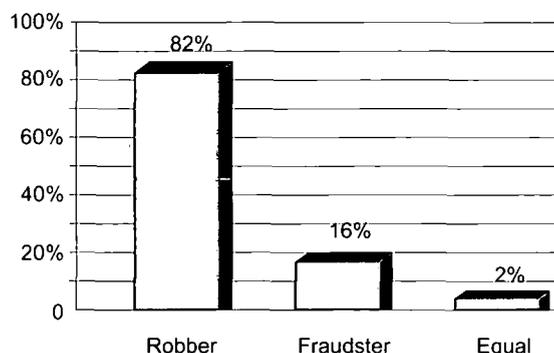
Who do you think is more likely to be caught, a robber or fraudster who steals \$1,000?



An even lower percentage (16%) believed that the convicted fraudster would be punished more severely by the criminal justice system (Figure 16).

Figure 16

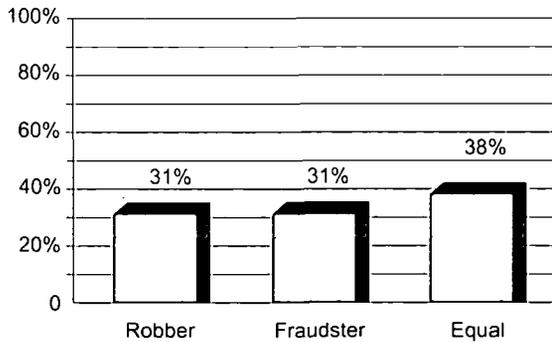
Who WILL be punished more severely: the robber or the fraudster?



A comparison of this result with respondents' beliefs of who *should* be punished more severely reveals a marked difference. Only slightly more than 30% believe that the robber should be punished more severely, while higher percentages believe the fraudster deserved greater punishment and that both should be punished with equal severity (Figure 17).

**Figure 17**

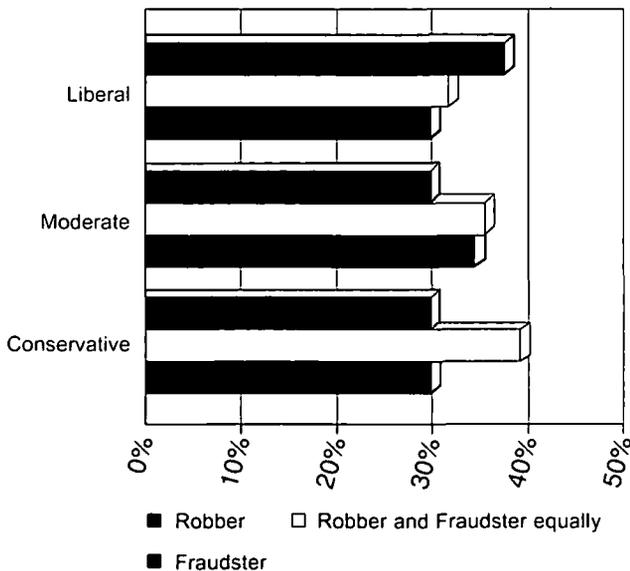
Who SHOULD be punished more severely: the robber or the fraudster?



While there was some variation in opinions on desired punishment, according to social views (i.e., liberal, moderate, conservative), the variation was not remarkable (Figure 18).

**Figure18**

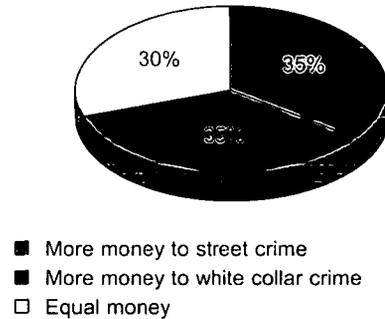
Who SHOULD be punished more severely: the robber or the fraudster?



Respondents were asked if they believed the government should allocate more resources to controlling white collar crime or street crime (Figure 19). Overall, 35% believed more resources should be devoted to white collar crime control, with 35% indicating that more resources should go towards street crime control. Thirty percent believed funding should be equal.

**Figure 19**

Where should resources be allocated?



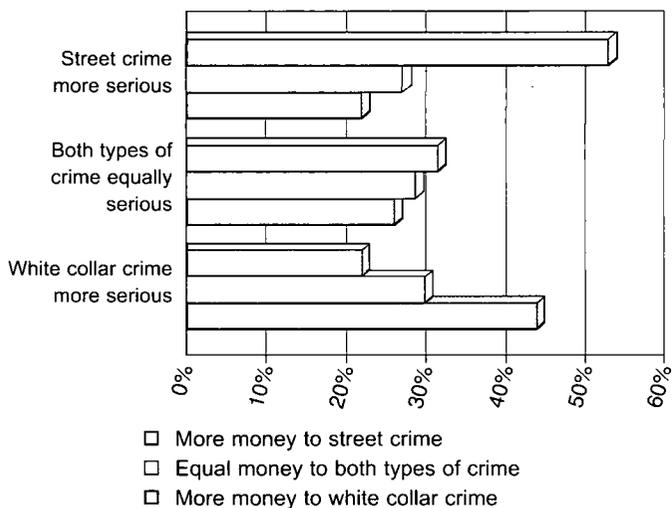
In our analysis, we explored the possibilities that these perceptions on white collar crime control resource allocations could be associated with feelings of safety, perception of crime seriousness, and social views.

Results indicated that those who believed white collar crime to be more serious and those who felt unsafe from white collar crime were more likely to support increased resources for white collar crime control (Figures 20 and 21).

The results of the relationship between perceptions on white collar crime resource allocation and social views indicated that liberals and moderates were somewhat more likely to support increased white collar crime allocations than were conservatives (Figure 22).

