

## White collar crimes and casino gambling: looking for empirical links to forgery, embezzlement, and fraud

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**Abstract** This study investigates the alleged link between casino gambling and arrests for the commission of the “white collar” crimes of forgery, fraud, and embezzlement. The rapid expansion of casino gaming venues in recent years has been said to have increased the incidence of white collar crimes by casino customers who get themselves in financial trouble by overspending at casinos (given the median age of 47 for casino patrons and that 41% hold white collar jobs). This study investigates this question by using several kinds of data to examine arrest and offender trends, using a follow-up period of up to 10 years to assess long-term impacts. The results indicate that, comparing pre- and post-casino average annual arrests for embezzlement, forgery, and fraud, trends show a general decrease in arrests in casino jurisdictions, although embezzlement arrests rose in Connecticut and in nationwide statistics. An assessment of the reasons offered from interviews with people convicted of embezzlement and fraud are presented to examine the extent to which gambling is a causal factor.

- A bookkeeper in Buffalo pleaded guilty to stealing \$350,000 from her employer by writing checks to herself. She told police she was trying to cover credit card debt and gambling losses [12].
- An Omaha woman pleaded no contest to stealing more than \$100,000 from an elderly woman she cared for, claiming she used the money at a casino [9].
- The auditor for the city of Ray, North Dakota was found to have used a discontinued account for a decade to misdirect public money \$970,000 to pay his credit card bills and other debts, most of which were gambling-related [22].
- Federal prosecutors in Iowa had eight cases in a period of 2 years in which suspects admitting embezzling funds or using stolen credit cards to gamble [32].

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- A theater clerk in Minneapolis was convicted of embezzling more than \$300,000 from the theater and was sentenced to 30 months in federal prison and 3 years of supervised release with mandatory treatment for compulsive gambling [25].

These events occurred in different states, but they all involved some kind of embezzlement, forgery, or fraud to support gambling behavior. On the other hand, police officials in Illinois, Indiana, Iowa, and elsewhere have reported that crime has *not* increased there, despite the availability of casino gambling. It was thought that “white collar crimes would increase and organized crime figures would start showing up. But basically, there haven’t been any problems.” According to a police official, “For us, the impact on crime has been very minimal” [28], p. 10; [38], p. 211; [33].

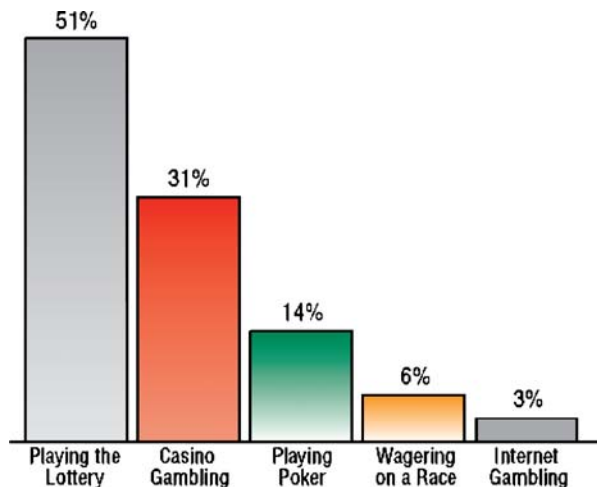
Are these reported events isolated incidents, or are they evidence of larger trends? Do offenders or prosecutors blame casino gambling as a primary cause of theft, when other causes are responsible? Is the experience of police officials similar in all casino jurisdictions? Arguments for and against casino gambling, often citing crime concerns, have relied primarily on anecdotal accounts to make their case, but they are not a sufficient basis for public policy decisions that affect thousands and perhaps millions of people (see [1, 2]).

Casino gambling is growing in both availability and popularity. More than one quarter (26%) of the US adult population visited casinos in 2006, and they made more total visits to casinos than in any previous year (371 million trips in 2006 versus 322 million trips in 2005). The average number of trips per gambler also increased from 6.1 to 6.6 trips per gambler in 2006 over 2005 [8].

Casino gambling is the second most popular form of gambling (second only to lotteries), as illustrated in Fig. 1. Casino gambling is more than twice as popular as the next most common form of gambling (playing poker outside a casino).

