



# Timeline

1473

One of the first pieces of legislation relating to the crime known today as embezzlement is enacted in England based on a crime known as the Carrier's Case, which involved the theft of bales of wool by an agent while transporting them to the coast.

1863

Congress enacts the False Claims Act; it is designed to deter fraud against the federal government by authorizing private citizens to file charges against any party attempting to collect payment from the government through fraudulent claims.

1880

The term *boycott* is originated, named after Charles Cunningham Boycott, whose ruthless evictions of tenants in Ireland provoked his employees so much they refused to have any dealings with him.

1881

Looking to supplement a federal trademark law passed in 1870, Congress passes the Trade-Mark Act, which allows trademark holders to sue for infringement of their trademarked product.

1886

A United States Supreme Court ruling in *Santa Barbara v. California* declares that a corporation is a nat-

ural person, that is, a corporation is guaranteed the same civil liberties that a person has bestowed upon him or her.

1890

The Sherman Antitrust Act provides a working definition of corporate crime, stating, "every contract, combination in restraint of trade or commerce among the several states, or with foreign nations, is hereby declared to be illegal. Every person who shall make any such contract or engage in any such combination or conspiracy, shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by a fine not exceeding five thousand dollars, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court."

1906

The federal government files a lawsuit against Standard Oil and John D. Rockefeller, claiming violation of the Sherman Antitrust Act. The case is debated all the way to Supreme Court, and in 1911 Standard Oil is divided into 34 smaller companies.

1906

President Theodore Roosevelt coins the term *muck-rakers*, referring to a group of journalists who were among the first to expose corruption in American

big business. He said of them, “[they have] provided American journalism with what many regard as one of its finest hours.”

1906

In response to Upton Sinclair’s concerns about the safety of America’s meat supply documented in *The Jungle*, coupled with issues pertaining to the quality of drugs being manufactured and the highly exaggerated claims proffered by the producers of health tonics, salves, and potions, Congress enacts The Pure Food and Drug Act. The act specifies that any meat products sold in interstate commerce had to be inspected by federal regulators.

1907

Edward Alsworth Ross introduces the concept of economic or financial crimes without giving evidence of the immensity of the offenses that exist at the time.

1898–1914

In the first five years following the enactment of the Sherman Antitrust Act, the U.S. Department of Justice only files nine cases relating to antitrust laws, and only 16 in the first 12 years.

Of the first 10 antitrust cases, the majority are filed against organized labor and labor organizer Samuel Gompers alleging restraint of trade by organizing strikes and boycotts. This was not the legislative intent of lawmakers stated in the Sherman Antitrust Act.

1914

The Federal Trade Commission Act is enacted. The act states that false advertising, which includes advertising facts that the advertiser has no reasonable basis to believe, regardless of future events that may prove the facts true, is an unfair and deceptive form of commerce.

1914

Due to the vague language in antitrust legislation, the U.S. Congress passes the Clayton Antitrust Act, supplementing and strengthening the Sherman Antitrust Act of 1890.

1920

The U.S. Congress passes the Truth in Fabric Act, designed to accurately display the type of fur or cloth the consumer is buying.

1924

Portuguese-born Arturo Alvez Reis uses forged government documents in order to deceive the British bank-note printer, Waterlow, into assuming that Alvez was executing an official government order. Alvez makes off with a high sum of Portuguese bank notes before the British authorities discover his intentions later that year.

1927

The U.S. Supreme Court upholds the previous ruling on the Teapot Dome Scandal, which declared the federal government’s leases on the Teapot Dome and Elk Hills oil reserves as “illegal and fraudulent.” Warren G. Harding, who was implicated in the scandal, is considered by many political historians to have been the worst president in U.S. history.

1931

Notorious gangster Al Capone, whose crimes extend far beyond the one he was imprisoned for, is convicted of income tax evasion, as the mafia boss kept no record of his finances.

1938

The U.S. Congress passes The Food, Drug, and Cosmetic Act, regulating cosmetics and therapeutic devices.

1939

Edwin Sutherland presents his presidential address to the American Sociological Society (ASS) meeting in Philadelphia, Pennsylvania. In the address, Sutherland, for the first time, describes *white-collar crime*, a term he has coined to describe the criminal activities of the upper-class and corporations.