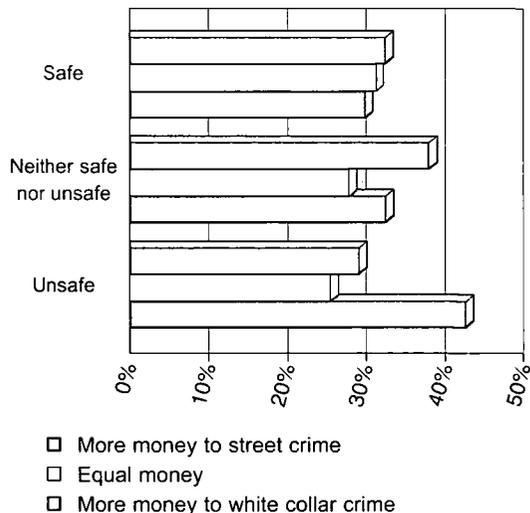
**Figure 20**

Is perception of crime seriousness related to desired resource allocation direction?



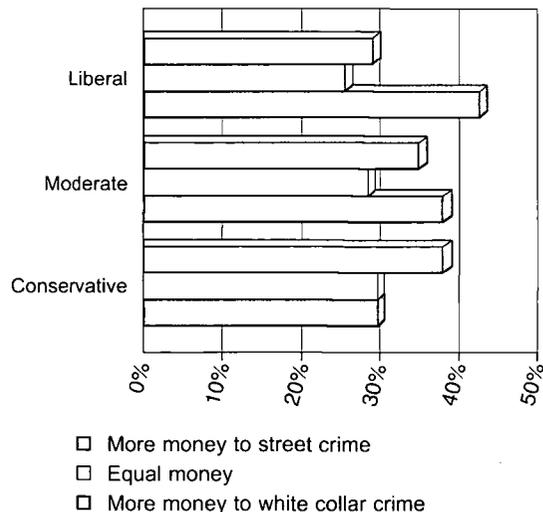
**Figure 21**

Are feelings of safety from white collar crime victimization related to desired resource allocation direction?



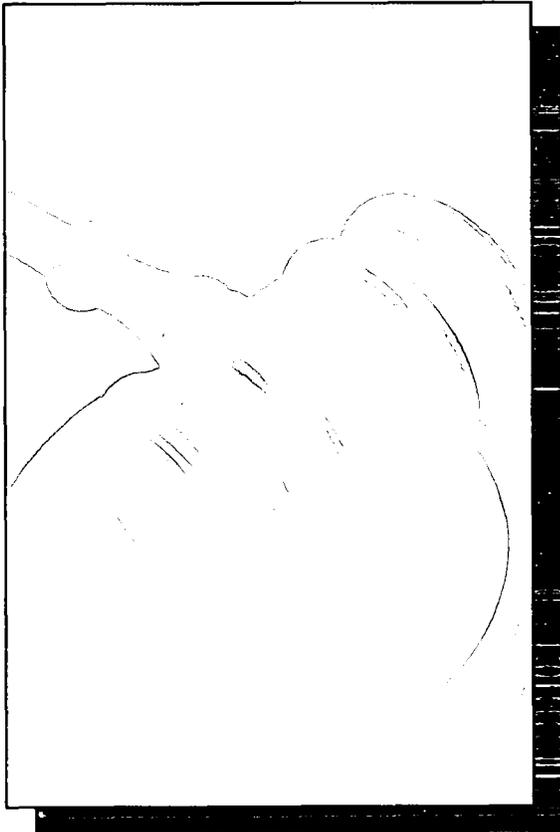
**Figure 22**

How do social views affect desired resource allocation direction?



# SUMMARY

Survey results dispel some long-held beliefs that the general public is ambivalent toward white collar crime. The results represent a challenge to agents of white collar crime control, particularly with regard to prevention and reporting.



**T**hanks to past crime surveys, we have reached a thorough understanding of the American public's views of and experience with street crime. However, until now, we remained relatively uninformed on public views and experiences related to white collar crime:

- ◆ What *does* the American public think about crimes such as fraud, embezzlement, and bribery?
- ◆ How often *are* American households defrauded by unscrupulous offenders?
- ◆ To whom and to what extent *are* white collar crimes reported?
- ◆ What *does* the public want done about these crimes?

The results of the National Public Survey on White Collar Crime provide answers to these questions. Used properly, these answers can play an integral role in improving efforts to prevent and control white collar crime in the future.

Major findings from a survey of 1,169 households throughout the US included the following:

- ◆ Over 1 out of 3 households had been victimized by white collar crime in the last year
- ◆ Widely held opinions concerning the profile of typical white collar crime victims are divorced from the actual profile of victims found by recent research on victimization
- ◆ There is a disparity between how Americans believe they will react if victimized and how they do react when they are actually victimized
- ◆ Less than 1 in 10 victimizations were ever reported to law enforcement or consumer protection agencies
- ◆ The public has a deep concern with increasing the apprehension and sanctioning of white collar criminals

Upon assessing survey results, a quite provocative, multi-layered picture materializes with regard to perceptions of and experience with white collar crime. As we peel back the layers, we find that the American public is becoming well acquainted with theft by deception (as its victims) and tends to view the commission of such crime with an increasingly jaundiced eye. Using our eight offense categories, we found that *over 1 out of 3 households had been victimized by white collar crime in the past year*. This level of victimization is high when compared to earlier studies on white collar crime victimization, even after taking into account definitional differences of victimization.