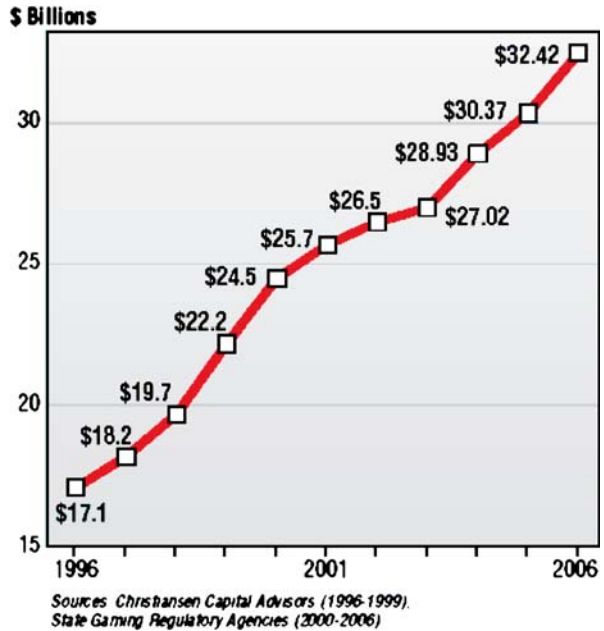
Figure 2 graphs US consumer spending on casino gambling from 1996 to 2006. It illustrates that total spending in casinos has nearly doubled in 10 years. Therefore, it

**Fig. 1** Forms of gambling engaged in during the last 12 months



Source: Luntz, Mastansky Strategic Research and Peter D. Hart Research Associates

**Fig. 2** Total consumer spending on casino gambling in the US



is clear that the popularity and expenditures on casino gambling are both significant and increasing.

In order to separate anecdotal from objective evidence about the impact of these trends, it is necessary to gather more systematic data than individual incidents provide. In this way trends can be assessed over a period of years in different jurisdictions, so that conclusions are not based on isolated incidents that may or may not be representative of the situation in general. In addition, interviews with convicted embezzlers and fraud offenders can provide insights into the extent to which specific factors play a role in this kind of criminal behavior.

## Literature review

The spread of casino gambling in recent times began with Atlantic City, which opened its first casino in 1978 and opened a total of nine large casino-hotels within a period of 5 years. By 1998, Atlantic City had a total of 35,057 slot machines and 1,516 gaming tables in 11 casinos. This translates into 44,153 “gaming positions” at which customers can sit or stand and gamble. Other cities approached casino development more cautiously. Outside Nevada, no other individual city has even half the gambling capacity of Atlantic City. Table 1 presents the relative size (by revenue) of casino gambling in the largest casino markets in the US.

Las Vegas will be excluded from this study because it has had legalized casino gaming since 1931 and, despite some expansion in recent years, significant changes in its local area impacts are unlikely. The other jurisdictions are the largest casino markets in the US outside Las Vegas, so they were chosen for inclusion in this

**Table 1** Largest US casino markets (2006)

Location	2006 revenues	Casinos	Primary customer draw	First casino
Las Vegas Strip	\$6.7 billion	29	National	1931
Atlantic City, NJ	\$5.5 billion	11	New Jersey	1978
Chicagoland, IL, IN	\$2.6 billion	9	Chicago	1991/1995
Connecticut	\$1.7 billion	2	Connecticut	1992
Detroit, MI	\$1.3 billion	3	Detroit and Michigan	1999
Tunica/Lula, MS	\$1.25 billion	10	Memphis	1992
St. Louis, MO	\$991 million	5	St. Louis	1994

study.<sup>1</sup> Large revenues correspond to number and size of casinos, gaming positions, and the number of visitors. As shown in Table 1, the tremendous casino expansion occurred during the 1990s (everywhere except Atlantic City, where it occurred earlier). Impacts on crime should be manifested most clearly in these largest casino markets. Of course, impacts are offset to some extent, however, by the size of the population in commuting distance to the casinos and by other potential factors. These include:

- The availability of competing forms of entertainment in the area,
- The age composition of the local population (i.e., older and more likely to go to a casino or younger and less so),
- The extent to which the casino draws patrons from far outside its immediate area,
- The length of stay of these visitors, and
- The nature of employment and income-level of casino patrons.

These factors are all measurable, but with great difficulty. This is because precise counts of casino visitors, their origin and length of stay, age distribution and backgrounds, and their behavior upon their return home are hard to track with accuracy across different jurisdictions. Impact data like these are important when considering any kind of economic development in the entertainment industry, but they are generally not kept in reliable fashion and almost never measured regularly over a long period of time.

