

"Money Laundering – White Collar Crimes In Israel"

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Abstract

In recent years, we have been aware of many criminal investigations involving white-collar workers, including bank managers, managers of insurance companies, senior officials in various government ministries, and a considerable number of well-known businessmen.

In this article, I will present a number of findings related to a phenomenon called white-collar crime, with the aim of examining what is the law enforcement policy required to deal with this phenomenon in Israel. that is of great importance in today's modern society. To this end, I examined the question of whether there is a general deterrence in this type of crime, with an emphasis on one of its dimensions – "money laundering."

Key words :criminal,white collar crimes,law enforcement,

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I. Introduction

The term "white-collar criminality" is defined in research as an offense that manifests itself in the exploitation of special resources (in jobs, assets and political influences) to generate illegal profits through camouflage and deception methods and while preventing the discovery of the act by exercising control over the sources of information (Man, 1990).

The term includes a basket of offenses of forgery, fraud and fraud aimed at obtaining economic goods. The term white collar delinquency was first defined in 1949. White-collar delinquency led to the conclusion that the balance between cases of ordinary delinquency – thefts, burglaries, assaults, etc., and white-collar criminality is different than previously assumed. Until the study, there was a tendency to believe that delinquency is mainly property delinquency and violent delinquency of the "visible" type – as mentioned above, theft, assaults, etc.(Sutherland ,1949).

A new approach was developed, which argued that the dimensions of high-level criminality – in deceit and deception – are also large. Even then, the idea arose that the unknown dimensions of delinquency – for lack of information – are even greater in white-collar criminality than in "ordinary" delinquency. (Sutherland ,1949).

White-collar crimes dominate the legal and business world in recent years and have even become dominant in the framework of criminal enforcement in Israel. The definition of these offenses remains amorphous to this day, and it seems that sometimes it is the identity of the offender, and not the nature of the offense, that will define the offense as a white-collar crime. (Man, 1990).

The great sophistication required to commit the 'classic' white-collar crimes (money laundering, fraud and breach of trust, bribery, securities offenses, etc.), together with the identity of the perpetrators, who are mostly officials and have a high status in the public, give white-collar crimes a particularly challenging touch in proving them and also lead to a unique approach to the ruling.

The high exposure of these files in the media is another daily challenge that surrounds the daily routine of those involved in the field, and even requires unique strengths from them.

Episode 1

White collar crimes

"White-collar crime" is a concept that has been coined in the language of many researchers from the field of criminology and economics, as well as in the language of policymakers and judges around the world, although so far no comprehensive and comprehensive definition has been given in the world literature, which has been recognized and used by researchers working in the field (Mann, 1990). In Israel, as elsewhere in the world, there is no unequivocal definition based on the white collar crime law, but rather a reference to a basket of offenses defined as fraud and fraud. At the same time, a common understanding was created between policymakers and judges that this type of crime must be dealt with.

White-collar crimes are instrumental in nature, and some of them even require planning, resourcefulness and creativity, with the main motive of the offender being to derive financial profit from the commission of the offense. In this type of offenses, the offender acts as a rational being, which calculates the loss of an offense

against its wages before committing it. The prevalence of these offenses and the difficulty in detecting them have forced Israeli courts to adopt a deterrent punitive policy, which included, among other things, sending white-collar offenders to prison and imposing onerous fines. (Mann, 1990)

This policy was reflected in the words of Supreme Court Justice S. Levin, in a 23/97 Abutbul criminal appeal against the State of Israel: "When it comes to tax offenders, economic offenses, fraud offenses, etc., in which the offender hopes to make a great financial profit, it is important to impose, alongside a prison sentence, a painful and burdensome fine for the offender to know that there is no sinner who is hired." (Mann, 1990)

White collar crime

Sutherland's definition of white-collar crime referred to the white-collar offender as having a high status and one of the community's dignitaries who commits the offense in the course of his occupation. He contends that the main characterization of white-collar criminality is the exploitation of the position for the purpose of committing the offense. While studying his professional role, the professional also learns how to use his professional framework to promote illegal goals. This learning is contained in the dynamics of absorption within a world that relates to class and social power (Sutherland, 1949).

