Encyclopedia of White-Collar Crime

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GREENWOOD PRESS
Westport, Connecticut • London
Further criticisms have included that self-control theory is too broad, in that it can be applied to all human behavior, but not to specific criminal acts. It has also failed to account for the organizational behavior that can shape perceptions of self-interest, motives, and opportunities for criminal behavior. Other criticism have included the theory's exclusion of why corporate managers jeopardize their self-interest by committing acts of deviance and why white-collar offenders do not commit other, more conventional crimes.

Studies that have looked to corroborate the theory have found some support. A 1990 study, conducted by Weisburd, Chayet, and Waring, tested the theory on a group of federal white-collar offenders who were imprisoned for a range of crimes that included antitrust offenses, false claims and statements, IRS fraud, securities and exchange fraud, postal and wire fraud, credit and lending institution fraud, bank embezzlement, IRS fraud, and bribery. Their results indicated that 43 percent had been arrested before and that 34 percent had prior convictions. Findings also indicated that even after excluding individuals who did not hold elite positions or were in possession of significant assets at the time of their offense, arrests rates were 25 percent. Gottfredson and Hirschi have responded to criticisms of self-control theory and maintain their support of its use in explaining white-collar crime. However, current studies continue to indicate only moderate support for self-control theory in explaining white-collar criminality.

FURTHER READING


SEVESO DIOXIN DISASTER. The Seveso dioxin disaster was a major industrial accident that, besides having public health implications, has had an impact on Italian torts law as well as on the European legal framework for managing industrial accidents. It represents an example of how policies may lead to (1) an inadequate management of the aftermath of industrial accidents, (2) a lengthy legal process to compensate industrial accident victims, and (2) the impossibility of holding corporations criminally liable for managerial choices that are then implemented by their employees. On the other hand, the Seveso disaster is an example of how policymakers can use human tragedies as opportunities to implement better policies, which in
the specific case reformed the rules on the liability for nonpecuniary damages and on the management of dangerous industrial activities.

On July 10, 1976, a safety valve broke down at ICMESA, a Swiss-owned chemical plant located in Seveso, a small town 10 miles north of Milan, Italy. The plant manufactured phenol 2, 4, 5-trichlorophenol (TCP), an intermediate in the production of an herbicide. A by-product of this process is the highly toxic substance dioxin. As a consequence of the failure of the safety valve, over 60 pounds of dioxin were released into the environment, exposing approximately 37,000 people to this highly toxic substance. With some delay (substantially due to ICMESA efforts to cover up the accident), Italian authorities acknowledged that the Seveso population was exposed to dangerously high levels of dioxin and evacuated the area. Although there were no human casualties, animals died, homes had to be demolished as part of the cleanup operation, and hundreds of residents, who had experienced eye, throat irritations, burnlike sores on the exposed skin, headaches, dizziness and diarrhea, were forced to leave Seveso. Because of the substantial extent of the population's exposure to dioxin, which causes birth defects among other harms, Italian public authorities were also persuaded to temporarily lift the law banning abortion, thus allowing several pregnant women to terminate their pregnancies voluntarily. Because of the lift on the abortion ban, scientific investigators were prevented from carefully assessing the level of birth defects that followed the disaster.

Criminal investigations followed the release of the dioxin cloud, concluding that the flow of refrigerating water that cooled off the TCP vessel had been inadvertently stopped by an ICMESA employee, thus creating excessive pressure in the system, which later caused the failure of the safety valve. At trial, the prosecutors showed that the employee's negligence was made possible by ICMESA management failure to put in place safety measures that would have prevented the accident from happening. Consequently, on May 23, 1983, five ICMESA managers were convicted for “negligently causing ... a disaster” (Italian Criminal Code, Sect. 449) and for omitting to put safety measures in place (Italian Criminal Code, Sect. 451). By contrast, no managers of the Swiss parent corporation were convicted. Under Italian criminal law provisions that were in place at the time of the trial, executives of a parent company could be held criminally liable only if, under the internal policies, plant managers did not have knowledge and authority to implement safety measures to prevent industrial accidents from happening. With the Court having conclude that plant managers were in the position to implement a safety program that would have prevented the accident from taking place, criminal liability did not extend to the managers of the parent company. However, in the aftermath of the criminal trial, the parent corporation reached an agreement to compensate all pecuniary damages arising out of the dioxin leak to all victims and, later on, to a number of local municipalities and to the Italian Government. Because of the “one-time” and “indivisible nature” of the accident, the settlement negotiations on behalf of the municipalities were led by the Office of the Prime Minister. Under the agreement, the parent company paid over $10 billion in cleanup costs and compensation to those who suffered physical injuries as a result of the incident.

However, nonpecuniary damages, which can be awarded if the wrongdoer is found criminally liable for same actions that caused the injury, were left outside the scope of the settlement. Indeed, epidemiologic studies had shown that a significant increase in cancer incidence and mortality from certain cancers and cardiovascular diseases has been reported in the contaminated area. Therefore, many Seveso residents exposed to the toxic cloud filed civil claims to recover pain and exposure. On Feb had suffered emotions under Itali- ages also award- 10,000 Seveso re- sentative of the A The Seveso di- public policies for enacted two direc- II Directive (96/8 manufacturing pr to (1) prevent mi- sequences for bot See also: Che Union Carbide

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SILVER VALLEY MINING POLLUTION

Over a hundred years of mining (since the 1880s) have extracted an estimated $5.8 billion worth of metals such as silver and zinc from the Silver Valley of Idaho, bringing prosperity to mining company shareholders and mansions and office buildings to Spokane, Washington. In addition, the metals helped build the country's industrial infrastructure and supported war efforts. A byproduct of the mining companies' production, however, has been a legacy of physical harm, economic burden, and strain on the social fabric of communities in the region. This case provides a useful illustration of the difficulties of ameliorating the effects of environmental white collar crime.

An estimated 100 million tons of mine sediments, including arsenic, cadmium, and zinc, as well as approximately 30,000 tons of lead released into the air from smelter stacks, have polluted an area roughly the size of Rhode Island. Heavy metals such as lead entered the

recover pain and suffering cause by the anxiety of getting impaired as a consequence of dioxin exposure. On February 24, 2002, the highest Italian court awarded damages to a plaintiff who had suffered emotional distress. This legal opinion expanded the scope of recoverable conditions under Italian tort law by considering eligible for compensation of noneconomic damages also awarding victims who suffer no physical injuries. As consequence, possibly over 10,000 Seveso residents will likely file similar lawsuits in the next few years, as a legal representative of the Association of Dioxin Victims announced to the press.

The Seveso disaster also pushed European policymakers to implement a set of innovative public policies for managing dangerous industrial activities. Most notably, the EU Parliament enacted two directives, the Seveso I Directive (82/501/EEC), and its later version, the Seveso II Directive (96/82/EC), both requiring manufacturers to identify potential danger areas in the manufacturing process and to take all necessary measures to prevent major accidents in order to (1) prevent major accidents resulting from their industrial activities and (2) limit the consequences for both people and the environment of accidents that might take place.

See also: Chemical Crimes; Environmental White-Collar Crime; Industrial Accidents; Union Carbide

FURTHER READING


ANDREA BOGGIO

SILKWOOD, KAREN. See Kerr-McGee

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