As a result, this study focuses on white collar crime trends in the largest casino gaming markets in the US outside of Las Vegas. It is important to be clear, however, about what is meant by white collar crime.

<sup>1</sup> Chicagoland (i.e., Chicago, northern Indiana) and Memphis (Tunica and Lula, Mississippi) could not be included in the analysis due to both missing and wildly fluctuating arrest data for embezzlement, forgery, and fraud. In Chicago, arrest data was not reported to the FBI in 1990 and 1994, and several other years reported arrests fluctuating up and down by a factor of six in a single year. In Memphis, arrest data was not reported in 1995, 1997, 1998, 1999, and arrest totals in 1996 do not reconcile with reported arrest data before or since. These anomalies suggest changes in local recording-keeping procedures, and the year-to-year data do not appear reliable enough to analyze.

## White collar crime and street crime

The generic term “white collar crime” was invented by sociologist Edwin Sutherland in 1939. He referred to crimes by “persons of high social status” that are committed in the course of one’s occupation as white collar crimes [39]. The term encompasses a variety of specific offenses, some of which may be committed by persons of low social status (i.e., fraud or forgery), and outside the course of one’s occupation (i.e., credit card fraud). There continues to be debate among researchers over the precise scope of the term white collar crime (see [31]). Sutherland’s primary thrust, however, was that the historical bias toward studying only the crimes of the poor (i.e., street crimes) is as significant “as it would be if the scholars selected only red-haired criminals for study and reached the conclusion that redness of hair was the cause of crime” [40] p. 9.

In practical terms white collar crimes include crimes of theft by deception (rather than by force or stealth), crimes against public administration (obstructing government processes), and regulatory offenses (that impact public health, safety, or welfare) [4]. Unfortunately, there do not exist national counts of these offenses, despite their seriousness. Unlike street crimes, such as robbery, burglary, and assault, which are counted annually nationwide, there are no comparable counts of white collar crimes. The only national source of data regarding white collar crimes is provided by arrest statistics. Most police departments report arrests they make each year for 27 offenses; three of these can be considered white collar crimes. They are embezzlement, forgery, and fraud.

- Embezzlement—the conversion or misappropriation of property entrusted to someone.
- Forgery—the making of false legal documents or altering of existing documents, including counterfeiting (forgery of US currency).
- Fraud—larceny by trick or possession of property obtained by deception.

Each of these offenses involves taking money or property by deception or through a violation of financial trust, rather than by force or stealth which characterizes street crimes.

As previously noted, police report only arrest statistics each year for these offenses. Crimes may not be reported and, if reported, arrests not made. Therefore, arrests always undercount the true extent of any crime. Nevertheless, there is reason to believe there is a high correlation between offenses known to the police and arrests for these crimes. This is because it is unlikely that an embezzlement, forgery, or fraud will be reported to police until a victim is reasonably sure that he or she has been victimized. Once aware, victims of these crimes usually have a good idea of who was the perpetrator.

Street crimes are not considered in this study. They have been studied in recent years both before and after casino development, and in casino and non-casino cities. These street crime studies vary a great deal in the time periods they cover, the cities included, and the crime-related factors they consider. As a result, there are differences in findings among these studies. The consensus among these studies, however, indicates that casino gambling does not have a significant impact on street crimes [3, 6, 10, 23, 27, 37, 43, 45].

Given the typical age of casino patrons (median age is 47), this finding might be expected because casinos do not attract large numbers of young people (who commit most street crimes), and those under age 21 are excluded from participation in US casinos. In addition, casino patrons are well-educated (56% have some college education and 47% have earned a Bachelor's or graduate degree) and 41% hold white collar jobs [8]. These proportions are all somewhat higher than the US average, and led to the present study to investigate whether the comparatively older casino patrons engage in white collar crimes to support their spending at casinos.<sup>2</sup>

### **Should we expect a casino–white collar crime link?**

Some observers claim that there is a direct relationship between the availability of casino gambling and white collar crime. It is alleged that some people will overspend in casinos, develop regular or compulsive gambling habits, and steal from their employers or others as a way to support their continued gambling [19, 35, 41]. Perhaps the most widely quoted source is the American Insurance Institute which has been said to estimate that 40% of all white-collar crime is related to gambling. This statistic has been cited by both writers and politicians in arguing against casino gambling [35] p. 212; [14] p. 50. But an investigation by Joseph Kelly, a professor of business, discovered that the American Insurance Institute does not exist and apparently never did. He also found no basis to support the 40% statistic [18]. As a result, there has been a great deal of rhetoric about casino gambling and white collar crimes without many facts, and no systematic data to support the views expressed.