A more in-depth analysis of the definition of white-collar crime I found in Kenneth Mann's writings, on special characteristics of white collar delinquency. The first of the definitions is the one that focuses on the high economic status of the offender, and there is a tendency among the public to think mainly about this characterization. High economic status is problematic as a defining characterization of white-collar criminality. For example, it would be inappropriate to include drug or murder crimes in the term white-collar crime when the perpetrator comes from the upper class or it would be inappropriate to exclude theft from the term theft by officials in companies—such as banks—but it is doubtful whether all upper-class officials should be included. Therefore, if we include in this term thefts committed by low-income bank officials, such as forging customer documents, we will come to the conclusion, that white-collar crimes are committed not only by the upper class but also by the middle class (Mann, 1990).

Once we have defined the characteristics, we will define the term white collar delinquency as follows: the term white collar delinquency is expressed in the exploitation of special resources (in jobs, assets and political influences) to generate illegal profits through camouflage and deception methods and while preventing the disclosure of the act by exercising control over the sources of information, while the legal definitions of criminal prohibitions create a pronounced ambiguity between a criminal act and an act that creates only civil liability. This definition of a prototype highlights two important points in terms of the assessment of the extent of the phenomenon of white-collar criminality and in terms of the application of sanctions against it.

The first is that the phenomenon is broader than we tend to think. The information about the commission of offenses is so difficult to obtain that only the tip of the iceberg appears on the surface. This finding must be of concern, as the economic damage resulting from white-collar crimes is enormous and severely impairs the company's ability to advance its goals. The second is that the definition emphasizes the need for effective means of investigation. The more complex the camouflage methods are carried out within organizations or companies with the means to be more sophisticated, the more investigative and professional labor is required to be able to deal with them.

White Collar Criminals

Having defined what white-collar crime is, the question arises as to whether it is appropriate to define white collar criminals separately from ordinary offenders. Researchers have confronted the question of whether white-collar criminals and ordinary offenders are similar or different whether in motives and causes of crime or in characteristics of the delinquent population. (Benson & Moor, 1992) The researchers were unable to come up with an unequivocal answer to this question. The researchers noted that situations and opportunities, including the ability to self-control, similarly affect offenders as well as white-collar offenders whether to commit the crime or not.

At the same time, studies carried out in the United States, which examined social and demographic indicators of those convicted of white-collar crimes and those convicted of ordinary offenses, found that white-collar offenders have higher levels of education and have stable employment than ordinary offenders. In addition, they found that a "typical white collar" offender is a white male about forty, compared to a "regular" offender who was a black male at the age of thirty (Weisburd, Bode & Waring, 1982).

Episode 2

What is "money laundering"?

Money laundering is an act or collection of actions, carried out with money or property, with the aim of embedding funds derived from criminal activity, within a system of a legal nature, while obscuring the illegal

origin of money. The volume of global money laundering reaches, according to various estimates, hundreds of billions of dollars, and some even speak of \$1.5 trillion a year.

Money laundering methods are many and varied, with the common denominator being the exploitation of efficiency, computerization, and globalization of global financial systems. For example, the smuggling of cash to countries where currency control is lax, banking secrecy laws are strict, and there is no obligation to report suspicious banking transactions. Fictitious electronic transfers of funds as a first step to the placement of funds in a recognized financial system.

Splitting of deposits and money transfers into a series of operations exempt from reporting and documentation obligations, where there are such obligations regarding banking operations in certain amounts. The establishment of pirated banking systems that allow international electronic transfers of capital. Use of moneychangers for conversion and transfer of large sums of money. Fictitious loan transactions. Using straw men to make transactions. Buying value assets such as diamonds and gold, and more. These actions in themselves are legal. What makes them illegal is the illegal origin of the money, and the intention to hide the illegal source or the real ownership of the funds.

The money laundering process consists of several stages. The first stage is "placing", during which funds accumulated from illegal activity are brought into the financial markets. In many cases, the "location" in the country was different from the country in which the criminal activity took place, which generated the capital that was the subject of the laundering. The placement stage is a stage that is visible to the eyes of financial institutions and law enforcement authorities, and carries an innocent appearance. It is understood that it is the most dangerous from the point of view of money launderer, because it may arouse suspicion.

