

SANCTIONING CORPORATE CRIME: HOW DO BUSINESS EXECUTIVES AND THE PUBLIC COMPARE?

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ABSTRACT

Previous literature on attitudes toward the punishment or seriousness of criminal behavior has largely neglected to focus systematically upon five issues: (1) public perceptions of corporate illegality rather than perceptions of street crime or other forms of white-collar lawlessness; (2) how evaluations are conditioned by the degree of culpability and harm an offense involves; (3) the circumstances under which citizens will support the use of legal sanctions against an individual executive as opposed to a corporate entity; (4) the public's willingness to support criminal as opposed to civil intervention into various kinds of illegal corporate activities; and (5) how business executives' attitudes toward corporate legal sanctioning compare to those held by the general public. Through a survey of residents and business executives in a midwestern metropolitan area, an attempt was made to shed light on these issues. The analysis revealed a pervasive willingness among the sample to embrace the use of civil sanctions against corporations regardless of the circumstances surrounding the conduct being rated. By contrast, advocacy of civil remedies against executives and criminal penalties against either the corporation or its executives was found to vary considerably according to the culpability and harm manifested by a given illegal act. Also, public support for sanctioning corporate behavior was consistently higher than the support evidenced by executives, especially where the sanctions were directed at individual corporate managers.

Over the course of the past decade, corporate lawlessness has been a topic of increasing salience in both academic and more popular circles (Braithwaite, 1984; Clinard and Yeager, 1980; Coleman, 1989; Ermann and Lundman, 1987; Farber and Green, 1988; Frank and Lombness, 1988; Hills, 1987; Kelly, 1982; Mokhiber, 1988; Ross, 1980; Simon and Eitzen, 1986; Vaughan, 1983). Perhaps the most controversial issue found in this emerging literature is whether corporate illegality should be controlled through the application of civil or criminal remedies, and if through the criminal law, whether the object of the action should be the corporate entity or individual executives (Braithwaite, 1982; Braithwaite and Geis, 1982; Cullen and Dubeck, 1985; Cullen, Maakestad, and Cavender, 1987; Coleman, 1975; Elkins, 1976; Fisse, 1971, 1973, 1981, 1984; Maakestad, 1981; Stone, 1975).

One important aspect of this controversy has been whether the public would support the use of criminal penalties against either corporations and/or their officials. In contrast to claims that citizens are indifferent to business-related offenses (Kadish, 1963), growing evidence exists that the public judges such illegalities negatively and as deserving criminal punishment (Cullen, Clark, Link, Mathers, Niedospial, and Sheahan, 1985; Cullen, Link, and Polanzi, 1982; Cullen, Mathers, Clark, and Cullen, 1983; Gibbons, 1969; Goff and Nason-Clark, 1989; Grabosky, Braithwaite, and Wilson, 1987; Meier and Short, 1985; Newman, 1957; Reed and Reed, 1975; Schragar and Short, 1980; Sinden, 1980; Wolfgang, 1980). Most existing studies, however, focus broadly on "white-collar" as opposed to "corporate" offenses and typically evaluate judgments of crime seriousness as opposed to the willingness to prescribe criminal penalties. Accordingly, this attitudinal research remains largely suggestive regarding the use of criminal sanctions in the control of corporate crime (for a notable exception, see Hans and Ermann, in press).

Existing research has been limited in two other respects. First, studies have not been designed to specify how the circumstances surrounding a criminal act impact on respondents' evaluations of what constitutes an appropriate or just sanction. Research has revealed that assessments of crime seriousness are influenced by the harm resulting from a given illegal act (Figlio, 1975; Gibbons, 1969; Reed and Reed, 1975; Rossi, Waite, Bose, and Serk, 1974; Roth, 1978; Sebba, 1980; Thomas, Cage, and Foster, 1976). At the same time, studies undertaken thus far have only infrequently taken the next step of systematically analyzing how harm interacts with other elements of a crime situation (such as culpability) to influence attitudes toward corporate and other forms

of lawlessness (for exceptions, see Riedel, 1975; Rossi, Simpson, and Miller, 1985; Sebba, 1980; Sykes and Blum-West, 1978). Moreover, no study has investigated how such circumstances affect support for whether a sanction should be civil and/or criminal or directed versus a corporation and/or an individual executive.

Second, relatively little concern has been given to delineating how business executives compare with the public in their attitudes toward corporate crime control. Further, while there has been research on business leaders' views of corporate social responsibility, ethics, and regulation (Brenner and Molander, 1977; Clinard, 1983), scholars have not directly examined how business leaders judge the use of civil and criminal sanctions in the control of injurious corporate conduct.

In light of the above considerations, the present study assesses the conditions under which business executives and the public embrace the use of civil or criminal sanctions against either company executives or the corporate entity itself. Using vignettes to describe varying incidents of potential corporate crime, we examine how different levels of culpability and harm influence the punitiveness of respondents toward corporate behavior. This approach allows us to address questions such as the following: Is there greater support for using civil or criminal sanctions? Are corporations or executives seen as the appropriate target for sanctions? How do the general response patterns and intensity of support for penalizing corporations vary for executives versus the public? And what control policies are suggested by the data?