Relying on the survey results alone, it is difficult to explain the underlying reasons for the high incidence of victimization. The FBI's Uniform Crime Reports (UCR) tell us that arrests for fraud, embezzlement, and forgery have risen nationally over the last several years.<sup>26</sup> The incidence of white collar crime victimizations culled from our survey may simply be a reflection of a rise in criminal activity in this crime area. On the other hand, the number of victimizations might also be a sign that the public may not be sufficiently aware of their vulnerability to being victimized. Survey results provide some clues here. For example, respondent perceptions of the demographics of average victims (i.e., older and less educated) are quite divorced from actual demographics of victims drawn from victimization studies (i.e., younger, college educated). This misperception may cause some to become complacent, thinking that white collar crime victimization only happens to people unlike them. Clearly, more research is needed to explain the incidence of white collar crime victimizations.

With regard to reporting victimizations, a curious finding of the survey is the wide disparity between how Americans believe they *will* react when they are victimized and how they *do* react when they are actually victimized. Once again, it is hard to confidently say why this disparity

exists. One possibility is that respondents representing victimized, non-reporting households may have wanted to respond with the politically correct or socially desirable answer to the general question on reporting (i.e., "would you report") and would only concede failures to report when questioned about specific victimizations. Other possibilities are that victimized household members may have not initially considered the offenses crimes, may have been uncertain about which are the most logical agencies to receive the reports, or may have a lack of faith that the offenders would be apprehended. This last explanation gains some support from other findings in the survey that illustrate the public's skepticism with the apprehension capabilities of the enforcement community.

At first blush, survey findings on the incidence of reporting would lead one to believe that victims are now more apt to report white collar victimizations than they have been in the past. Optimism here fades quickly, however, when the data are examined more closely. After considering the entities to which the victims reported the offense, it becomes clear that reports made to appropriate law enforcement agencies are extremely rare. *Less than 1 in 10 victimizations described by survey respondents ever made it to the files of law enforcement or consumer protection agencies.* On the distribution of reporting patterns by specific offenses, there is some evidence that victims are less inclined to report the offenses if the victim has played a more active role in enabling the offender to successfully commit the criminal act (e.g., free prize frauds).

The survey's findings on perceptions of white collar crime seriousness and control offer some interesting food for thought. Past studies on perceptions of white collar crime seriousness found a marked difference in the high degree of

seriousness attached to white collar crimes resulting in physical harm and the lower degree of seriousness associated with white collar crimes not resulting in such harm. Our findings suggest that there may now be less of a difference in perceptions of seriousness between these two categories. The level of moral condemnation of non-violent white collar crimes was higher than expected, particularly when

*A curious finding of the survey is the wide disparity between how Americans believe they will react when they are victimized and how they do react..*

the crimes involve both monetary loss and the corruption of public trust. Belying past assumptions on the public's indifference towards white collar crime, response results on sanctioning and financial support of control programs demonstrate that the public is far from being apprehensive about advocating a get-tough approach with white collar offenders. This is so regardless of individual social views or experiences with victimization. Within this context, the single finding on crime control perceptions that stands out is the discovery of a serious confidence gap between public demands for just desserts for white collar offenders and the perception of the criminal justice system's ability, or willingness, to administer adequate punishment.

### **Application of Survey Results**

How can we benefit from the information extracted from the survey? The information should be of great value to those responsible for preventing and controlling white collar crime. From one perspective, the results should prove encouraging to professionals working in the fields of white collar investigation and prosecution. The public's sensitivity to the threat of white collar crime and the call for strict sanctioning of offenders is strong empirical evidence for the support crime control professionals can expect to receive for effective programs. Such evidence can serve as potent ammunition to help sustain organizational

and financial support for existing white collar crime control programs and for the enhancement of such programs in the future as offenders' methods become more sophisticated. The results should also send a clear message that the hardening of public sentiment on the punishment of white collar criminals may require more stringent judicial scrutiny of those convicted of white collar offenses.

From a second perspective, the results represent a challenge to agents of white collar crime control, particularly with regard to crime prevention and reporting. By implementing organized programs, the criminal justice community should strive to increase public recognition of the behavior that can precipitate victimization and advise the public on what measures can be followed to prevent their victimization. Who

should these programs target? Our research shows that younger adults and females are more likely to engage in risk behaviors that may increase their susceptibility to being victimized by white collar crime. However, because we have not established a relationship between high-risk behaviors and victimization, it would be premature to conclude that victimization prevention programs should pay special attention to any particular group. Alternatively, all Americans should be educated. Future investigations should explore the link between engaging in risk behaviors and victimization by white collar crime.

Survey results should also serve as an impetus for control agents to explore new avenues to raise the level of the reporting of white collar crimes to the appropriate law enforcement agencies. This translates into identifying, developing, and testing innovative strategies for increasing public awareness of the white collar crime control responsibilities of the respective law enforcement agencies. Judging from survey findings on anticipated chances of offender apprehension,

expanding awareness should not be seen as the only factor that can raise the reporting of white collar crime. Findings should help make white collar crime investigators and prosecutors aware of the need to keep the public informed of important white collar crime initiatives and the extent to which they succeed. This can help build the credibility of these programs in the public's eyes.

As we enter the 21<sup>st</sup> century, there is every reason to believe that the nation's prior pattern of increasing frequency of crimes like fraud and embezzlement will continue.

*...potent ammunition  
to help sustain  
organizational and  
financial support for  
existing white collar  
crime control programs...*

It is not hard to see that the rapid advances in technology designed to serve the general public and legitimate businesses will also create more tantalizing criminal opportunities for white collar offenders. Some criminals have already taken

advantage of the public's growing use of the Internet to repackage traditional scams on a whole new playing field, one on which the public may unwittingly have a false sense of security.