The second stage is "layering", in which the money launderer builds a branched network of operations and financial transfers between a large number of entities in different countries. The purpose of this network is to obscure the origin of the funds and the identity of their owners. This goal is usually achieved by transferring money to and from bank accounts in foreign countries, and especially in countries of refuge where there is no proper supervision regarding the prohibition of money laundering (offshore).

The third and final stage is "integration", i.e., the investment of the laundered funds in legal channels, free of any suspicion. This stage occurs when the money launderer feels sufficiently confident that it will not be possible to trace the illegal origin of the money.

In 2002, after heavy international pressure, the Prohibition on Money Laundering Law, 5770-2000, came into force. Following the law's entry into force, Israel was removed from the "blacklist" of the FATF Financial Action Task Force – a list that includes countries that do not cooperate in the field of money laundering and terrorist financing. It is important to note that countries that are blacklisted are subject to various economic sanctions.

Money laundering offenders

The need for money laundering stems from the accumulation of capital associated with source offenses (the offenses through which the offender obtains the laundered capital), in the hands of the criminal element. Some of these source offenses are white-collar crimes. The accumulation of property and money may attract the attention of law enforcement authorities, thereby causing the exposure of the original offenses (i.e., the criminal activity of the offender) and/or the forfeiture of criminal property. In order to hide the connection between the capital and the criminals, the need arises for the laundering of criminal property, with the laundered capital enabling and financing the continuation of criminal activity. This ongoing cycle, which is increasing in scope, leads to the emergence of crime .

It is important to emphasize that the enforcement of the Money Laundering Law is an important and central tool for fighting many criminal phenomena that constitute the original offenses and the money laundering offenders. It can be said in general that the source offenses are almost all the offenses in the law book, which generate profit for the offender (drugs, property, fraud, gambling , trafficking of women, murder, robbery, etc.).

The money laundering process is often accompanied by additional offenses that are committed in order to enable the laundering. These offenses are referred to as "ancillary offenses" and may include offenses such as bribery, fraud, forgery, and more. It was recently reported that Eitan Robb, the Commissioner of Customs and VAT, estimates that the volume of black capital in Israel reaches about NIS 70 billion. This estimate is based on the assumption that the volume of black capital in the economy is approaching about 15 percent of GDP.

A considerable part of black capital (estimated at 2-5 percent of GDP) comes from money laundering obtained from criminal activity. Fighting money laundering can help reduce the volume of black money. Exposing money laundering operations can help combat tax evasion from criminal sources of income.

White Collar Crime in Israel - Defining the Law in Israel

The term "white-collar crimes" has never received a binding statutory definition, and its place is still absent from the Israeli law book to this day. In practice, it is a currency of language with a value meaning that

was coined by criminologists and judges towards the end of the 20th century, when it refers to a "basket of offenses" committed for the purpose of generating economic profit (Shapiro, 1990).

The legal definition of white-collar crime refers to a basket of offenses defined under the Criminal Code in the State of Israel as fraud and fraud offenses under aggravated circumstances. These offenses are defined in the law as offenses of fraud, conspiracy to defraud, impersonation of another, false confession of undertaking, etc., all of which share the intention to defraud in favor of obtaining financial or equity profit (Kedmi, 1994). The basket of offenses includes forgery of money and stamps, forgery and distribution of documents, fraud and oppression, violations of economic supervision, and physical offenses.

Two main periods of legislation relating to economic offenses can be discerned in the Israeli legal system:

The first period – from the establishment of the State of Israel until the beginning of the 1990s, the main characteristic of this period is expressed in the fact that most of the provisions relating to economic offenses originate in Mandatory law. With the exception of a few legislative amendments to the Mandatory Ordinances, the legislation has not been radically changed. A review of the legislation shows that the "basket of offenses" is not made of a single piece and is not grouped in a single piece of legislation, its various components are scattered in a large number of ordinances and laws: on the one hand, the classic criminal economic offenses, bribery, forgery, fraud, gambling, etc. These were concentrated in the Mandatory Criminal Code Ordinance of 1936, which was replaced in 1977 by the Israeli Penal Code. On the other hand, the physical offenses, which remain scattered in a number of Mandatory ordinances, most of which are still in force and others have been amended to the status of "independent Israeli law." Among the mandatory ordinances that remain in force: Income Tax Ordinance 5, Value Added Tax Law and Securities Law 6, Trademarks Ordinance, Copyright Ordinance 7, Customs Ordinance, Companies Ordinance and Bankruptcy Ordinance, etc.