METHOD

Public Sample

A sample of 150 residents was randomly selected from the phone directory of greater Cincinnati. In August of 1983, each person was mailed a questionnaire and a stamped return envelope. One week later a follow-up postcard was sent requesting that the survey be completed and returned in the previously supplied envelope. Three weeks after the postcard was mailed, a second questionnaire was mailed to those individuals who had failed to respond. Seventy-five usable questionnaires, 50% of those distributed, were returned. There were also five questionnaires returned unanswered, six with the notification that respondent was deceased, and three envelopes marked that respondent no longer resided at the listed address.

The major characteristics of the respondents included: 70.7 percent male and 29.3 percent female; race = 90.7 percent white and 9.3 percent black; mean age = 43.7 years; income 15.5 percent earned less than \$10,000, 4.2 percent earned between \$10,000 and \$15,000, 16.9 percent between \$15,001 and \$20,000, 11.3 percent between \$20,001 and \$25,000, 18.3 percent between \$25,001 and \$30,000 and the remaining 33.8 percent earned over \$30,001; education = 1.3 percent did not enter grade 9, 6.7 percent went to high school but did not finish, 17.3 percent finished high school but went no further, 24 percent went to college but did not graduate, 32 percent were college graduates and 18.7 percent went to graduate school.

Comparison of the characteristics of respondents to those of the overall representatives of the citizens of the Cincinnati area indicates that blacks (9.3 percent to 33.8 percent) and women (29.3 percent to 53.9 percent) are underrepresented. Further, the mean income of respondents exceeds the \$16,872 mean household income in Cincinnati (U.S. Bureau of Census, 1980).

In this light, previous research on public evaluations of crime suggests that blacks and women are less punitive than whites and men, while the impact of income is equivocal (Blumstein and Cohen, 1980; Rose, 1976; Stinchcombe, Adams, Heimer, Scheppele, Smith, and Taylor, 1980). At first glance, then, the composition of the respondents would seem to indicate that the response bias here will be in the direction of making our sample more punitive than would be the case with a truly representative sample. For several reasons, however, this conclusion may not apply. First, research on how statuses impact upon attitudes toward corporate crime is sparse. Second, the one previous study on this topic did not find that sex, income, or education had a significant effect on punitiveness in sanctioning decisions (Cullen et al., 1985). Third, existing studies have typically given respondents a very different rating task: evaluate a list of offenses, rather than vignettes in which culpability and harm are varied. Fourth, Cincinnati is fairly conservative politically. If anything, a sample drawn from this area may be inclined to pro-business sentiments and thus be reluctant to support sanctions against corporate behavior. Regardless, it remains for future research to furnish more reliable information on how various status characteristics impact on attitudes toward the control of corporate behavior.

Business Sample

In March of 1984, the presidents of all manufacturing firms with fifty or more employees and listed in the Cincinnati Business Directory were sent the same survey instrument that the public sample had completed. As with the public, the initial contact was supplemented first with a reminder letter and then with a second questionnaire. In all, 229 firms were included in the sample. Twenty-three questionnaires were returned as the result of address changes, firms going out of business, or changes in the top executive of the company. Of the 206 remaining cases, there were 90 responses, 78 of which were usable--a response rate of 37.9 percent.

Finally, while the survey was addressed to each corporation's president, we have no way of determining clearly if this duty was delegated to another member of the company. Demographic information (e.g., sex, income level), however, indicates that the respondents were primarily males with salaries in excess of \$40,000. These data indicate that if chief executive officers did not complete the questionnaire, the task was delegated to a middle-manager as opposed to a clerical worker. Accordingly, though we are unable to assert that the sample included only corporate presidents, we are persuaded that the research can be viewed safely as a study of business executives.

The characteristics of the business sample were as follows: 94.5 percent male and 5.5 percent female; race = 91.1 percent white and 8.9 percent black; mean age = 49.4; income = 15.8 percent earned under \$40,000 and 84.2 percent earned over this amount; education = 1.4 percent did not graduate from high school, 1.4 percent graduated from high school, 12.3 percent went to college but did not graduate, 49.3 percent were college graduates, and 35.6 percent went to graduate school. The survey did not contain questions on the respondents' corporations (e.g., size), and thus we are unable to report the distribution of the sample according to organizational characteristics.

As would be anticipated, when compared with the public the business sample is more dominated by older, affluent males (though educationally the differences are not pronounced). Given the response rate, the focus on manufacturers, and the restriction of the study to the Cincinnati area, caution should be exercised regarding the degree to which the sample is representative of the wider population of business executives. Nonetheless, the data

drawn from the business respondents are important because they help fill a void in the corporate crime literature and thus provide a basis for formulating initial hypotheses regarding the structure of business attitudes toward corporate legal control.