There is intuitive appeal, however, to the notion that white collar crimes might increase as casino gambling grows. The increase in check-cashing and general economic activity created in and around casinos could result in increases in forgery, fraud, and embezzlement. In fact, the casinos themselves may well be the targets of these crimes. These offenses might be expected to occur most often near the casino locations, given the large number of check and cash transactions that occur inside casinos and that most casino visitors are from nearby areas within commuting range. Also, casino patrons may overspend on casino games, resulting in desperate and unlawful behavior to recover gambling losses through various forms of theft from their employers or others. If this is the case, it is likely that the form of theft will be forgery, fraud, or embezzlement, given the age and employment status of casino patrons (noted above).

### **White collar crimes in the largest US casino markets**

Arrest data was obtained from the FBI crime reporting unit to which local police departments send their crime statistics each year. Arrests made each year of adults

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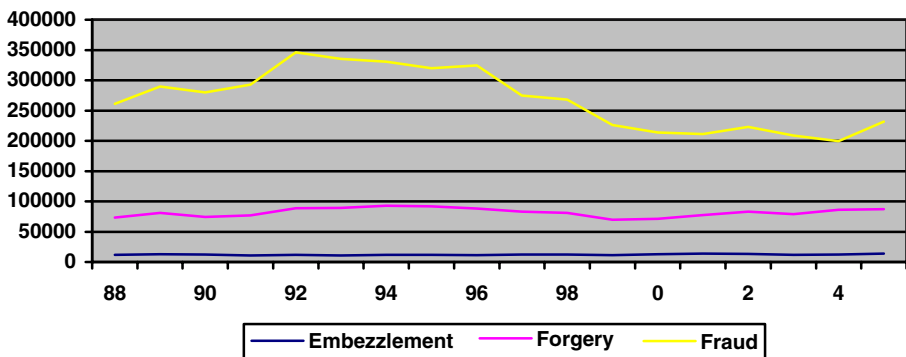
<sup>2</sup> The issue of organized crime has been considered elsewhere, although a detailed empirical study in multiple jurisdictions has yet to be conducted. See Jay Albanese [5]; Franco Piscitelli and Jay Albanese [29].

aged 18 and older from 1988 through 2005 were obtained (the latest complete year available). This time period was selected because most casinos opened in these jurisdictions during the 1990s, allowing for before-and-after comparison of arrests with a significant post-casino period to look for any delayed or long-term impact. Also, juvenile arrests were excluded due to the infrequency with which they are arrested for these crimes, and because they are excluded from participation in casino gambling.

It is important to look first at *national* arrest trends for embezzlement, forgery, and fraud over this same period to insure that trends in casino jurisdictions are not merely reflecting larger nationwide trends. It can be argued that that greater motivations and opportunities for embezzlement, forgery, and fraud exist in casino jurisdictions, and therefore arrest trends for these crimes will be higher than in the nation as a whole. In order to examine the merit of this claim, national arrest data for these offenses were gathered for the period 1988–2005.

Figure 3 shows that fraud arrests are by far the most common. Least common were the 11,699 arrests nationwide for embezzlement in 1988 and this number slowly rose over the next 18 years ending in 14,097 arrests in 2005, an overall increase of 20%. There were 73,165 arrests nationwide for forgery in 1988, a number that slowly increased, ending with 87,346 arrests by 2005, an overall increase of 19%. There were 260,848 arrests nationwide for fraud in 1988, a number that rose in the early 1990s and then dropped to 231,721 arrests in 2005, an 18-year overall decline of 11%. It is clear, therefore, that arrests nationwide for embezzlement forgery and fraud have increased over the last 18 years, whereas arrests for fraud have decreased.

Comparing these national arrest trends to America's two largest casino jurisdictions, Las Vegas and Atlantic City, shows contradictory trends. It might be expected that arrests for these offenses would be higher in these two largest casino jurisdictions, but they generally were not. As shown in Table 2, both forgery and fraud arrests have trended markedly downward in Atlantic City over 18 years (embezzlement arrests have not been reported there for 9 years). In Las Vegas, both embezzlement and forgery arrests were down, and only fraud arrests had increased, again contradicting national arrest trends.