The new period – the most significant and dramatic development in the subject of legislation relating to white-collar crimes – has been felt over the past decade. Two main factors that led to this development: the first – the globalization of the international economy – in the early 1990s, following the victory of the United States in the Cold War and the collapse of the communist regime of the Soviet Union, a new era began that favors the economic-social value system of American capitalism. These were reflected in the creation of systems that promote competitiveness, Free market and privatization. For these purposes, conferences of the World Bank, the Conference of the European Union, and conferences of the World Economic Forum were held. At the same time, organized economic crime began to develop, which includes a large number of "crime participants" and crosses countries and continents. Over the years, there has been growing recognition of the need to enact laws designed to deal with these offenses. The vast majority of laws have the purpose of which is To deal with the growing crime of fraud, fraud and forgery, aimed at obtaining economic goods or by definition including white collar crime. Here are some examples of such legislation: The Antitrust Law, 5748-1988, the Anti-Money Laundering Law, 2000, the Combating Criminal Organizations Law, 5762-2002 – the enactment of this law came after the State of Israel signed the UN Convention against International Organized Crime, signed in Italy in December 2002. The law establishes offenses related to activity in criminal organizations and assistance to such organizations. The law applies both to organizations whose purpose is to obtain economic profit and to terrorist organizations and other organizations that commit offenses of an ideological nature. The offenses accompanying the violation of this law include forgery and money laundering.

From the above review regarding the development of law in the field of white-collar crime, it can be learned that the definition of the criminal law is a function of time and knowledge expressed in sophistication and technology. As the years passed, the sections of the offenses relating to white-collar crime were defined more clearly and focused. Today, the definition of Israeli criminal law regarding white-collar crime allows us to focus on a "basket of offenses" defined by law as fraud, money laundering, and fraud.

Episode 3

The extent of the phenomenon in Israel and the ways in which the Israel Police copes

Alongside the changes in legislation in the field of white-collar crime in Israel, which stemmed from the recognition of the need to improve the existing legal infrastructure regarding the handling of white-collar crime, a change is required in the ways in which the police and law enforcement agencies deal with this type of crime. All these actions taken by the police to deal with white-collar crime in Israel have the potential to influence the proactive exposure of these offenses even without a complaint being filed.

In this aspect, it is worth emphasizing that the white-collar crime that exists according to the statistics of the Israel Police does not constitute the entire existing crime, but only the one that is reported and the one that the police manages to expose without complaint. It is reasonable to assume that in light of the sophistication and complexity of a white-collar crime, which makes it difficult to detect and expose, some of these offenses are not reflected in the criminal statistics of the Israel Police. At the same time, and in light of the above, the police are required to act more vigorously in order to expose and decipher unreported offenses. Here are some examples:

The establishment of the National Fraud Unit in 1974 and the establishment of the Fraud Unit in the Tel Aviv District were the first milestones in the Israel Police's handling of white-collar crime.

These units recruited professional investigators who were trained in investigative theory and whose education was applicable in the field of law, economics and accounting. A decade and a half later, alongside the growth of the economy and accelerated technological development in the field of communications and science as well as in the computer industry, it was clear that white-collar crime is a widespread phenomenon in all regions of the country, and therefore additional professional manpower is required, which is also dispersed in all areas of the Israel Police districts in order to bring about maximum exposure and disclosure of these offenses.

As a result, fraud units were established in all the police districts towards 1996 and onwards – Central, North, Jerusalem, South and Shai (in Tel Aviv the unit was strengthened by additional investigators). In 1997, following the enactment of the Computer Law, the Israel Police began to train investigators in these units who were authorized to extract evidence from computers used to commit white-collar crimes. Towards 2002, in parallel with the legislation on intellectual property, additional professional investigators were recruited to the fraud units, including investigators whose duties are investigations in the field of intellectual property and copyright protection.

In 2003, according to a government decision and an agreement with the Ministry of Finance, it was decided to establish a unit to combat economic offenses against the state, such as violations of tax laws, planning and building laws, and real estate law, and the National Insurance Law. According to this government decision, the handling of the matter of fraudulently receiving benefits from state authorities should be improved, when in the current situation deterrence is not effective enough.