1946

The Lanham Act, which lays the groundwork for all future trademark legislation, defines a trademark as “any word, name, symbol, device, or any combination thereof adopted by a manufacturer or merchants to identify goods and distinguish them from those manufactured or sold by others.”

1947

The first environmental law in the 20th century is passed. The Federal Insecticide, Fungicide and Rodenticide Act requires companies to register pesticides used in interstate commerce.

1949

Edwin Sutherland publishes the first edition of *White-Collar Crime*. In that book, he details the criminal behaviors of the 70 largest U.S. corporations at the time. He does not mention the names of the corporations out of apparent fear of reprisal. The 1983 third edition of the book, published 33 years after Sutherland's death, gives the names of the corporations studied for the first edition. He also theorizes that white-collar crime can be explained best by his theory of differential association, which assumes that all behaviors are learned behaviors.

1950

The Celler-Kefauver Act is passed, strengthening previous antitrust legislation by amending sections and adding provisions to the Clayton Antitrust Act of 1914.

1949–56

Telephone company AT&T is accused of antitrust laws by the Federal Communications Commission (FCC); the FCC's intention being the removal of AT&T subsidiaries Western Electric and Bell Laboratories from the company's system. AT&T agrees to a consent decree, allowing the company to keep control of the two subsidiaries but forbidding it to expand into other areas of communication.

1956

Congress passes the Federal Water Pollution Control Act. The act creates the Federal Water Pollution Control Administration, which approves and regulates new water quality standards.

1956

Facing mounting lawsuits by thousands of women claiming their children had been born with birth defects, pharmaceutical manufacturer Merrell Dow discontinues the production of Bendectin, a prescription drug that is used to alleviate morning sickness and nausea in pregnant women.

1959

The U.S. Senate begins committee hearings into allegations that the largest electrical equipment makers in the United States were conspiring to fix prices. Among the manufacturers were major providers General Electric, Westinghouse, Allis Chalmers, and Federal Pacific Electric.

1960

Congress investigates the meatpacking industry; reports conclude that about 15 percent of all commercially slaughtered animals and about 25 percent of all commercially prepared meat products were not examined by USDA investigators because the meat was only distributed within the slaughtering and packing plant's state.

1960

The International Brotherhood of Teamsters Pension Fund managers loan money from the fund to organized criminals, usually through straw men, for casinos, hotels, and resorts. The recipients of the fund "proceeds" included such noteworthy establishments as Rancho La Costa, Circus Circus, Caesar's Palace, the Dunes, and the Sands.

1957–61

Multinational conglomerate General Electric, Westinghouse, and other manufacturers of heavy electrical equipment are convicted of price-fixing and other charges for electrical equipment valued at \$1.74 billion per year. It is the largest price-fixing case in the history of the Sherman Antitrust Act at that time. This is the first time that individual white-collar criminals are jailed for their offenses. GE's fine is equivalent to a person earning \$175,000 per year having to pay a \$3 parking ticket.

1962

United States Steel Corporation is accused of violations of the Sherman Antitrust Act, issuing building loans that stipulate the builder/borrower must use materials purchased from the steel corporation at artificially high prices.

The case is tried in the Supreme Court three times before a February 1977 ruling stated that the corporation did not violate antitrust laws.

1962

The U.S. Congress passes the Kefauver Harris Drug Amendments, requiring that drug companies show evidence their products were safe to a relative degree.

1965

The United States Congress passes the Federal Cigarette Labeling and Advertising Act, requiring the surgeon general's health warnings on all cigarette packages.

1966

The U.S. Congress passes the National Traffic and Motor Vehicle Safety Act in mandating the incorporation of safety devices that were designed to prevent as many fatalities as possible in automobile accidents. During the next six years, automobile accidents decline at an average rate of 3.5 percent annually. The act also established the National Highway Traffic Safety Administration under the Department of Transportation to oversee safety and consumer programs, including motor vehicle crash testing and automotive recalls.