Procedure

In an attempt to measure the respondents' willingness to impose legal sanctions--civil, criminal, or both--against corporations and/or corporate executives, a series of sixteen incidents involving possible corporate violations were included within the questionnaire. The order of their appearance in the survey was determined by random selection. The vignettes are listed in Appendix B.

Consistent with most previous studies on crime evaluations, the vignettes were ordered identically on each questionnaire. Research is sparse and equivocal on whether item-order affects offense seriousness ratings (Evans and Scott, 1984; Sheley, 1980). Evans and Scott (1984:148-149) indicate, however, that response bias could be reduced by not clustering together serious or non-serious offenses. With the exception of two vignettes toward the end of the survey, the level of harm for any contiguous items was not the same. Similarly, in only two instances was the level of culpability in contiguous items identical (See Appendix B). Accordingly, though we cannot discount response bias due to the ordering of the vignettes, some confidence exists that the results reported are not substantially the result of a methodological artifact.

The purpose of the analysis was to examine how support for the imposition of sanctions would differ according to the level of culpability and harm a specific act involved. Four levels of both culpability and harm were used, thus making sixteen conditions. Further, for each incident, the subjects were asked to state the extent to which they felt that a civil sanction should be used against a corporation or individual and felt that a criminal sanction should be employed against a corporation or individual. This strategy allowed us to assess how the degree of support for the application of both civil and criminal penalties against corporations and executives varied by culpability and harm. These matters are explained in greater detail below.

To insure that only conditions of culpability and harm varied across the incidents, all other wording was consistent in the sixteen vignettes in the survey. First, the directions specified that the executive involved in each of the incidents was the same:

When answering each question, please assume that Mr. Jones is an executive of the Motorcar Company which manufactures automobiles. He is 45 years old and has been employed by the business for 20 years. Presently, his salary is \$80,000 per year. In his job, he is responsible for supervising all manufacturing operations for one brand or line of automobiles.

Second, all of the incidents involved the production of defective automobiles. Automobiles were selected because they represent a product that is familiar to most individuals, and because the automotive industry appears to be an enterprise that violates government regulations and laws more frequently than many other areas of American business (Clinard and Yeager, 1980:237). Admittedly, the exclusive use of the automotive industry in our vignettes precludes an assessment of how attitudes might vary if another business realm or another type of corporate practice (e.g., price-fixing) were investigated; indeed, these are circumstances that future research should entertain. However, given the time that it requires respondents to devote to reading incidents, vignette methodology places limitations on the variety of offenses that might be considered. For instance, by adding one other type of illegality to our design, the subjects would have had to evaluate thirty-two incidents--a number that would have risked making the survey instrument excessively long and burdensome to complete.

At the same time, the use of vignettes has a distinct advantage over the methodology employed in previous studies of attitudes toward the seriousness or punishment of crime. This prior research has typically listed numerous illegal acts, which has allowed for a sense of how public evaluations vary across the full panorama of offenses (Blumstein and Cohen, 1980; Cullen et al., 1982; Rossi et al., 1974; Wolfgang, Figlio, Tracy, and Singer, 1985). Yet such an approach has had the less fortunate consequences of forcing subjects to respond primarily to isolated behaviors that do not occur in a context and of not permitting a systematic assessment of how the circumstances surrounding a behavior shape respondent views (Blumstein and Cohen, 1980:235; Braithwaite, 1982:742, 747-748; Sykes and Blum-West, 1978:1). By contrast, vignettes avoid the pitfalls of decontextualizing behavior, and enable a consideration of factors--such as culpability and harm--that may mitigate or exacerbate punitiveness toward illegal activity. As such, research using vignette methodology constitutes a needed supplement to the existing studies on attitudes toward crime.

Measures

Culpability: Culpability entails a person's blameworthiness or fault in connection with the commission of an act. Criminal law emphasizes culpability primarily in connection with the imposition of sanctions. The more culpable or responsible the individual, the harsher the sentence (Fletcher, 1978:459; Packer, 1968:69; Robinson, 1980:815). The legal system has had inordinate problems applying theories of culpability to corporate conduct. This is especially true when attempting to reach the corporate executive. The problems result from the inherent nature of corporate decision-making, which tends to insulate executives from responsibility (Clinard and Yeager, 1980:279; Orland, 1980:514; Stone, 1975:64-65).

To determine the effect culpability has on a respondent's willingness to invoke legal remedies, four degrees of culpability were employed in the sixteen hypothetical situations. Present Federal criminal law employs a wide variety of culpable states of mind. Legislation (Senate Bill 1722, H.R. 6915) was introduced to consolidate the degrees of culpability into four distinct categories: intentional, knowing, reckless, and negligent (Feinberg, 1980:123-131). These designations correspond to those promulgated in the Model Penal Code (2.02(2)(A-D)). They have also been adopted by most states in their criminal codes (as examples, see Ohio Revised Code 2901.22; Illinois Annotated Statutes Chapter 38, Section 4-4 to 4-7; Kentucky Revised Statute 501.020). Intentional conduct was not employed in the questionnaire since corporations do not generally cause death or harm intentionally as such, but rather do so in the course of their pursuit of profits (Clinard and Yeager, 1980:280). The remaining three culpable states were used, along with situations involving strict liability. Each degree of fault was repeated four times, coupled with a different type of resulting harm.