Therefore, the legal infrastructure for criminal and administrative treatment of those who received funds fraudulently should be perfected, and at the same time the law enforcement authorities should be required to act to allocate the necessary resources to the issue in law enforcement agencies. As a result of this decision, a unit for combating economic offenses was established, which initially includes about 250 investigators and intelligence and detective units. In 2005, it was even expanded to a total of 550 investigators, and it can be seen that the structural changes that took place in the Israel Police during the listed years are a product of legislation and enforcement in the face of sophisticated and sophisticated crime that is growing, whether in scope or in terms of the economic damage resulting from it.

In 2002, crime phenomena in the fields of fraud and corruption were at the center of public discourse and the focus of media interest. The main reason for this is the embezzlement at the Bank of Commerce, whose huge financial scope (about a quarter of a billion shekels) is unprecedented in Israel, and the exposure of scandals that are at the heart of public interest, such as "judges in red", which exposed corruption in the most popular sports in Israel and the case of forgery of degrees at the University of Latvia. At the same time, these are just two of a large number of scandals that have exposed suspicions of fraud, fraud and corruption of public figures, bank officials, mayors, a retired Supreme Court justice, and a minister in the Israeli government.

The embezzlement at the Bank of Commerce led to the collapse of the bank, and subsequently undermined the public's trust in the banking system, particularly in the small banks. The recommendation of the Governor of the Bank of Israel to disperse the deposits and not to place them in the hands of a small bank only, strong this trend. The entanglement of the Peled-Givoni group, which, according to the ruling, also involved criminal elements, meant that those involved were unable to repay huge debts to the banks.

The exposure of the Zeevi-Charney affair and the great economic difficulties in which Zeevi was located also caused the banks' debts (estimated at hundreds of millions of shekels) to be unpaid. All of these had an impact on the bankruptcy of two banks (the Bank of Commerce and Continental Bank), the reduction of competition in the banking market, the decline of public confidence in the banking and economic system in Israel, and hence the decline in demand in the stock market and the increase in the dollar exchange rate.

Discount Bank was forced to stop the activity of ATMs it issues at other banks, as a result of a large-scale affair involving card forgery, which caused damage to hundreds of customers on the scale of millions of shekels [in the world as well as in Israel, a clear emphasis has recently been placed on the importance of the state's war and law enforcement authorities against white-collar crime.

In 2002, a series of multi-billion dollar fraud scandals were exposed in the United States, exposing them to the Enron corporation and the communications giant Worldcom. Additional support for addressing the field of fraud as a central pillar of activity that indicates and ranks the criminal phenomena of criminal organizations can be found in the report on organized crime in the UK, according to their level of danger.

In this ranking, the subject of fraud is ranked in the crime phenomena division, which are defined as the "main risks" along with phenomena such as hard drug smuggling, money laundering and more. The field of fraud is defined as the area of crime with the greatest impact on British society].

Enforcement of money laundering offenses by the Israel Police

The year 2002 is a turning point in terms of the police's handling of money laundering offenses. After 2001, which was the year of organizing and the beginning of intelligence and investigation activities in the field, in 2002 it began to assimilate into the units the importance and potential of using the new tool to attack human targets, the activity of prominent elements in organized crime, and the attack on criminal phenomena. The activity of the Israel Police in the face of money laundering processes in 2002 served as a lever for activity against organized crime in Israel in various fields, such as gambling, drug trafficking and fraud.

The Bank of Commerce scandal exposed connections between a large number of high-ranking criminals throughout Israel. Additional cases handled this year reinforced the picture of the connections between these offenders, whose names emerged during these investigations. Moreover, the Money Laundering Law has flooded the trend of partnerships in legal businesses, the acquisition of real estate, the establishment of business centers among the top criminals in Israel. The Israel Money Laundering Prohibition Authority, whose task is to drain reports from the financial institutions that are required to do so by law and to transfer the material to the enforcement authorities, began operating in February 2002.