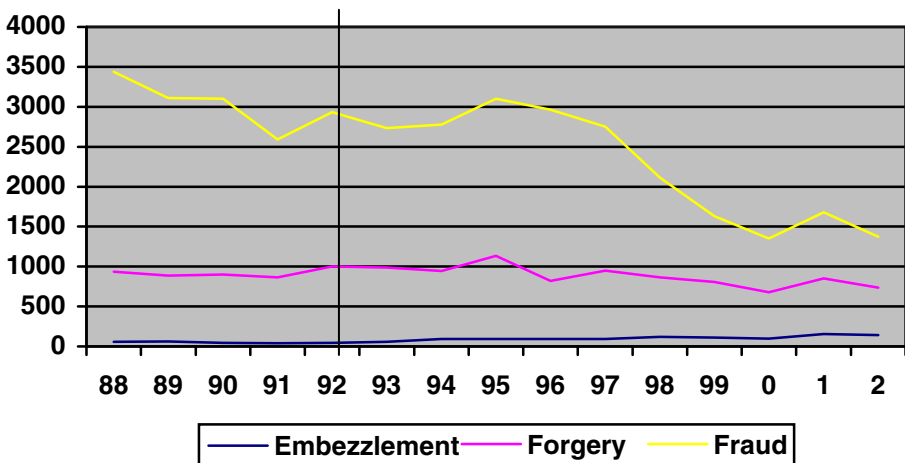
**Fig. 3** USA arrest trends for embezzlement, forgery, and fraud 1988–2005. Data source: FBI Uniform Crime Reports

**Table 2** Comparison of arrest trends, 1988–2005

		Embezzlement	Forgery	Fraud
Data source: FBI Uniform Crime Reporting Program	USA	+20%	+19%	-11%
	Atlantic City	NR <sup>a</sup>	-43	-91
<sup>a</sup> No arrests reported for last 9 years.	Las Vegas	-37	-23	+26

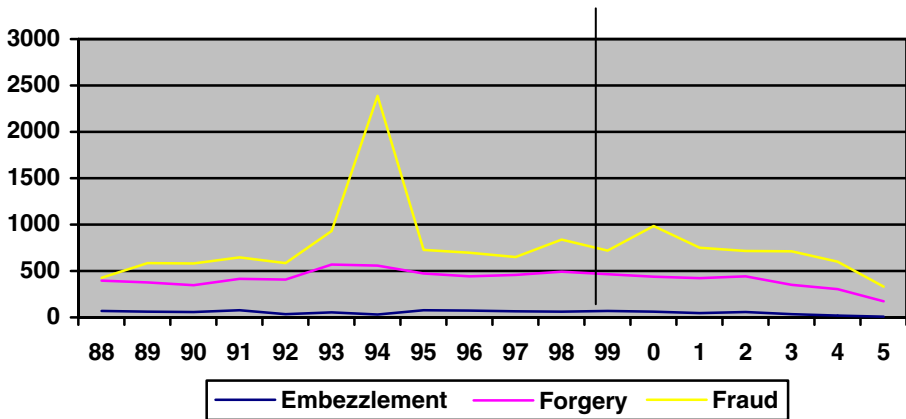
Even though casino gambling has taken place in Las Vegas since the 1930s, the city grew during the 1990s to record numbers of casinos, hotel rooms, and visitors because of expansion of existing sites and the opening of new casino-hotels [17]. Table 2 shows that despite this increased capacity, embezzlement and forgery arrests fell significantly, while fraud arrests increased by 26%. In Atlantic City, where casino gambling began in 1978, and daily visitors continue to rise, arrest trends are down significantly, contrary to what might be expected.

Connecticut opened two large casinos during the early 1990s, under a legal provision which allows Native Americans to run casinos on their own land in states where it is not otherwise permitted. These two casinos are the largest in the world with approximately 300,000 ft<sup>2</sup> in each, which is twice the size of most other large casinos. Therefore, Connecticut offers many gambling opportunities, despite having only two casinos. Figure 4 illustrates that casino gambling began in Connecticut in 1992, and since then there has been a decline in both fraud and forgery arrests, but an increase in embezzlement arrests. In order to avoid overemphasizing year-to-year fluctuations, it is useful to generate composite arrest trends in the pre- and post-casino gambling eras. In the 4 years prior to casino gambling in Connecticut (1988–1991) average annual arrests were 51 (embezzlement), 896 (forgery), and 3,060 (fraud). In the 10 years since the introduction of casinos (1993–2002) annual averages for arrests were up for embezzlement (208% to 106 arrests), but down for fraud (37%) and forgery (2%). It is not known, of course, the extent to which these