The highest degree of culpability employed was "knowing" conduct. Knowing conduct is evidenced by behavior that shows a conscious awareness that circumstances exist which may cause a certain result (Model Penal Code 2.02(2)(B); O.R.C. 2901.22; Illinois Statutes Chapter 3884-4; Feinberg, 1980:132). Here, it is used where the corporate executive "knew for certain" that a specific defect would produce problems with the automobile. Second, "reckless" conduct entails situations where the actor is aware of a substantial risk of harm and disregards the potential risk. Recklessness covers situations involving unacceptable conscious risk creation which falls short of intentional conduct (Feinberg 1980:134; Model Penal Code 2.02(2)(C); O.R.C. 2901.22; Illinois Statute Chapter

38, Section 4-5). Vignettes involving reckless behavior described an executive who knew of a problem which "might" cause the automobile not to work properly but failed to remedy the situation through minor changes. Third, an individual acts "negligently" when there is a failure to perceive a risk due to a substantial lapse of reasonable care (Model Penal Code 2.02(2)(D); O.R.C. 2901.22(D)). In the vignettes, negligent conduct was represented by the failure to perform tests which would have showed the defect in the product prior to marketing. The fourth type of culpability is strict liability. This standard was employed by the Supreme Court in U.S. v. Park, 421 U.S. 658 (1975) and U.S. v. Dotterweich, 320 U.S. 277 (1943), and imposed criminal liability on the corporate executives who had responsibility for those performing the act, even though they were unaware of the actual conduct taken. The vignettes tapped strict liability by noting that the defect was unknown to the executive, because his "researcher, on his own, falsified the test results."

Harm: Prior seriousness studies have focused on the harm resulting from the specified conduct (Figlio, 1975; Gibbons, 1969; McCleary, O'Neil, Copperlein, Jones and Gray, 1981; Rossi et al., 1974; Roth, 1978). Improper corporate conduct results in harm to the consumer which is evidenced through economic harm, product damage, environmental pollution, and physical injury. Products have been marketed without regard for the potential harm they may cause. Unsafe consumer products annually injure and cause death to thousands of individuals (Clinard and Yeager, 1980:254-262; Geis, 1982:190; Spurgeon and Fagan, 1981:402).

To determine the effect harm has on the public's punitiveness toward corporate behavior, two types of harm were used here: property damage and physical injury. In turn, each category was subdivided into a less and more severe type of harm. The categories of property harm were "\$200 worth of repairs" and "over \$2,000 worth of repairs" needed due to the product's defect. The categories of physical injury were "a broken leg" or "death."

Again, these four types of harm were paired with the four types of culpability. This resulted in sixteen vignettes to be rated by the public and executives' samples.

Sanctions: To assess the willingness of the respondents in our sample to utilize either civil and/or criminal sanctions against either corporations and/or executives, they were asked to respond to each vignette by using four different scales. Each scale corresponded to a different sanctioning response: civil sanctions

against the corporation, civil sanctions against the individual, criminal sanctions against the corporation, and criminal sanctions against the individual. Since these four scales were mutually exclusive, a respondent could potentially favor the use of one kind of sanction (e.g., civil against a corporation) but perhaps be less inclined to impose another (e.g., criminal against a corporation). In this way, it was possible to assess the conditions under which our sample supported imposing one or more of the potential penalties.

Each of the four sanctioning measures involved the use of a 7-point Likert scale, with a higher number indicating a preference for a more punitive penalty. More precisely, the civil-corporate scale ranged from 1 = "no sanction" to 7 "should definitely pay damages to the customer (or to the customer's family)." The civil-individual scale employed the same response categories. The criminal-corporation scale ranged from 1 = "no sanction" to 7 = "definitely convicted as a criminal and punished." Finally, the criminal-individual scale ranged from 1 = "no sanction" to 7 = "definitely sent to prison." A sample of the response scales used to rate each vignettes is provided in Appendix A. The sixteen vignettes rated by the respondents are presented in Appendix B.

FINDINGS AND DISCUSSION

Corporate Civil Liability

As seen in Table 1, the respondents generally showed a strong willingness to hold the corporate entity civilly responsible in all of the vignettes presented. Thus, in response to whether the corporation should be responsible for monetary damages, all of the public's means were in the sixes on the seven point scale used to state the degree of support for applying a corporate civil sanction. All executive scores exceeded 5.5. For both samples, the largest means were attained where harm was greatest. Notably, in three of the four conditions of harm, citizen support for sanctioning was highest when strict liability was involved. This suggests that our public sample believed that the corporation should be held responsible for products it places on the market even when evidence of clear negligence is absent. Though basically supportive of the strict liability concept, the executives' means tended to increase as culpability increased. Finally, while the mean for the public exceeded that of the business leaders in every case, t-tests revealed that only 5 of the 16 means in Table 1 were significantly different.