In mid-2002, Israel was blacklisted by the FATF, and in this way, the State of Israel, and especially the activities of the Israel Police, gained worldwide recognition. At the same time, it should be emphasized that Israel's removal from the list was conditional, and is contingent on continued activity in the field. The State of Israel was accepted as a member of the "Agmon" association, an organization for cooperation between countries on the subject of money laundering. Entry into this organization would not have been possible if Israel had not been blacklisted.

Prosecution and punishment of white-collar crime in Israel

The judicial system is the last in the chain of law enforcement in general and white-collar crime in particular. Hence, the decision of the judges may have a decisive impact on the future crime picture in the country.

The severity of the offense

The definition of white-collar crime under the law refers to a basket of offenses of fraud and obtaining anything fraudulently, including those under aggravated circumstances, with the maximum penalty for fraud under aggravated circumstances being 5 years in prison. It should be noted that these offenses are usually supplemented by offenses such as: forgery, money laundering and violations of the Intellectual Property Law, which are also reflected in the severity of the final penalty. The penalties imposed are usually prison sentences along with fairly large fines, with sometimes the penalty being limited due to special circumstances to a fine only. An examination of the various types of offenses according to the severity of the punishments imposed revealed a striking finding. The typical criminal offenses – robbery, manslaughter, sex, and burglary – were at the top of the table in terms of the severity of the penalties, while white-collar crimes – fraud, theft from an employer, bribery, and income tax – were found at the bottom of the table (Bezeq, 1981).

General Deterrence – The Public Aspect

In order for the punishment to deter, its existence and application must be made public knowledge. After all, every act of punishment serves as a renewed and tangible reminder of the existence of the prohibition and of the punishment, and the deterrent power in it is greater than the deterrent power of verbal notification of the punishment (ibid., ibid.).

Personal circumstances

This is the third and weakest argument used by the court to explain the severity of the sentence in white-collar crime. Therefore, this reasoning can mitigate punishment to a small extent. Personal circumstances are used in most offenses as a factor that the court takes into account to mitigate the sentence.

There is an active policy of the Israeli law enforcement authorities vis-à-vis white-collar crime. The vast majority of white-collar crime reported in Israel is a crime reported to law enforcement and from then on is dealt with in the lanes of the law. At the same time, however, it can be seen that the proactive exposure activity of the Israeli law enforcement authorities is almost non-existent, and if so, it is carried out in a minor and limited manner. Therefore, it is reasonable to assume that the real volume of white-collar crime in Israel is unknown and is likely much larger than what is reported and known to the law enforcement authorities,

Whether because of their sophistication or because of the scope of these offenses. Israeli law enforcement authorities such as the police, the Antitrust Authority, the Money Laundering Authority, including the courts, adopt preventive policies that emphasize the severity and sophistication of the offense and hence the effect of punishment.

Does deterrence work?

To date, no studies have provided empirical evidence that deterrence does work, that is, deters and reduces crime, some have even consistently emphasized that those sentenced to prison have a similar rate of recidivism compared to those who have not been sentenced to imprisonment (Beck and Hoffman, 1976, Cohen, 1991, DeJong, 1997).

Other studies that support that heavy penalties do not reduce crime, have found that there is an inverse relationship between severity and certainty of punishment, that is: the more severe the penalties, the less likely they are to be carried out. Therefore, increasing the penalty will not necessarily lead to a decrease in the number of offenses. The deterrent effect is almost certainly seen in white-collar crime, in light of all that has been said above, because these criminals are rational offenders who weigh cost versus benefit, and therefore it is likely that since they have a lot to lose (workplace, status, and punishment), compared to ordinary offenders, it was expected that empirical studies would show that deterrence works (Braithwaite, 1985, Braithwaite & Geis, 1982, Zimring & Hawkins, 1973).

Another aspect that reinforces the above assumption is that white-collar crimes by definition are instrumental offenses that require calculation or planning in advance (such as – tax evasion, insurance company fraud, etc.) unlike ordinary offenses that are usually expressive and controlled by emotion and the desire to achieve an immediate need and less planned or motivated by interests of profit and loss (e.g. rape, murder, robbery, etc.). Therefore, offenders who commit expressive crimes are less likely to be deterred by one sanction or another than white-collar offenders. (Braithwaite, 1989).