**Fig. 4** Connecticut arrest trends for embezzlement, forgery, and fraud pre- and post-casino gambling. Data source: FBI Uniform Crime Reporting Program





**Fig. 5** Detroit arrest trends for embezzlement, forgery, and fraud pre- and post-casino gambling. Data source: FBI Uniform Crime Reporting Program

pre- and post-arrest trends for these three offenses were gambling-related, and it should be kept in mind that national arrest trends for these crimes were up for embezzlement (20%) and forgery (19%), but down for fraud (−11%) from 1988–2005. Therefore, post-casino arrests in Connecticut dropped for forgery and fraud, but increased for embezzlement.

Figure 5 depicts arrest trends in Detroit, Michigan, which began casino gambling in 1999. There was a drop in arrests for all three crimes since the introduction of casino gambling. Comparing the 6 years prior to casino gambling (1993–1998) to the 6 years after it was introduced (2000–2005), average annual arrests dropped for embezzlement (−38%), forgery (−2%), and fraud (−34%). Similar to Connecticut, there was a counterintuitive drop in arrests for white collar crimes after the introduction of casino gambling, in the face of national trends which posted increases in arrests for embezzlement and forgery, and a smaller decrease in fraud arrests than was seen in Connecticut.

Casinos first opened in St. Louis in 1994. Comparing average annual arrest trends in the 6 years before casinos opened (1988–1993) with the 6 years after casinos opened (1995–2001) reveals a drop in arrests for both forgery (−12%) and fraud (−49%). There have only been three recorded police arrests for embezzlement over this entire period, so that crime is not considered for St. Louis.<sup>3</sup>

To summarize, the pre- and post-casino arrest trends in these large casino jurisdictions were remarkably consistent, but unexpected. Embezzlement arrests increased in Connecticut (and nationwide), but declined in the other casino jurisdictions. Forgery arrests dropped in the casino jurisdictions despite a general increase in forgery arrests nationwide. Fraud arrests also dropped in casino jurisdictions, reflecting nationwide trends. These results indicate that there have

<sup>3</sup> In some states, embezzlement is charged as a form of theft or fraud, so it is not used as a separate category of offense, as it is in most jurisdictions.

been mostly net decreases in average annual arrests for these white collar offenses in these large casino jurisdictions.

### Embezzlement and gambling

Perhaps the most important question that remains unanswered by the preceding analysis is “what role did gambling play in any of the embezzlement, forgery, and fraud arrests reported to police?” Crime statistics provide no information about whether the offenses had any connection to gambling; or whether they were the result of simple greed, alcoholism, drug use, or any one of a wide range of motivations that might be used as a reason to commit embezzlement, forgery, or fraud. Embezzlement will be examined more closely in this regard, because it is the only offense that displayed a general increase (in Connecticut and nationwide).

In order to examine the extent to which gambling plays a role in these crimes it is necessary to have detailed knowledge of each reported case of embezzlement. This is impossible because police do not usually record information about offender motivation, and offenders are often reluctant to discuss their motivations. In addition, an effort to track down the offenders caught in the arrests for embezzlement occurring in the largest casino markets would be an expensive undertaking as well. As an alternative, a content analysis of articles appearing in the newspaper *USA Today* was undertaken for the period 1988 through 2005. A search of all articles with the keywords of “gambling” and “embezzlement” was carried out to assess whether the offender’s embezzlement was related to gambling. (Forgery and fraud were not examined in the newspaper analysis because these offenses did not generally increase in casino jurisdictions between 1988 and 2005, as shown in the previous section). Table 3 presents the results of this analysis.

All articles were news articles grouped into one of three categories: embezzlement linked to gambling, linked to other causes, or no motivation was given.

A total of 88 articles were found from 1988 to 2005. Of these 11% linked embezzlement to gambling in a specific case. Another 18% linked the embezzlement to causes other than gambling. The largest proportion, 70%, of the articles made no mention of causation.

This information is useful only insofar as news stories about crime address the offender’s motivation in any detail. The overwhelming majority of news stories deal only with the bare facts: name, charge, amount taken, what happens next, and perhaps a few words about the offender’s background. Also, rarely is a distinction made in these articles as to whether the alleged gambling was in legal or illegal

**Table 3** Content analysis of articles appearing in *USA Today* (search using keywords of “gambling” and “embezzlement”)

Type of article	Number of cases
Article links embezzlement case to gambling	10
Embezzlement attributed to other causes	16
Embezzlement with no motivation given	62

games. Very little analysis is usually offered, except in unusual cases where an interview is granted by the offender or others with detailed knowledge of the case.

