

Michigan Law Review

Volume 80 | Issue 4

1982

Corporate Crime

Michigan Law Review

Follow this and additional works at: <https://repository.law.umich.edu/mlr>



Part of the [Business Organizations Law Commons](#), and the [Criminal Law Commons](#)

Recommended Citation

Michigan Law Review, *Corporate Crime*, 80 MICH. L. REV. 978 (1982).

Available at: <https://repository.law.umich.edu/mlr/vol80/iss4/55>

This Review is brought to you for free and open access by the Michigan Law Review at University of Michigan Law School Scholarship Repository. It has been accepted for inclusion in Michigan Law Review by an authorized editor of University of Michigan Law School Scholarship Repository. For more information, please contact mlaw.repository@umich.edu.

CORPORATE CRIME. By *Marshall B. Clinard* and *Peter C. Yeager*. New York: Free Press. 1980. Pp. xiii, 386. \$16.95.

The problem of corporate crime¹ has attracted increasing scholarly attention in recent years. Clinard, a criminologist at the University of Wisconsin, and Yeager, an Assistant Professor of Sociology at Yale, have each previously contributed to the development of this literature,² but unlike their earlier studies, *Corporate Crime* is directed toward a general audience. Drawing largely from reports of corporate misconduct that have appeared in the popular press, particularly the *Wall Street Journal*, and from their own statistical study of illegal corporate behavior,³ the authors present an overview of the many dimensions of corporate criminality.

Clinard and Yeager say that they were moved to write the book because of their perception that "crimes in the suites" have received less attention than crimes in the streets (p. x), despite the fact that antitrust, tax, and environmental violations, deficiently designed products, and corporate fraud and bribery cost the nation billions of dollars each year (p. 8). They are concerned, in other words, that "corporate crime is generally surrounded by an aura of politeness and respectability rarely if ever present in cases of ordinary crime" (p. 21). To remove this "aura of politeness," they argue that corporate fines should be increased (pp. 124-26), that individuals convicted of corporate crimes should be sentenced to jail (pp. 292, 297-98), and that means should be developed to fix responsibility on high corporate officials as well as middle-managers, who currently bear the brunt of most enforcement actions (p. 279). But while this overall point of view is implicit throughout the book, Clinard and Yeager generally refrain from stating it directly in an apparent attempt to preserve at least a semblance of objectivity. The result is a work that features relatively discrete, primarily descriptive chapters covering, among other things, the growth, influence, and general organization of the major American corporations, the role of various federal agencies in regulating corporate conduct, the general contours of federal antitrust law and policy, and the role and nature of business ethics. Other chapters are devoted to particular kinds of

1. The authors appear to agree with *Black's Law Dictionary*, which defines corporate crime as "[a]ny offense committed by and hence chargeable to a corporation because of [the] activities of its officers or employees." BLACK'S LAW DICTIONARY 306 (5th ed. 1979).

2. See M. Clinard & P. Yeager, *Corporate Crime: Issues in Research*, in CRIMINOLOGY: NEW CONCERNS (E. Sagarin ed. 1979); M. CLINARD, P. YEAGER, J. BRISSETTE, D. PETRASHEK & E. HARRIES, *ILLEGAL CORPORATE BEHAVIOR* (1979).

3. M. CLINARD, P. YEAGER, J. BRISSETTE, D. PETRASHEK & E. HARRIES, *supra* note 2.

corporate crime, such as the bribery of foreign government officials and illegal domestic campaign contributions.

But not all of the book is mere description. In perhaps their most interesting chapter, Clinard and Yeager go beyond their statistical finding that some corporations are significantly more likely than others to commit corporate crimes (p. 116), and argue that corporate crime is especially prevalent in certain industries, notably the oil, automobile, and pharmaceutical industries. Relying on anecdotal accounts and various government studies, the authors indict the oil companies for monopolizing the energy industry, overcharging consumers during shortages, failing to control emissions, and committing insufficient funds to exploration and development. Similarly, the auto industry is scored for giving inadequate warranties, unfairly treating retail dealers, and valuing style over safety; the pharmaceutical industry is criticized for excessive promotion, false advertising, improper research and testing techniques, and pursuit of excessive profits. The following excerpt typifies the approach that the authors use throughout the book to illustrate their arguments:

Some drugs are heavily promoted even when the manufacturer is well aware of possible side effects The Richardson-Merrell Pharmaceutical Company, for example, promoted the drug MER/29 during the early 1960s though it knew that the drug had harmful side effects Company salespersons were instructed to suggest to prescribing physicians who complained of such side effects that they were caused by other drugs the patient was using. [P. 265.]

Though perhaps interesting for their own sake, the scores of examples that Clinard and Yeager present seem to lead the reader nowhere, beyond the obvious conclusion that abuses should be corrected.

The authors argue, finally, that although industry's historic inability to control its abuses has led to the promulgation of corrective regulations (p. 271), corporate crime continues unabated and threatens the future of the capitalist system itself (p. 325). While the authors make very few firm recommendations, they do review and discuss the proposals that others have made. These include suggestions that would improve the ethical leadership of top executives, strengthen the role of corporate boards of directors, bolster the effectiveness of federal enforcement agencies, create stiffer penalties for illegal behavior, and establish a strict federal charter for major corporations. The authors acknowledge the limits of each alternative, but they conclude nonetheless that an unspecified "combination" of these proposals would help limit illegal corporate behavior (p. 325).

Clinard and Yeager illustrate the full nature and extent of corporate crime by drawing together much of the material that has appeared recently in the press and the scholarly journals. Unfortunately, however, *Corporate Crime* provides little more than a

superficial introduction to each of the myriad facets of the problem. It is thus unlikely to aid anyone who has more than a passing familiarity with the subject. Attorneys or policy-makers looking for specific guidance and thoughtful analysis would do better to consult more specialized sources.⁴

4. See, e.g., Coffee, *"No Soul To Damn: No Body to Kick": An Unscandalized Inquiry into the Problem of Corporate Punishment*, 79 MICH. L. REV. 386 (1981); Coffee, *Beyond the Shut-eyed Sentry: Toward a Theoretical View of Corporate Misconduct and an Effective Legal Response*, 63 VA. L. REV. 1099 (1977); *Developments in the Law — Corporate Crime: Regulating Corporate Behavior Through Criminal Sanctions*, 92 HARV. L. REV. 1227 (1979).