II. Conclusions

The field of economic delinquency and white-collar crime largely coincides with the phenomenon called money laundering. White-collar crimes are many and varied. In this article, I mainly discussed the field of money laundering, which is prevalent in Israeli society. The uniqueness of white collar crimes is great for various reasons:

- * Ambiguity in defining the factual basis of the offenses
- * Ambiguity of the mental foundation of the facts
- * Legislation "delays" crime trends
- * Arrest/non-arrest for white-collar crimes
- * The complexity of the offenses
- * The sophistication of the offenses
- * Organized delinquency
- * Offenses without a complainant
- * The length of time that passes from the time the offense is committed until its discovery
- * Lack of a defined crime scene
- * The offenses are committed in legitimate organizations
- * Lack of moral condemnation
- * Suspects / defendants with many resources
- * Influence on witnesses
- * A "glorious past" of public activity

Although most of the novelty and importance of Sutherland's theory of white-collar delinquency was in directing attention and criminological research to delinquency that was not the result of low social status or mental perversion, he did so through claims about the uniqueness of white-collar delinquency and economic crime from other delinquencies, especially compared to "street delinquency".

Studies show that white-collar crime is the result of the criminal's rational behavior, which is influenced by indicators that reflect a rational consideration between cost and benefit between profit and loss.

Deterrent punishment in the field of white-collar crime will be achieved as long as it causes a loss greater than the profit inherent in the commission of the crime, including the legal income available to the potential offender. Studies show that a prison sentence is a deterrent and statistically significant punishment. The penalty of a monetary fine is likely to be a deterrent as long as it is higher than the legal income available to the potential offender.

Although more than sixty years have passed since Sutherland's research, in which he first coined the concept of white-collar criminality, this field remains "as indefinite as it has been until now, and perhaps even more misleading, articulate and incomprehensible, than it was in its infancy (Fishman and Dinitz, 1977).

The unique characteristics of white-collar criminality and economic delinquency, chief among them money laundering, the lack of a clear definition of this delinquency, and the growing multiplicity and diversity of these offenses, make it significantly more difficult to investigate the offenses in this area and to prosecute these offenders.

A careful examination of the characteristics of white-collar offenders, i.e., status, education, criminal record, employment, etc., will make it possible to completely adapt the type of punishment to the offense and the offender. Another interesting aspect that can be reflected in such a study will deal with the issue of how different

or similar the crime reported to the Israel Police is from the crime that actually exists, i.e., crime, and whether this difference is similar or objectively in the field of white collar crime (The Dark Figure of Crime), different to the difference that exists in ordinary crime. An examination of this issue can contribute substantially to the knowledge that has existed to date in the field of white-collar crime: Criminal characteristics, crime rate and effective enforcement policy.

This article highlighted a number of important points that have implications for law enforcement policy on white-collar crime in Israel:

The first is the extent of the phenomenon – by the sophistication of white-collar crime and the rationality of its perpetrators, it can be seen that the phenomenon is much broader than we tend to think. The limitation of the police to expose such offenses, which depends on resources and skilled personnel as well as access to complex and branched information that characterizes today's technological advances, is so significant that on the surface only the tip of the iceberg may appear. This finding must be of concern, because the economic damage resulting from enormous offenses and severely impairs the company's ability to advance its goals.

The second – means of interrogation – emphasizes the need for effective means of interrogation in order to deal with this type of crime. The exposure of extensive fraud scandals with enormous economic damage committed in companies or by well-to-do employees and managers who use their jobs and sophisticated camouflage and management methods demonstrates the need for investigators and investigative methods to deal with them: expanding special investigative units and absorbing some of the best economists and accountants in the economy.

The third – deterrence and enforcement – indicates the need for an influential enforcement policy, that is, a deterrent against white-collar crime. Studies have been able to show that the perpetrator makes a rational cost-benefit consideration and that there is a general deterrence in white-collar crime. This result leads to the necessary conclusion that an effective law enforcement policy should be examined that will give expression to all those variables that have been shown in this study to have a clear deterrent effect: Increasing the number of professional investigators, using deterrent punishment – imprisonment or a fine whose size exceeds the per capita disposable income (legal income), increasing the percentage of discoveries, and using interrogation as a deterrent as well as the certainty of punishment. All of these factors create an effective enforcement policy that deters the white-collar offender while increasing the loss compared to the expected profit for the offender from committing the offense, since this is a general deterrent at its best.

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