Other criminals are transforming basic telemarketing fraud and securities fraud scams into finely-tuned, sophisticated criminal operations. The target of these criminals remains the unsuspecting, average American citizen. Controlling the commission of these crimes in the future will be a formidable task. Much depends on how well the general public understands and reports the offenses. Successfully building an educated public in this area can only be achieved with comprehensive awareness/control programs that acknowledge the attitudes and behavior of the individual American citizen as the locus of effective white collar crime control efforts.

# ENDNOTES

1. Gilbert Geis, Robert F. Meier and Lawrence M. Salinger, eds., *White Collar Crime: Classics and Contemporary Views*. New York: Free Press, 1995.

Geis, Meier and Salinger point out that while the term "white collar crime" has become firmly entrenched in our society, there is no one, agreed upon definition for this term. Geis, Meier and Salinger remind us that the study of this crime area can travel under various criminological identities such as "upperworld crime," "advocational crime," or "economic crime." Upon recommendation of the SME committee for this survey the definition used focused more on characteristics of the particular "act" rather than the status of the "actor." The definition of white collar crime used for this survey is "planned crimes that involve cheating or lying that usually occur in the course of employment."

2. T. David Evans, Francis T. Cullen and Paula J. Dubeck, "Public Perceptions of Corporate Crime," in Michael B. Blankenship, ed., *Understanding Corporate Criminality*. New York: Garland Publishing, 1993, pp. 85-114.

3. Edwin H. Sutherland, "White Collar Criminality," *American Sociological Review*, 5 (1940): 1-12.

4. President's Commission on Law Enforcement and Administration of Justice. *Challenge of Crime in a Free Society*. Washington, DC: US Government Printing Office, 1968.

5. National Fraud Investigation Center and Trans Union. *Fraud Assessment and Impact Study*. Horsham, PA: National Fraud Investigation Center, 1995. Also see, William Cunningham, *Private Security Trends 1970 - 2000 : The Halcrest Report II*. Oxford: Butterworth - Heinemann, 1991.

6. Federal Bureau of Investigation. *Crime in the United States 1998: Uniform Crime Reports*. Washington, DC: Federal Bureau of Investigation, US Department of Justice.

7. Peter H. Rossi, J. Simpson and J. Miller, "Beyond Crime Seriousness: Fitting the Punishment to the Crime," *Journal of Quantitative Criminology*, 1 (1985): 59-90.

8. Evans et al., op. cit.

9. Ronald Bass and Lois Hoeffler, *Telephone Based Fraud: A Survey of the American Public*. New York: Louis Harris and Associates Inc., 1992.

10. American Association of Retired Persons, *Findings from a Baseline Omnibus Survey on Telemarketing Solicitations*. Washington, DC: AARP, 1996. American Association of Retired Persons, *Telemarketing Fraud and Older Americans*. Washington, DC: AARP, 1996.

11. Richard Titus, Fred Heinzelmann and John M. Boyle, "Victimizations of Persons by Fraud," *Crime and Delinquency*, 41 (1995): 54-72.

12. Originally 6,000 numbers were purchased from Survey Sampling, Inc., with the understanding that approximately half of the particular sample we chose would be working household phones. Although this type of sample is less efficient, it is considered scientifically stronger. An additional 3000 numbers were purchased at the end of February when it was clear that a high refusal rate might keep us from reaching our goal. The amount of sample to purchase was determined by using a formula, which takes into account the desired number of completes, the working phone rate, the product and demographic incidence and the desired response rate. Product incidence is the percent of a population or group that qualifies based on one or more criteria and the demographic incidence is the percent of the population that qualifies based on demographic criteria such as age or race. There were no demographic criteria for this study.

13. The sample was drawn from a universe consisting of all persons living in households with a phone in the U.S. Persons who were not U.S. citizens, those under the age of 18, and persons in custodial institutions or other group quarters, were ineligible for participation.

14. Selection tables were designed using a combination of sex, age and number of household members as factors for respondent selection. Eight types of selection tables were randomly assigned to interviewers to ensure even use across the sample.

15. Don Dillman, *Mail and Telephone Surveys: The Total Design Method*. New York: John Wiley and Sons, 1978.

16. Colin Goff and N. Nason-Clark, "The Seriousness of Crime in Fredrickton, New Brunswick: Perceptions Towards White Collar Crime." *Canadian Journal of Criminology*, 31 (1989): 19-33. Marrim Wolfgang, Robert Figlio, Paul Tracy and Simon Singer, *The National Survey of Crime Severity*. Washington, DC: U.S. Government Printing Office, 1985. Robert F. Meier and James F. Short, "Crime as Hazard: Perceptions of Risk and Seriousness," *Criminology*, 23 (1985): 389-399.

17. All respondents were asked the same sets of questions, but questions within the sets were asked in differing order.

18. Peter H. Rossi, Emily Waite, Christine E. Rose and Richard E. Berk, "The Seriousness of Crimes: Normative Structure and Individual Differences." *American Sociological Review*, 39 (1974): 224-37.

19. Wolfgang et al., op. cit.

20. American Association of Retired Persons, *America Speaks Out on Health Care Fraud: A Consumer Survey*. Washington, DC: AARP, 1999.

21. Bass and Hoeffler, op. cit.

22. Titus et al., op. cit.

23. We feel that creating a single variable from this set of questions gives us more information on overall participation in the types of risk behaviors that could increase the chances of being victimized by a white collar crime. In addition, a single measure affords more interpretive power than any of the questions can alone, as it portrays the “bigger picture.”

24. Statistical analyses compared adults with mature adults and seniors ( $\phi = .07$ ,  $p < .10$  and  $\phi = .19$ ,  $p < .001$ , respectively). Mature adults participated in significantly more risk behaviors than the seniors did ( $\phi = .13$ ,  $p < .05$ ).

25. Logistic regression models predicting risk behavior examined respondents’ age, race, schooling, sex, and social views (income was not included because it was measured on household level, not respondent).