Table 1: Mean Score for Corporate Civil Sanctions
by Culpability and Harm

Harm		Culpability			
		Strict Liability	Negligence	Reckless	Knowing
Clutch \$200	Executives	5.558	5.590	5.679	5.910
	Public	6.400	6.067	6.187	6.200
Motor \$2,000	Executives	5.908	5.870	6.026	6.158
	Public	6.613	6.347	6.446	6.493
Design Broken Leg	Executives	5.564	5.724	5.846	6.182
	Public	6.147	6.360	6.219	6.440
Brakes Death	Executives	6.066	6.066	6.286	6.487
	Public	6.707	6.689	6.627	6.613

Table 2: Mean Score for Individual Civil Sanctions
by Culpability and Harm

Harm		Culpability			
		Strict Liability	Negligence	Reckless	Knowing
Clutch \$200	Executives	2.263	2.808	3.462	3.744
	Public	3.507	4.213	4.959	5.095
Motor \$2,000	Executives	2.276	2.844	3.597	3.662
	Public	3.693	4.360	5.274	5.351
Design Broken Leg	Executives	1.833	3.105	4.256	4.282
	Public	3.160	4.440	5.247	5.493
Brakes Death	Executives	2.303	3.487	4.429	4.782
	Public	3.893	5.137	5.827	5.797

Executive Civil Responsibility

In contrast to the pervasive support for the use of civil remedies against corporations, Table 2 reveals that the willingness of our respondents to embrace the civil sanctioning of individual executives varies according to the circumstances involved in the incident. First, there is a clear tendency for the means to increase as culpability can be more easily established. In particular, when strict liability is involved, the public's means for the vignettes fall below the midpoint of four on the rating scale, and the executives' means remain below 2.303. This unwillingness to hold corporate executives monetarily liable in these situations is noteworthy in comparison to the sample's proclivity to impose civil measures on corporations in these very same situations. Therefore, it appears that unless an executive is directly at fault in the decision to market a defective product, the respondents felt that the corporation and not the executive should be held responsible for compensating victimized consumers.

Second, there was a tendency for support for civil sanctions to increase as economic or physical harm rose. However, the most obvious differentiation in responses occurred when the harm involves death as opposed to one of the other three levels of damage. It is also apparent from Table 2 that the most pronounced advocacy of civil sanctions against executives occurs when there is a convergence of clear culpability (reckless or knowing) and severe harm.

Third, the executives were consistently less willing to impose sanctions here than the public. While 12 of the means for the public exceed 4, the exact opposite is true for the executives, with only 4 of 16 means surpassing the midpoint on the rating scale. Further, t-tests conducted on the mean scores reported in Table 2 were statistically significant in every instance.

Corporate Criminal Prosecution

Members of the public sample showed little opposition to the policy of employing criminal sanctions against the corporation for its role in the situations presented. Apparently, the citizens believed that the corporate entity should be held criminally responsible for the improper activities of its executives. Thus, as seen in Table 3, mean scores for citizens were above the midpoint in all but one instance. Taken together with the data on corporate civil sanctioning presented above, this suggests that the public supports using criminal sanctions in conjunction with civil remedies.

Table 3: Mean Score for Corporate Criminal Sanctions
by Culpability and Harm

Harm		Culpability			
		Strict Liability	Negligence	Reckless	Knowing
Clutch \$200	Executives	2.908	2.179	3.218	3.308
	Public	4.267	3.400	4.320	4.120
Motor \$2,000	Executives	3.184	3.039	3.519	3.506
	Public	4.640	4.133	4.432	4.413
Design Broken Leg	Executives	3.179	3.026	3.897	4.351
	Public	4.427	4.413	4.726	4.947
Brakes Death	Executives	3.724	4.289	4.688	5.244
	Public	5.013	5.110	5.613	5.707

As with the previous sanctions, the executives' support for penalizing companies was less pronounced than the public's. No mean exceeded that of the public, and t-tests revealed that 14 of the 16 means reported in Table 3 were significantly different. Only when there was a convergence of clear culpability and serious physical harm was executive support for using criminal sanctions firm. The highest mean scores for the public also occurred when there was a convergence of culpability and harm.

With regard to culpability, the public showed no clear pattern for the vignettes involving monetary loss, but their means did become larger when violent offenses were involved. For executives, the tendency for culpability to be positively associated with punitiveness was more uniform. Lastly, there was more consistency across the sample with regard to harm: the greater the harm, the greater the willingness for both the public and executives to endorse corporate criminal sanctioning.

