

Big Dirty Money: “White-collar crime” and the nature of capitalism

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Big Dirty Money, The Shocking Injustice and Unseen Cost of White-collar Crime, by Jennifer Taub, Viking, New York, 2020

The term “white-collar crime,” which appears in the subtitle of a new book, *Big Dirty Money, The Shocking Injustice and Unseen Cost of White Collar Crime*, was apparently first coined during the Great Depression of the 1930s. The phenomenon is as old as capitalism itself. In Jennifer Taub’s work the focus is on the United States, but the reality she describes, though nowhere more explosive than in the US, is a global one.

Taub, a professor at the University of Western New England School of Law in Springfield, Massachusetts, brings together much valuable data and information on white-collar crime and on the connection between its recent prominence and that of extreme wealth inequality. Her book is noteworthy for correctly focusing on the role of class in shaping the lives and futures of humanity.

The author indicates that white-collar crime must be defined far more broadly than embezzlement or what might be termed low-level forms of corruption. She gives some recent examples of white-collar criminals, all extensively reported by the WSWs: the Sackler family, worth some \$14 billion (as of the book’s printing), responsible for the marketing of oxycontin, which led to 232,000 overdose deaths between 1999-2018; Pacific Gas and Electric, to blame for the deadly Camp Fire of 2018 in California, which left 85 dead and the town of Paradise completely destroyed; and General Motors, whose faulty ignition switches led to sudden engine shutdowns and at least 124 deaths between 2002 and 2014, when the cars were finally recalled.

All of the above criminals escaped serious punishment, paying for the lives lost through fines that amounted, even where sizable, to the mere cost of doing business.

Taub makes a number of useful points in the course of discussing these issues. As she notes, the US has a prison population of 2.3 million, but even the very few white-collar criminal convictions (as opposed to civil cases) rarely lead to jail time. The few who have been jailed—Michael Milken is

one prominent example—have served their time in “country club” prisons, facilities whose very existence illustrates the fact that incarceration is a weapon principally designed for and used against the working class.

Taub is hardly the first to note the huge gulf between the treatment of the poor and the wealthy by the so-called justice system. Petty offenses get harsh punishment while big criminals get off scot free. Eric Garner lost his life for selling untaxed loose cigarettes, Taub points out, while the executives of companies responsible for death and misery on a vast scale have paid no price. Indeed, as Taub was putting the finishing touches on this volume last May, this class reality was brought home, to the horror of vast numbers of people all over the world, in the murder of George Floyd after he was accused of passing a small counterfeit bill at a neighborhood convenience store.

The magnitude of the class gulf today is one that could barely have been imagined by famed French novelist Anatole France when he famously ironized, “The law, in its majestic equality, forbids the rich as well as the poor to sleep under bridges, to beg in the streets, and to steal bread.”

The last 40 years have seen an uninterrupted growth of white-collar crime and of all the abuses associated with it. Government has done much to facilitate this growth, and the political representatives of the corporate elite have often shared in the spoils. Furthermore, this has been a thoroughly bipartisan operation. As Taub explains, “in the Carter and Clinton administrations, legislation was enacted that allowed the credit default swap and private mortgage securities markets to flourish, enabling the toxic mortgage-backed securities that eventually blew up the banking system in 2008.”

This history serves to illustrate, as Taub does not point out, that the dividing line between the legal and the criminal, to put it mildly, is a porous one in the capitalist economy.

After the 2008 crash, the greatest since the Great Depression, the get out of jail card really came into its own during the two terms of Democratic President Barack Obama. “The Justice Department led by Attorney General

Eric Holder from 2009 to 2015 let every bank executive engaged in accounting or securities fraud get away without prosecution,” writes Taub. Manhattan District Attorney Cyrus Vance Jr., another Democrat, brought no charges, except against a tiny bank that no one had ever heard of.

Taub’s polemical zeal in exposing glaring injustice can only be welcomed. Her outlook, however, could perhaps be summed up in a paraphrase of the Biblical reference to the poor—we will always have white-collar criminals with us. Or to put it somewhat differently, capitalism is here to stay.

She reviews the history, over most of the last century, of what she terms “corporate crime waves and crackdowns.” This is a cyclical conception, in which capitalist “excesses” are followed by regulation and reform, until the pendulum swings back toward corruption once again. The Gilded Age was followed by the Progressive Era, whose birth is associated with the presidency of Theodore Roosevelt. Later, after the speculative boom of the 1920s, came the reforms associated with Franklin Roosevelt’s New Deal.

Big business steadily attempted to evade or circumvent regulation, and the decades from the 1940s through the 1960s are dubbed a period of “invisible industrial violations,” as Taub puts it, leading to scandals such as Love Canal and the thalidomide birth defects. This was followed by yet another decade of regulation, this time under the improbable reformer Richard Nixon. The Environmental Protection Agency was established, along with the Consumer Product Safety Commission. After Watergate, other legislation established the Federal Election Commission.

American capitalism unquestionably did undertake major regulatory efforts in the last century. What Taub does not discuss, however, is the connection between the last 40 years, a period of uninterrupted deregulation and social counterrevolution, and the crisis and decline of US capitalism. There is little or no mention of globalization in this book, and no discussion of the financialization of the economy. We are left with the supposed problem of human nature, and of what is seen as an endless struggle against greed. Behind white-collar crime, however, is not simply greed, but a system of production and distribution that produces and requires it.

A cyclical theory of inequality and corruption followed by regulation and reform does not explain the last several decades. The Biden administration and its backers, who it is safe to presume include Professor Taub—even if she recognizes, quoting *New York Times* columnist Maureen Dowd, that Donald Trump “did not come to Washington to clean up the tainted system; he came to bathe in it”—claim that a new era of reform is beginning. The conditions confronting US and world capitalism, however, are entirely

different from those of the post-World War Two era.

The capitalist media dwell incessantly on misleading catchphrases like “systemic racism,” but the conditions described by the author demonstrate that what is truly systemic to capitalism is class inequality and all of its consequences. The solution to the misery that Taub details—the lives lost to poverty, illness and police violence—must also be systemic. It is not the pipe dream of a new era of reform, but rather the overthrow of the capitalist system and the building of a socialist society.

This is not Taub’s program. The final chapter of her book is entitled, “The Six Fixes,” and what she proposes is not much more serious than this somewhat glib heading. She calls for a new Department of Justice division devoted to white-collar crime; the amendment of the bribery laws to make it easier to convict politicians like Virginia’s former governor Robert McDonnell, who beat a bribery rap because of a legal loophole; legislation to protect journalists and whistleblowers; the restoration of Internal Revenue Service funding, after years and years of cuts that have been designed to cripple any effort to go after massive tax fraud; a nationwide registry for white-collar convictions; and improved data collection on white-collar crime.

To call these reforms would be a genuine stretch of the definition. Some of them amount to little more than improved methods of keeping track of the crime taking place, not doing anything about the conditions themselves. Even *New York Times* columnist James B. Stewart, in his review of *Big Dirty Money*, observes about these “fixes,” “These are earnest and well-intentioned, but small bore given the scope of the problem [Taub] so vividly illustrates.” It should also be pointed out that the fact that Taub, discussing whistleblowers, mentions Daniel Ellsberg and Karen Silkwood, but not Julian Assange, Chelsea Manning and Edward Snowden, reflects her allegiance to what passes for bourgeois liberalism today.

Despite its serious faults, and although *Big Dirty Money* does not go much beyond a description of important aspects of 21st century capitalism, the exposures in this volume are vivid and at times gripping, and the book is therefore recommended, with the above caveats.



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