In order to assess more carefully the reasons why people embezzle, and any role that gambling might play in it, more detailed information for a large number of individual cases must be obtained. An analysis is provided in the next section.

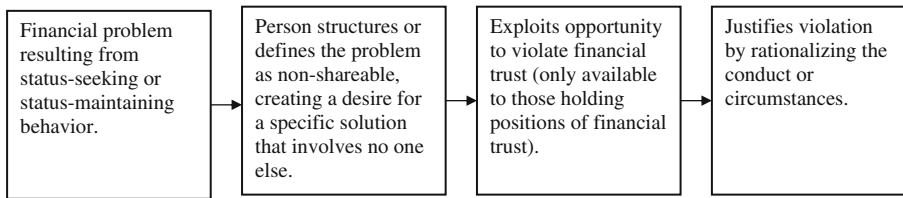
### The motivations to embezzle

The problem with analyses of newspaper articles is that they offer incomplete, and sometimes misleading, snapshots of events. In embezzlement cases, for example, defendants may direct blame to various influences as a form of defense strategy, rather than as a confession of truth. Likewise, typical rationalizations for embezzlement such as liquor, debt, gambling, another woman, or playing the stock market “are generalizations that beg the question” [24]:19. That is to say, actual causes of embezzlement are more complex because debt can also cause someone to spend less, or take out a loan, rather than embezzle. People who spend too much money on drinking or gambling, for example, may decide to reduce their spending or to seek help rather than steal funds in order to continue their bad habit. Simply stated, these commonly blamed factors do not explain *why* many people in these situations choose not to violate the law, while some do.

A pioneering investigation of the causes of embezzlement was conducted by Donald Cressey. He interviewed 133 prison inmates who were convicted of embezzlement and other fraud-related offenses involving a violation of financial trust. He concluded that factors like “immorality, emergencies, increased needs, business reversals, or a relatively high scale of living... cannot be considered as causes” of embezzlement [11] (p. 75–6). The causes are more complex. Cressey found in his interviews that, “a non-shareable problem preceded the criminal violation of financial trust.” These problems were all related to the “status-seeking or status-maintaining behavior” of the violators. In every case, he found the embezzlers were either “ashamed” or had “too much false pride” to get help from other people (p.75). This inability to share the problem they faced resulted in the embezzlement. Therefore, it was not the high living or immoral conduct that caused the embezzlement. It was the fact the problem was defined as unshareable that directly led to the theft. This explanation of embezzlement is diagrammed below.

Figure 6 shows that status-seeking or status-maintaining behavior can result in a financial problem that is defined by the person as something that cannot be shared with others. This leads the individual to come up with a solution that involves no one else. Exploiting an employer, customer, or client through embezzlement is available only to those holding positions of financial trust. Others must resort to traditional forms of theft, such as larceny or robbery. Finally, the violation is justified through a rationalization about the conduct, claiming it is not serious, the money will be replaced in the future, or that the circumstances left them no choice.

Therefore, it is not the unbecoming behavior, business problems, alcohol abuse, excessive gambling, or other circumstance that causes the embezzlement. Instead, when the person structures or defines this problem as something that cannot be



**Fig. 6** The causes of embezzlement

shared with others, embezzlement results. When the offender later blames the embezzlement on the drinking or gambling, therefore, we are hearing the offender's *rationalization* for the conduct, rather than the *cause* of it. As Cressey concluded, "thus, one who gambles will not necessarily violate a position of trust he holds, but a person who gambles might construe a financial problem arising from gambling as non-shareable, so that it becomes a significant event in the trust violation process" (p. 146) Therefore, it appears that the more gambling is defined as legitimate leisure activity, the easier it may be for those who gamble excessively to share their problem and seek help, ultimately avoiding the need to pursue "solutions" such as embezzlement. As Cressey concludes, "if an individual who believes, for example, that he is 'not supposed to' gamble at a racetrack or speculate on stocks loses his personal funds in such an endeavor the resulting problem easily could be considered by him as non-shareable. Admission of the loss would amount to an admission of unworthiness" (p. 41).