Individual Criminal Sanctions

The sample's support for imposing criminal sanctions on individual company executives varied by both culpability and harm. First, let us consider the public's responses. When strict liability was involved, there was a reluctance to apply criminal sanctions (see Table 4). Even when a death to a customer occurred, the mean score under the strict liability category reached only 2.96. Alternatively, as culpability increased in conjunction with harm, the advocacy of criminal intervention grew commensurately. Most revealing, the public's mean scores of the reckless and knowing levels where physical injury occurred (broken leg or death) were slightly higher than the means for the same vignettes under the corporate criminal sanction category (compare Tables 3 and 4). This indicates that where culpability and harm can be established, the members of our public sample were quite willing to call for the use of criminal sanctions against individual executives.

For the executives, once again the scores were uniformly lower than those achieved by the public, with significant differences in mean scores found in every case (see Table 4). Indeed, there was a general hesitancy to use criminal penalties. The one notable exception was when culpability and harm converged; here, the executives supported applying criminal punishment to their corporate brethren.

Table 4: Mean Score for Individual Criminal Sanctions
by Culpability and Harm

Harm		Culpability			
		Strict Liability	Negligence	Reckless	Knowing
Clutch \$200	Executives	1.697	1.679	2.590	2.859
	Public	2.680	2.707	3.824	3.560
Motor \$2,000	Executives	1.855	2.130	2.896	2.870
	Public	2.893	3.347	4.108	4.270
Design Broken Leg	Executives	1.731	2.211	3.897	3.987
	Public	2.693	3.627	4.811	4.987
Brakes Death	Executives	1.921	3.500	4.506	5.244
	Public	2.960	4.548	5.667	5.920

CONCLUSION

The nature of the samples employed necessarily restricts the generalizability of the results reported above. Although these limitations suggest that the research is best regarded as exploratory, we are nonetheless able to state with a measure of confidence that we have uncovered some parameters of the prevailing structure of attitudes toward the control of corporate crime. Our confidence stems both from the consistency of some of our results and from the fact that the central findings reported here are not counter-intuitive (that is, they essentially confirm what those familiar with the fields of corporate illegality and crime attitudes would anticipate).

In this light, several conclusions are possible. First, there is a tendency for punitiveness to be positively associated with the level of harm and, though not quite as consistent, with the clarity of culpability. What is more important, however, is that punitiveness is clearly the most pronounced when there is a convergence of severe harm and obvious culpability. This occurs regardless of the sanction being considered and holds for both the public and executive samples (cf. Sebba, 1980).

Notably, a consideration of additional circumstances (e.g., other kinds of harm, different kinds of corporate offenses, victim characteristics) would lead to a further specification of opinion about the control of corporate lawlessness. The same point can be made about developing an adequate understanding of evaluations of crime in general. Thus far, research has tended to present respondents with lists of offenses that primarily reflect differences only in the nature of the crime (cf. Rossi et al., 1974). While such studies have allowed important advances in knowledge, a full appreciation of the complexities of sanctioning attitudes will not be achieved until research systematically investigates the mitigating and aggravating circumstances that surround instances of illegality (cf. Rossi et al., 1985).

Second, public support for sanctioning corporate behavior is consistently higher than the support evidenced by executives. For every sanctioning category, the mean for the public is greater. Similarly, in 50 of the 64 vignette cases (16 in each Table), the public had a mean over the midpoint of 4 on the rating scale. By comparison, this was true in only 26 of the cases for executives. Also, the mean of the public exceeded that of executives in every one of the 64 vignettes rated by the two groups, and this difference was statistically significant in all but 13 cases.

Third, civil penalties were uniformly viewed as appropriate by both the public and executives. Fourth, executives gave their lowest approval to sanctions directed at corporate individual managers. Fifth, while the public is generally supportive of employing legal means to control business conduct, there is some reluctance to use criminal penalties against individual executives. However, this conclusion is qualified by the fact that support for criminal punishment is high when culpability and harm converge.

Taken together, these attitudinal patterns are of theoretical and policy import. In both past and recent times, commentators have often asserted that the public is unconcerned about white-collar crime and, in turn, that public apathy is a major reason why the criminality of the rich remains beyond the reach of the law (Kadish, 1963; Ross, 1907; Sutherland, 1949). Our data, however, clearly challenge this conclusion and reveal that legally sanctioning corporations earn widespread public support in situations of direct (versus diffuse) victimization. Such endorsement for invoking sanctions is particularly strong when penalties are directed against the corporation and when harm and culpability are jointly present. Thus, the obstacles to prosecuting corporate offenders may have much less to do with public attitudes and much more to do with such factors as the complexity of establishing culpability in an organizational setting, a lack of prosecutorial resources and expertise to attack companies, and business interests that preclude legal interventions (Clinard and Yeager, 1980, Cullen et al., 1987; Kramer, 1982).

In this latter regard, the responses by our executive sample illuminates where business elites may exercise their power to limit legal intervention into corporate affairs. On the one hand, apparently there is consensus that corporations are strictly liable for the products they manufacture and thus are fair targets for civil sanctions. While companies might invest considerable resources to fight particular civil suits or to oppose legislation imposing new liabilities, it is doubtful that they would anticipate that civil litigation can be delegitimated. In short, it seems that executives have come to view civil sanctions as a cost of doing business or, perhaps more accurately, as a justifiable penalty for doing bad business.