*Logistic Regression Predicting Risk Behavior  
From Demographic Variables (n=543)*

<b>Variable</b>	<b><math>\beta</math></b>	<b>Wald <math>\chi^2</math></b>	<b>Odds</b>
Age	.4413	<b>15.04**</b>	1.55
Sex	-.4625	<b>7.62*</b>	.63(1.59)
Social View	.1194	1.00	1.13
Education	.1279	.90	1.14
Race	.0581	.08	1.06
* p<.01 ** p<.0001			

As with all non-experimental designs, causal inferences *cannot* be made and the possibility of spurious correlation is never ruled out. At most we can surmise that age and gender appear to be *related* to engaging in risk behaviors. Examining the relationship between high-risk behavior and household victimization is *not* appropriate in this survey, although it would be an important area for future research to address. We encourage the reader to exercise judgement in the interpretation of results as most data is descriptive in nature, so differences between some groups may be conceptually distinct, but statistically insignificant. What descriptive statistics can do is suggest promising avenues for further, more statistically rigorous study.

26. Federal Bureau of Investigation, op. cit.

# APPENDIX A

## **Survey Questionnaire**

# National Public Survey on White Collar Crime Questionnaire

To begin, I will read you some very short scenarios. I would like you to tell me which of the two scenarios you think is MORE serious. By MORE serious, we mean more significant, urgent, or important. Are you ready to begin?

Please tell me which crime is MORE serious...

- 1a. A person steals a handbag containing \$100 from someone on the street. -or-  
A bank teller embezzles \$100 from his employer.
- 1b. A person steals a handbag containing \$100 from someone on the street. -or-  
A contractor cheats a person out of \$100 by making an unnecessary repair.
- 2a. A person robs someone at gun point causing serious injury. -or-  
An auto maker fails to recall a vehicle with a known defective part. One person is seriously injured.
- 2b. A person robs someone at gun point causing serious injury. -or-  
Knowing a shipment of meat is bad, a store owner sells it anyway. One package is sold and a customer becomes seriously ill.
- 3a. A public official takes a bribe that influences his official duties. -or-  
A private citizen bribes a public official to obtain a favor.
- 3b. A public official takes a bribe that influences his official duties. -or-  
A corporation bribes a public official to obtain a favorable decision.
- 4a. A PATIENT files a false claim against an insurance company in order to receive a higher reimbursement. -or-  
A DOCTOR lies on a claim he made to a health insurance company in order to receive a higher reimbursement.
- 4b. A PATIENT files a false claim against an insurance company in order to receive a higher reimbursement. -or-  
A health insurance company knowingly denies a valid claim in order to save money.

Now I would like to ask you some questions about how you see white collar criminals as compared to other criminals.

- 5. Who do you think is MORE LIKELY to be caught by the authorities, someone who commits a robbery and steals \$1000 or someone who commits a fraud and steals \$1000?  
Options:           Someone who commits a robbery  
                      Someone who commits a fraud  
                      Equally likely  
                      Don't Know  
                      Refused

6. If they are both caught and convicted, who do you think WILL LIKELY receive the more severe punishment, the person who commits the fraud or the person who commits the robbery?  
Options: Person who commits the fraud  
Person who commits the robbery  
Equally likely  
Don't Know  
Refused
7. Who do you think SHOULD be punished more severely, the person who commits the fraud or the person who commits the robbery?  
Options: Person who commits the fraud  
Person who commits the robbery  
Equally punished  
Don't Know  
Refused
8. If you were to become suspicious about a telephone prize offer you received, who would you call to find out if the offer was legitimate?  
Options: (specify) \_\_\_\_\_  
Wouldn't call anyone  
Would just avoid offer  
Don't Know  
Refused
9. If you were to become a victim of a fraud, would you report it?  
Options: Yes [Go to Q9a]  
No [Go to Q9b]  
Depends [Go to Q9c]  
Don't Know [Skip to Q10]  
Refused [Skip to Q10]
- 9a. Who would you report it to?  
9b. Why wouldn't you report it?  
9c. What things would it depend on?

Now I would like to ask you some questions about workplace theft.

10. Have you known anyone who has stolen property from his or her employer?  
Options: Yes [Go to Q11]  
No [Skip to Q12]  
Don't Know [Skip to Q12]  
Refused [Skip to Q12]
11. Was the person caught?  
Options: Yes  
No or "Not Yet"  
Don't Know  
Refused

12. Who do you think is responsible for committing the most costly work place theft that now occurs: those in management, line workers, or business owners?

- Options: Management  
Line workers  
Business owners  
Other (specify) \_\_\_\_\_  
Don't Know  
Refused

13. There are several reasons that people commit crimes like workplace theft and embezzlement. On a scale of 1 to 6, with 1 being strongly disagree and 6 being strongly agree, tell me how much you agree that the following are reasons that people commit crimes like workplace theft and embezzlement. Is it because of...

Options: Family financial need	1	2	3	4	5	6	DK	REF
Drug habit	1	2	3	4	5	6	DK	REF
Greed	1	2	3	4	5	6	DK	REF
Poor upbringing	1	2	3	4	5	6	DK	REF
Thrill	1	2	3	4	5	6	DK	REF
Gambling debt	1	2	3	4	5	6	DK	REF
Overspending	1	2	3	4	5	6	DK	REF
Anger or vengeance	1	2	3	4	5	6	DK	REF

13a. Are there any other reasons people commit crimes like embezzlement and workplace theft?

- Options: Yes (specify) \_\_\_\_\_  
No  
Don't Know  
Refused

Many of our actions, which we take for granted, may place us at risk for becoming victims of fraud. I would now like to ask you some questions about your everyday activities.