Cressey's study involved only men, leaving open the question of whether the process is the same for women. This question was answered by Dorothy Zietz in interviews she conducted with 100 incarcerated female embezzlers and fraud offenders. She found that rather than a non-shareable financial problem, women embezzle "when it seems to offer the only available solution to financial problems that might jeopardize the welfare or cause the loss of a child or husband" [46] (p. 151) Therefore, females appear to embezzle primarily to keep a family or relationship together when threatened by financial problems, whereas men engage in status-seeking or status-maintaining behavior resulting in financial problems that they do not feel they can share with others.

The importance of these studies is that detailed interviews with offenders make it clear that no single factor "causes" embezzlement or any other crime. It is only when a financial problem is defined in a certain way that embezzlement is considered. This provides insights for both how we look at the causes of crime and for theft prevention programs. The more we isolate, label, or promote the notion that people in financial trouble have only themselves to blame, the more it appears we actually encourage them to steal because we make underlying problems more difficult to share and to seek assistance.

These findings are supported by a study of 212 frauds that occurred in the US and Canada. Information was gathered from extensive questionnaires completed by internal auditors in those companies that had experienced frauds [7]. The internal auditors identified 13 personal characteristics of the offenders that they believed were important factors behind the fraud. These factors are summarized in Table 4.

**Table 4** Characteristics of internal fraud offenders

Personal characteristic factors	Response percentage
Needed the money or desired personal gain	18
Living beyond means	14
In debt	14
Temptation too great	14
Greed	13
Vice (gambling, drugs, alcohol)	9
Contempt for company or very low pay	7
Desire to lead a wild life	4
Family problems	3
Emotional/mental illness	2
"Dishonest type"	1
Desire to blackmail company	1
Needed a "loan"	0.4

These factors correspond to the model proposed by Cressey that status-seeking or status-maintaining behavior leads to non-shareable financial problems which ultimately results in law violation. Gambling played a comparatively small role in these 212 cases, and illegal gambling is much more likely to become a non-shareable financial problem than is legal gambling activity at casinos.

These detailed analyses of the motivations of those who embezzle provide the greatest insight into why people get into financial trouble in the first place and why they choose a criminal "solution" to the situation, rather than a non-criminal alternative. They make it clear that single-factor "explanations" such as gambling, drugs, or greed do not account for the fact that most people in financial difficulty do not engage in criminal activity.

## Conclusion

An FBI agent was indicted on charges he stole \$400,000 in agency funds to support his gambling debts [26]. This story is similar to those mentioned at the beginning of this article where individuals blamed their misuse of funds on gambling and other factors that produced financial problems. Such a characterization of a theft grossly oversimplifies the process by which people come to embezzle. Given the results of interviews with several hundred embezzlers, it is clear that gambling does not cause white collar crimes. Instead, it is the way in which a person defines a problem as non-shareable or as threatening to family stability that leads to embezzlement. Only in this way can a person's decision to seek help versus violate the law be understood.

This is not to say that compulsive gambling is not a concern. Although estimates vary, 1% or 2% of Americans are considered compulsive gamblers [13, 20, 21, 34, 42]. It has been reported that nearly all compulsive gamblers started gambling before age 14 [15, 16, 36, 44]. This suggests that preventing access to gambling by minors requires strict enforcement. Casinos must strongly enforce gambling age limits, although Internet gambling and lottery sales to minors would appear to have the greatest possibility to lure underage gamblers. Given the findings reported in the

previous section, greater availability of supportive (i.e., non-judgmental) assistance to those individuals with financial problems created by excessive gambling, drinking, spending, or bad investments would result in fewer individuals seeing their problems as non-shareable (see [30]). This would have the greatest long-term impact for the prevention of embezzlement.

An examination of arrest trends for embezzlement, forgery, and fraud in the largest US casino markets shows most jurisdictions report decreases than increases in arrests after the introduction of casinos. An examination of articles appearing in *USA Today* over an 18-year period found that only 11% mentioned gambling when reporting on cases of embezzlement. Gambling's precise role was rarely discussed in these articles, and no distinction was made as to whether legal or illegal gambling took place.

Finally, an analysis of the causes of embezzlement through interviews with several hundred offenders and auditors finds that no single factor causes embezzlement. Instead it is the way that a person defines a financial problem as either non-shareable or a threat to the stability of one's family that is important in the causal chain. Therefore, efforts to publicize the availability of help for those in financial difficulty, and eliminating any connotation that they are unworthy, will increase the number of people who seek help for their problems, and ultimately reduce the incidence of these white collar crimes.

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