1968

The U.S. Congress passes the Truth in Lending Act, designed to promote economic stability by protecting the credit rights of consumers. No longer, the act says, will consumers be subject to fine print and misleading credit applications.

1970

Ford Motor Corporation unveils its new automobile, the Pinto, despite tests revealing that rear-end collisions sometimes caused fuel-line ruptures, setting the vehicle aflame.

1970

In response to rising concerns about worker and workplace safety, the U.S. Congress passes the Occupational Safety and Health Act. Enacted under the federal government's Constitutional right to regulate interstate commerce, the legislation aimed to guarantee that workers across the country have a workplace that is free from unreasonable dangers.

1970

In response to growing concern for the environment, the Clean Air Act (CAA), first passed in 1970 and amended substantially in 1990, introduced a set of guidelines requiring states to regulate sources of air pollution to specific air quality requirements, and to have regulatory programs in order to attain improved levels of air quality.

1971

The U.S. Congress bans all broadcast advertising related to cigarettes.

1972

The Consumer Product Safety Act is enacted as a response to perceptions that product liability laws

did not sufficiently protect consumers from unsafe products. To implement the act, the Consumer Product Safety Commission was created. The Commission was responsible for administering additional consumer protection laws, including the Federal Hazardous Substances Act and the Flammable Fabrics Act.

1976

Amending the Clayton Act of 1914, Congress passes the Hart-Scott-Rodino Antitrust Improvements Act, requiring that certain proposed mergers of assets be approved beforehand by the Federal Trade Commission and the Antitrust Division of the U.S. Department of Justice.

1976

The Toxic Substances Control Act is signed into law by the U.S. Congress and directs the administrator of the Environmental Protection Agency (EPA) to establish testing procedures for toxic chemicals, publicize results of chemicals that prove to be dangerous, and to set guidelines for controlling toxic chemicals.

1977–79

The Federal Bureau of Investigation conducts a sting operation in which agents pretend to be wealthy Arab sheiks seeking investment opportunities in the United States. Seven legislators, including a Senator and six Congressional representatives are videotaped accepting bribes from these agents in return for political favors. The scandal comes to be known as ABSCAM, after the bogus Abdul Enterprise company.

1980

Marshall Clinard's book, *Corporate Crime*, reveals that between 1975 and 1976 the country's 582 largest corporations had violated the law a total of 1,553 times.

1980

The Equal Employment Opportunity Commission issues a set of guidelines detailing prohibited sexual behavior that applies to all federal agencies and to private businesses with 15 or more employees

1981

Three General Electric executives are imprisoned over a payment of \$1.25 million to a Puerto Rican

official to obtain contracts to a federally owned electrical plant.

1984

Ten thousand workers and townspeople are killed after one of Union Carbide's India-based plant releases liquid methyl isocyanate, a harmful gaseous chemical, after allowing a number of their products to rust and decay.

1984

A Louisiana hospital requires that all surgical patients use the services of one of four anesthesiologists. A competing anesthesiologist charged that this violated the Sherman Antitrust Act. The U.S. Supreme Court's 1984 decision that this case did not represent an illegal tying arrangement was based on the hospital's lack of dominant position; it only housed 30 percent of area hospitalized patients.

1976–85

A report by the U.S. General Accounting Office reveals that 51.5 percent of all drugs introduced had to be relabeled because of serious adverse reactions found after the marketing of these drugs.

1980–86

Teledyne Hydra-Power, a unit of Teledyne Industries, defrauds the U.S. Navy of \$4.5 million on a helicopter contract by inflating the price of parts and hours worked.

1988

The Major Fraud Act is signed into law by President Ronald Reagan, significantly increasing the maximum penalties that could be assessed for certain economic frauds committed against the U.S. government.

1988

Congress updates the Lanham Act with the Trademark Law Revision Act, changing the period of trademark protection from 20 years to 10 years, with infinite renewals. The act also stipulates that after five years, the trademark holder is required to file an affidavit showing that the trademark will continue to be used.

1989

The U.S. government brings criminal charges against Charles Keating for fraud, racketeering and

conspiracy, and the government takes control of Lincoln Savings and Loan.