On the other hand, executives ostensibly would be most opposed to legislation that would attempt to impose criminal sanctions on individual managers. Obviously, this finding reflects a good measure of self-interest on the part of executives. Yet it may also be a manifestation of their belief that corporate decisions

are indeed "corporate" in nature and that attacking an individual would not be a "just" sanction (Fisse, 1984). This perhaps explains their greater support for sanctioning the corporate entity.

The findings with regard to culpability and harm are salient because they help to clarify the moral boundary separating acceptable from unacceptable corporate behavior. Differences aside, consensus exists among business executives and the public that criminal sanctions against the corporation (if not the individual) are justified when companies recklessly and knowingly harm people. In turn, this finding suggests that corporations who wantonly disregard human well-being and safety will not receive protection from either business or political elites. Recent cases are instructive in this regard (e.g., Ford's prosecution in Indiana on charges of reckless homicide in the burn deaths of three teenagers riding in a Pinto; a Cook County case in which company officials were convicted for homicide in the toxic poisoning of a factory worker) (Cullen et al., 1987; Frank, 1985).

One final caveat should be added. Given the descriptive nature of the data, we have not definitively established that executive status per se is the source of attitudinal variation between the business and public samples. In a very real sense, the status of "business executives" serves as a proxy for a configuration of several social parameters: age, race, income, and occupation. As a result, it is difficult to assess whether the attitudes reported are due to corporate experience and socialization or are a reflection of the status-set of older, white, affluent males. In turn, this status-set could be more a measure of social class than executive position. Seen in this light, our data may in part be evidence of the existence of class-linked conceptions of what constitutes justice and injustice (cf. Hagan and Albonetti, 1982).¹

FOOTNOTE

¹ However, we are able to provide some beginning data on this issue. For the four types of sanctioning, a scale was created by summing each respondent's scores across the sixteen vignettes. Thus, we had scales for individual and corporate civil sanctioning and for individual and corporate criminal sanctioning. We then regressed these measures on four status characteristics: income, education, age, and sex. Race was omitted due to the lack of minorities in the sample. Given the relative homogeneity of the executives, it was not surprising that no significant differences

were found when we analyzed their ratings on the four sanctioning scales. However, when the public sample was investigated, two consistent patterns emerged: education and income were negatively related to the sanctioning scales, with most of the relationships being statistically significant. Substantively, this suggests that there may be class differences in attitudes toward the legal control of corporations, with the more affluent favoring less state intervention and the disadvantaged favoring a more pronounced governmental role.

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APPENDIX A: Sample Vignette

Directions:

When answering each question, please assume that Mr. Jones is an executive of Motorcar Company which manufactures automobiles. He is 45 years old and has been employed by the business for 20 years. Presently, his salary is \$80,000 per year. In his job, he is responsible for supervising a manufacturing operations for one brand or line of automobiles.

Incident 1

Motorcar Company executive Bill Jones marketed an automobile with a new clutch. Initial tests indicated that the clutch worked properly. Because of a production deadline, he decided not to have his staff perform two other recommended tests. These tests would have shown the defect in the clutch. Dan Smith, a consumer, has problems with the clutch in his car. He has been advised that it will cost him \$200 to repair.

- A. To what extent do you think that Mr. Jones should be punished as a criminal?

1. 2. 3. 4. 5. 6. 7.

Not at
all

Definitely
sent to
prison

- B. Should Mr. Jones be sued in civil court for his role in the incident and have to pay the customer money to compensate for the damages?

1. 2. 3. 4. 5. 6. 7.

Not at
all

Should
definitely
pay damages
to customer

APPENDIX A: Sample Vignette (cont'd)

C. To what extent do you think that Motorcar Company should be punished as a criminal?

1. 2. 3. 4. 5. 6. 7.

Not at
all

Definitely
convicted as
a criminal
and punished

D. Should Motorcar Company be sued for its role in the incident?

1. 2. 3. 4. 5. 6. 7.

Not at
all

Should
definitely
pay damages
to customer

APPENDIX B: Vignettes Rated by Respondents

Incident 1.

Motorcar Company executive Bill Jones marketed an automobile with a new clutch. Initial tests indicated that the clutch worked properly. Because of a production deadline, he decided not to have his staff perform two other recommended tests. These tests would have shown the defect in the clutch. Dan Smith, a consumer, has problems with the clutch in his car. He has been advised that it will cost him \$200 to repair.

Incident 2.

Motorcar Company executive Bill Jones ordered that an automobile be put on the market even though he knew for certain that there was a defect in the car's braking system which caused the brakes to lock when the pedal was pushed. Mr. Jones also knew that this caused the automobile to go into a spin. Dan Smith, a consumer, was involved in an accident when the brakes on his new car locked on him. He was killed in the accident.

APPENDIX B: Vignettes Rated By Respondents (cont'd)

Incident 3.