14. Have you ever responded to a mailing, other than Publisher's Clearinghouse, by purchasing an item in order to become ELIGIBLE for a FREE prize?

- Options: Yes  
No  
Have never received such a mailing  
Don't Know  
Refused

14a. Have you ever responded to a mailing, WITHOUT purchasing something in order to become ELIGIBLE for a FREE prize? (other than Publisher's Clearinghouse)

- Options: Yes  
No  
Have never received such a mailing  
Don't Know  
Refused

15. Have you ever given someone, other than an immediate family member, your PIN number, such as an ATM code or long distance telephone calling card code?  
Options: Yes  
No  
Don't have any cards with PIN numbers  
Don't Know  
Refused
16. Do you find it very difficult, somewhat difficult, or not at all difficult to resist a telephone sales pitch?  
Options: Very difficult  
Somewhat difficult  
Not at all difficult  
Have never received sales pitch telephone call  
Don't Know  
Refused
17. How often do you check into the background of contractors who do work for you, such as roofers, driveway pavers, or remodeling contractors—Always, sometimes or never?  
Options: Always  
Sometimes  
Never  
Have never hired a contractor  
Don't Know  
Refused
18. Before you discard credit card solicitations you receive in the mail, do you tear them up—Always, sometimes, or never?  
Options: Always  
Sometimes  
Never  
Have never received credit card solicitations in the mail  
Don't Know  
Refused
19. How often do you give personal information such as your credit card number or social security number over a cordless phone—Always, sometimes, or never?  
Options: Always  
Sometimes  
Never  
Do not give personal information over the telephone  
Do not have a cordless phone  
Have scrambled cordless phone  
Don't Know  
Refused
20. How many credit cards do you carry in your wallet or purse?

Now I am going to ask you some questions about any experiences you or someone in your household may have had with fraud during the last 12 months.

21. In the last twelve months, have you or someone in your household ever responded to an offer for a free prize, a free vacation, or a free sample of a product, which turned out NOT to be free?

- Options: Yes [Go to Q21a]  
No [Skip to Q22]  
Don't Know [Skip to Q22]  
Refused [Skip to Q22]

21a. Did you report the incident?

- Options: Yes [Go to Q21b]  
No [Skip to Q22]  
Don't Know [Skip to Q22]  
Refused [Skip to Q22]

21b. To whom?

- Options: Police or related law enforcement  
Better Business Bureau  
Other Consumer Protection Agency (specify) \_\_\_\_\_  
Business/Person involved in the swindle  
District Attorney or State Attorney General  
Personal Lawyer  
Other (specify) \_\_\_\_\_

21c. What was the outcome of the situation?

22. In the last twelve months, have you or someone in your household ever paid for repairs to an automobile that you later discovered were never performed OR that you later discovered were completely unnecessary?

- Options: Yes [Go to Q22a]  
No [Skip to Q23]  
Don't Know [Skip to Q23]  
Refused [Skip to Q23]

22a. Did you report the incident?

- Options: Yes [Go to Q22b]  
No [Skip to Q23]  
Don't Know [Skip to Q23]  
Refused [Skip to Q23]

22b. To whom?

- Options: Police or related law enforcement  
Better Business Bureau  
Other Consumer Protection Agency (specify) \_\_\_\_\_  
Business/Person involved in the swindle  
District Attorney or State Attorney General  
Personal Lawyer  
Other (specify) \_\_\_\_\_

22c. What was the outcome of the situation?

23. In the last twelve months, not counting lost or stolen credit cards, has anyone ever tricked you or someone in your household into giving credit card or bank account number information, so that charges could be made without your knowledge?

Options: Yes [Go to Q23a]  
No [Skip to Q24]  
Don't Know [Skip to Q24]  
Refused [Skip to Q24]

23a. Did you report the incident?

Options: Yes [Go to Q23b]  
No [Skip to Q24]  
Don't Know [Skip to Q24]  
Refused [Skip to Q24]

23b. To whom?

Options: Police or related law enforcement  
Better Business Bureau  
Other Consumer Protection Agency (specify) \_\_\_\_\_  
Business/Person involved in the swindle  
District Attorney or State Attorney General  
Personal Lawyer  
Credit Card Company  
Other (specify) \_\_\_\_\_  
No More

23c. What was the outcome of the situation?

24. In the last twelve months, has anyone ever lied to you, or someone in your household, about the price of a product or service when you were buying it and then billed you for more than what you were told it would cost?

Options: Yes [Go to Q24a]  
No [Skip to Q25]  
Don't Know [Skip to Q25]  
Refused [Skip to Q25]

24a. Did you report the incident?

Options: Yes [Go to Q24b]  
No [Skip to Q25]  
Don't Know [Skip to Q25]  
Refused [Skip to Q25]

24b. To whom?

Options: Police or related law enforcement  
Better Business Bureau  
Other Consumer Protection Agency (specify) \_\_\_\_\_  
Business/Person involved in the swindle  
District Attorney or State Attorney General  
Personal Lawyer  
Credit Card company  
Other (specify) \_\_\_\_\_

24c. What was the outcome of the situation?

25. In the last twelve months, has a financial planner or stockbroker ever given you or someone in your household false or deliberately misleading information in order to cheat you out of money?

Options:      Yes                    [Go to Q25a]  
                  No                        [Skip to Q26]  
                  Don't Know            [Skip to Q26]  
                  Refused                [Skip to Q26]

25a. Did you report the incident?

Options:      Yes                    [Go to Q25b]  
                  No                        [Skip to Q26]  
                  Don't Know            [Skip to Q26]  
                  Refused                [Skip to Q26]

25b. To whom?