1989

The U.S. Public Interest Research Group reports that oil company Chevron's operations in the Gulf of Mexico have a less-than-admirable safety record. The research firm reported that between 1956 and 1989, offshore rigs operated by Chevron had experienced 10 gas blowouts, 65 fires and explosions, 40 pollution incidents, and 5 pipeline breaks or leaks.

1989

A study by research firm Essential Information reports that between 1984 and 1989, Chevron had spilled a total of 2.8 million gallons of oil, making it the world's largest and most consistent spiller of oil.

1989

Talk show televangelist Jim Bakker is convicted of fraudulently raising more than \$158 million. A 28-page indictment included 8 counts of mail fraud, 15 counts of wire fraud use of telephone and television, and 1 count of conspiracy to commit wire and mail fraud.

1989

U.S. multinational corporation Union Carbide settles out of court for \$480 million with the families of victims involved in a 1984 chemical spill.

1990

The U.S. Congress passes the Nutrition Labeling and Education Act of 1990, requiring all packaged foods to carry labels with nutrition information.

1990

Problems, including bribery and mispricing, involving General Electric become so pervasive that the Pentagon's Defense Contract Management Agency takes the unique step of setting up a special investigations office just for the company. The office secures 22 criminal indictments against the company, its subcontractors and employees, and recovers \$221.7 million.

1980–90

Legislation is enacted to curb redlining, a process in which real estate agents and insurance companies exclude certain socioeconomic groups and/or races

from certain neighborhoods. Such acts include the Home Ownership Protection Act, the Community Reinvestment Act, and the Home Mortgage Disclosure Act.

1991

Twenty-five employees are killed in a fire in an Imperial Food Products Incorporated chicken processing plant. The employees were unable to escape the flames due to the exit doors being locked due to management fear of employee theft.

1991

Investment company Solomon Smith Barney's telecom research analyst Jack Grubman falsifies company reports to make certain companies appear healthier than they actually were, causing a number of investors to lose substantial amounts of money.

1992

A lagged time-series analysis of price-fixing offenses between 1890 and 1988 finds no significant relationship between price-fixing enforcement and political and economic variables. The study is the only long-term longitudinal study of price-fixing.

1997

Camel Cigarette Corporation drops its famous Joe Camel advertising campaign amid mounting lawsuits that claimed the cigarette-smoking cartoon character featured on posters was marketed toward children, a demographic that could not legally purchase the product.

1990–2000

The Financial Action Task Force (FATF) calculates that approximately \$500 billion is processed in money laundering operations around the world each year.

2000

Owens Corning, which sells industrial pipe insulation, is driven to bankruptcy by the settlement of over 243,000 asbestos-related claims.

2001

An Italian court acquits former chemical company managers of charges that stemmed from a 10-year period in which 150 workers died from exposure to a harmful chemical. The managers were acquitted because the company was not aware of the harmful

effects of the chemical until after the workers were contaminated.

1990–2002

General Electric is involved in 63 court cases brought against it by the federal government. The sum of the settlements reaches \$982 million.

2002

The Securities and Exchange Commission files a lawsuit against former executives of Waste Management, Inc., accusing them of inflating earnings by almost \$2 million.

2002

John J. Rigas of Adelphia Communications, a cable company based in a small rural town, is accused by the federal government of concealing \$2.3 billion in debt, and is convicted in July 2004 of conspiracy, bank fraud, and securities fraud.

2002

In response to the growing amount of stock fraud cases, Congress passes the Sarbanes-Oxley Act, creating a series of oversight measures, and expanded and increased the sanctions for illicit white-collar actions.

1980–2003

Millions of Americans are affected by advanced fee fraud associated with African-based criminal groups. Advanced fee fraud involves a promise of a large amount of money given to the participant if the participant details personal banking information to the foreign-based entity.

2004

Ken Lay, former chairman and CEO of Enron, is charged with 11 felonies, including bank fraud, wire fraud, and securities fraud in a criminal indictment.

2004

Media tycoon Martha Stewart is convicted of lying to cover up possible insider trading. Critics accuse prosecutors of zealously showcasing the Stewart case as an example of how rich and famous white-collar criminals are now being pursued and prosecuted by the U.S. government.