Motorcar Company executive Bill Jones ordered that an automobile be put on the market even though he knew it had a design problem which might not protect the driver in an accident. Mr. Jones was advised that the potential problem could be corrected with a minor design change. He decided to market the car without the change of design. Dan Smith, a consumer, while driving the car in a proper manner was involved in an accident and, sustained a broken leg because of the defect in the car's design.

Incident 4.

Motorcar Company executive Bill Jones ordered that an automobile be put on the market even though he knew for certain that it had a defective clutch which would have to be fixed. Dan Smith, a consumer, has problems with the clutch on his car and has been advised that it will cost him \$200 to get it repaired.

Incident 5.

Motorcar Company executive Bill Jones ordered that a new car be sold. Unknown to Mr. Jones the car had a defective design. Mr. Jones' researcher, on his own, had falsified the test results to show that the design was safe. Dan Smith, a consumer, while driving the car was involved in an accident and sustained a broken leg because of the defective design.

Incident 6.

Motorcar Company executive Bill Jones ordered that an automobile be put on the market even though he knew there was a problem with the car's clutch which might cause it to have problems. Mr. Jones also knew that the potential problem could be corrected by a minor design change of the clutch. Bill Jones ordered that the car be sold without the design change. Dan Smith, a consumer, has problems with the clutch on his car and has been advised that the clutch will cost \$200 to repair because of the defect.

APPENDIX B: Vignettes Rated By Respondents (cont'd)

Incident 7.

Motorcar Company executive Bill Jones ordered that an automobile be put on the market even though he knew for certain that it had a defect in the engine which would cause it to overheat and ruin the engine. The engine in Dan Smith's car overheated and he has been advised that it will cost him over \$2,000 to repair.

Incident 8.

Motorcar Company executive Bill Jones marketed a car with a new design. Initial tests indicated that the design was safe. Because of a production deadline, he decided not to have his staff perform two other recommended tests. These tests would have shown the defect in the design. Dan Smith, a consumer, sustained a broken leg in an automobile accident due to the defect in the design.

Incident 9.

Motorcar Company executive Bill Jones ordered that a new car be sold. Unknown to Mr. Jones it had a defective clutch. Bill Jones' researcher, on his own, falsified test results showing that the car's clutch worked properly. Dan Smith, a consumer, has problems with the clutch on his car and has been advised that it will cost him \$200 to repair.

Incident 10.

Motorcar Company executive Bill Jones marketed an automobile with a new engine. Initial tests indicated that the engine worked properly. Because of a production deadline, he decided not to have his staff perform two other recommended tests. These tests would have shown the defect in the engine. Dan Smith, a consumer, has serious problems with his car's engine when it overheated. He has been advised that it will cost him over \$2,000 to repair.

Incident 11.

Motorcar Company executive Bill Jones ordered that an automobile be put on the market even though he knew for certain that it was unsafe. Due to the automobile's defect, Dan Smith, a consumer, was involved in an accident and sustained a broken leg.

APPENDIX B: Vignettes Rated By Respondents (cont'd)

Incident 12.

Motorcar Company executive Bill Jones ordered that a new automobile be put on the market even though he knew there was a problem with the brakes which might cause the car's brakes to lock. Mr. Jones knew that the potential problem could be corrected by changing the brake design. He decided to sell the car without the design change. Dan Smith, a consumer, while driving the car, was involved in an automobile accident when his brakes locked on him. He was killed in the accident.

Incident 13.

Motorcar Company executive Bill Jones ordered that an automobile be put on the market even though he knew there was an engine problem which might cause it to overheat and ruin the engine. Mr. Jones also knew that the potential problem could be corrected by a minor design change of the engine. Bill Jones decided to sell the automobile without the design change. Dan Smith, a consumer, has been advised that it will cost him over \$2,000 to repair the engine to his car which overheated because of the defect.

Incident 14.

Motorcar Company executive Bill Jones marketed a car with a new braking system. Initial tests indicated that the brakes worked properly. Because of a production deadline, he decided not to have his staff perform two other recommended tests. These tests would have shown the defect in the braking system. Dan Smith, a consumer, was involved in an accident when the brakes on his car locked. Mr. Smith was killed in the accident.

Incident 15.

Motorcar Company executive Bill Jones ordered that a new automobile be sold. Unknown to Mr. Jones the car had a defective braking system. Mr. Jones' researcher, on his own, falsified the test results to show that the brakes were safe. Dan Smith, a consumer, while driving his car, was involved in an accident when the brakes on his car locked. He was killed in the accident.

APPENDIX B: Vignettes Rated by Respondents (cont'd)

Incident 16.

Motorcar Company executive Bill Jones ordered that a new car be sold. Unknown to Mr. Jones it had a defective engine which would overheat. Bill Jones' researcher, on his own, falsified the test results to show that the engine worked properly. Dan Smith, a consumer, has engine problems with his car and has been advised that it will cost him over \$2,000 to have it repaired.