Options:      Police or related law enforcement  
                  Better Business Bureau  
                  Other Consumer Protection Agency (specify) \_\_\_\_\_  
                  Business/Person involved in the swindle  
                  District Attorney or State Attorney General  
                  Personal Lawyer  
                  Other (specify) \_\_\_\_\_

25c. What was the outcome of the situation?

26. In the last twelve months, has anyone used an 800 or 900 number to cheat you or someone in your household out of money or property?

Options:      Yes                    [Go to Q26a]  
                  No                        [Skip to Q27]  
                  Don't Know            [Skip to Q27]  
                  Refused                [Skip to Q27]

26a. Did you report the incident?

Options:      Yes                    [Go to Q26b]  
                  No                        [Skip to Q27]  
                  Don't Know            [Skip to Q27]  
                  Refused                [Skip to Q27]

26b. To whom?

Options:      Police or related law enforcement  
                  Better Business Bureau  
                  Other Consumer Protection Agency (specify) \_\_\_\_\_  
                  Business/Person involved in the swindle  
                  District Attorney or State Attorney General  
                  Personal Lawyer  
                  Phone Company (local or long distance carrier)  
                  Other (specify) \_\_\_\_\_

26c. What was the outcome of the situation?

27. In the last twelve months, has anyone other than a family member used your or someone in your household's long distance telephone PIN number without permission?

Options: Yes [Go to Q27a]  
No [Skip to Q28]  
Don't Know [Skip to Q28]  
Refused [Skip to Q28]

27a. Did you report the incident?

Options: Yes [Go to Q27b]  
No [Skip to Q28]  
Don't Know [Skip to Q28]  
Refused [Skip to Q28]

27b. To whom?

Options: Police or related law enforcement  
Better Business Bureau  
Other Consumer Protection Agency (specify) \_\_\_\_\_  
Business/Person involved in the swindle  
District Attorney or State Attorney General  
Personal Lawyer  
Phone Company (local or long distance carrier)  
Other (specify) \_\_\_\_\_

27c. What was the outcome of the situation?

28. In the last twelve months, have you or someone in your household ever been cheated out of money or property through an Internet transaction?

Options: Yes [Go to Q28a]  
No [Skip to Q29]  
Don't Know [Skip to Q29]  
Refused [Skip to Q29]

28a. Did you report the incident?

Options: Yes [Go to Q28b]  
No [Skip to Q29]  
Don't Know [Skip to Q29]  
Refused [Skip to Q29]

28b. To whom?

Options: Police or related law enforcement  
Better Business Bureau  
Other Consumer Protection Agency (specify) \_\_\_\_\_  
Business/Person involved in the swindle  
District Attorney or State Attorney General  
Personal Lawyer  
Other (specify) \_\_\_\_\_

28c. What was the outcome of the situation?

29. On a scale of 1 to 5, with 1 being very unsafe and 5 being very safe, how safe you feel from being victimized by crimes like these in the future?

- Options:
- 1 Very unsafe
  - 2 Somewhat unsafe
  - 3 Neither safe nor unsafe
  - 4 Somewhat safe
  - 5 Very safe
  - Other (specify) \_\_\_\_\_

30. Do you believe the government should devote more resources to combating street crimes like robbery or to white collar crimes like fraud?

- Options:
- More money to combating street crimes
  - More money to combating white collar crimes
  - Equal money
  - Don't Know
  - Refused

31. Do you agree or disagree with the following statement:

Persons in certain age groups are more likely than persons in OTHER age groups to be victimized by some kind of consumer fraud.

- Options:
- Agree [Go to Q31a]
  - Disagree [Skip to Q32]
  - Neither agree nor disagree [Skip to Q32]
  - Don't Know [Skip to Q32]
  - Refused [Skip to Q32]

31a. Which age groups would those be? \_\_\_\_\_

32. Do you agree or disagree with the following statement:

Persons in certain income levels are more likely than persons of OTHER income levels to be victimized by some kind of consumer fraud.

- Options:
- Agree [Skip to Q32a]
  - Disagree [Skip to Q33]
  - Neither agree nor disagree [Skip to Q33]
  - Don't Know [Skip to Q33]
  - Refused [Skip to Q33]

32a. Which income levels would those be? \_\_\_\_\_

33. Do you agree or disagree with the following statement:

Persons of certain education levels are more likely than persons of OTHER education levels to be victimized by some kind of consumer fraud.

- Options:
- Agree [Skip to Q33a]
  - Disagree [Skip to Q34]
  - Neither agree nor disagree [Skip to Q34]
  - Don't Know [Skip to Q34]
  - Refused [Skip to Q34]



39. How would you classify your work situation last week? Were you...
- |          |   |               |
|----------|---|---------------|
| Options: | Working                                       | [Go to Q39a]  |
|          | Laid off                                      | [Skip to Q40] |
|          | Keeping House                                 | [Skip to Q40] |
|          | Going to school                               | [Skip to Q40] |
|          | Unable to work due to disability              | [Skip to Q40] |
|          | Unemployed and looking for work               | [Skip to Q40] |
|          | Retired or                                    | [Skip to Q40] |
|          | Not working for other reasons (specify) _____ | [Skip to Q40] |
- 39a. What type of work do you do? \_\_\_\_\_
- 39b. What type of business or industry is that? \_\_\_\_\_
40. Is your total household income greater than or less than \$30,000 a year?
- |          |                    |               |
|----------|--------------------|---------------|
| Options: | Less than \$30,000 | [Go to Q40a]  |
|          | \$30,000 or more   | [Go to Q40b]  |
|          | Don't Know         | [Skip to Q41] |
|          | Refused to answer  | [Skip to Q41] |
- 40a. When I get to the category which best describes your total household income in the last year, please stop me.
- |          |                                |
|----------|--------------------------------|
| Options: | Less than \$5,000              |
|          | \$5,000 to less than \$10,000  |
|          | \$10,000 to less than \$15,000 |
|          | \$15,000 to less than \$20,000 |
|          | \$20,000 to less than \$25,000 |
|          | \$25,000 to less than \$30,000 |
|          | Don't Know                     |
|          | Refused                        |
- 40b. When I get to the category which best describes your total household income in the last year, please stop me.
- |          |                                |
|----------|--------------------------------|
| Options: | \$30,000 to less than \$40,000 |
|          | \$40,000 to less than \$50,000 |
|          | \$50,000 to less than \$60,000 |
|          | \$60,000 to less than \$70,000 |
|          | \$70,000 to less than \$80,000 |
|          | \$80,000 or more               |
|          | Refused                        |
41. Would you describe the place in which you live as being a city, in the suburbs, in a small town, or in a rural area?
- |          |                   |
|----------|-------------------|
| Options: | City/Urban        |
|          | Suburbs of a City |
|          | Small town        |
|          | Rural area/Ranch  |
|          | Other(specify)    |
|          | Don't Know        |
|          | Refused           |

42. How would you characterize your views on SOCIAL issues? Would you say that you are conservative, moderate, or liberal.

- Options:        Conservative  
                  Moderate  
                  Liberal  
                  Other (specify) \_\_\_\_\_  
                  Don't Know  
                  Refused

43. Have you ever sat on a jury in a case dealing with any type of fraud?

- Options:        Yes  
                  No  
                  Don't Know  
                  Refused



# APPENDIX B

## **Issues of Nonresponse and Nonresponse Bias**

# Issues of Nonresponse and Nonresponse Bias

It is difficult to pinpoint the exact reasons for non-participation in the survey. Possibilities range from lack of interest in the survey's subject matter to a belief that the survey solicitation represents an invasion of privacy. After respondents were engaged in answering survey questions, refusal rates were very low. This, we believe, indicates that certain factors (such as privacy issues, subject matter, and anticipated survey length) affected response rate more adversely than did intra-questionnaire flaws.

Respondents were informed that the survey would require fifteen minutes, which elicited some refusals based on time constraints. Past research indicates that response rates fall as a function of questionnaire length.<sup>1</sup> In addition, the concept of white collar crime, compared to street crime, is a possibly less known or understood phenomenon. Even though our survey required no previous understanding of economic crime, it is conceivable that a self-perceived lack of knowledge by eligible respondents led to more refusals.

Further, we may have received more refusals based on our respondent selection method. In utilizing the Kish selection method rather than the Last Birthday selection method, we attempted to achieve a more representative sample of households. The Kish selection method utilizes a combination of gender and age to select a respondent from a household, and therefore is regarded as being more reliable in deriving a representative sample than the Last Birthday selection method. On the other hand, the Last Birthday selection method is generally considered less invasive than the Kish selection method but also somewhat unreliable.<sup>2</sup> In summary, survey length combined with the type of subject matter and our attempts to obtain a representative sample of households may have been important elements in the higher refusal rate.

Finally, the Fairfax Research Group has suggested that there is evidence that the recent telemarketing pattern of "sugging" (i.e., disguising a sales call as a survey) has directly threatened the image of telephone surveys resulting in diminished participation rates.<sup>3</sup> If the Fairfax Research Group is correct in its conclusion, the influence of "sugging" could have further affected the response rate.

An obvious concern here is nonresponse bias; the extent to which those not responding are systematically different from the whole population. It is difficult to ensure that there are no demographic biases associated with the nonresponse. A comparison of demographics of the sample (i.e., age, education, ethnicity, income level) with population demographics indicate, however, that this may be less of a concern than nonresponse bias associated with individual attitudes (e.g., level of interest, privacy issues). As the following table shows, areas where there was some underrepresentation were the less educated (high school or below), and those with lower incomes.

## Demographic Characteristics of Sample vs. U.S. Population

Age	Unweighted Sample	Weighted Sample	Estimated U.S. Population
18-24	11.9%	12.5%	12.6%*
25-34	21.2%	19.8%	20.0%*
35-44	22.5%	20.6%	22.2%*
45-54	19.6%	17.5%	17.0%*
55-64	10.9%	11.9%	11.0%*
65+	13.9%	17.7%	17.3%*
<b>Education</b>			
Less than High School	11.5%	17.4%	18.3%**
High School or GED	23.4%	34.9%	33.9%**
Some College	33.1%	24.8%	17.6%**
Bachelor's Degree	20.8%	15.7%	15.2%**
Post-Baccalaureate Degree	11.2%	7.2%	10.8%**
<b>Race</b>			
White	81.0%	80.7%	82.5%*
Latino	4.9%	5.1%	N/A*
Black	9.3%	9.5%	12.7%*
Asian	1.6%	1.6%	3.9%*
Pacific Islander	1.4%	0.4%	N/A*
Native American	1.3%	1.4%	0.9%*
<b>Income</b>			
Median	\$46,000	\$42,000	\$37,000

\* Based on 1997 U.S. Census Data

\*\* Based on 1995 U.S. Census Data

1. Robert M. Groves and Lars E. Lyberg, "An Overview of Nonresponse Issues in Telephone Surveys," *Telephone Survey Methodology*. New York: John Wiley & Sons, 1988, pp. 199-211.
2. Katherine Lind, Timothy Johnson, Vince Parker, and Sam Gillespie, "Telephone Non-Response: A Factorial Experiment of Techniques to Improve Telephone Response Rates," *Paper presented at the 1998 Annual Meeting of the American Association for Public Opinion Research*. May 14-17, St. Louis, Missouri.
3. Todd D. Remington, "Telemarketing and Declining Survey Response Rates," *Journal of Advertising Research*, Vol 32(3).

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