

## **The Silent Offender: Unmasking White-Collar Crime through the Lens of Forensic Science and Psychology**

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<b>Received:</b> 16-06-2025	<b>Revised:</b> 25-07-2025	<b>Accepted:</b> 09-08-2025	<b>Published:</b> 24-08-2025
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### **ABSTRACT**

*White-collar crime has long remained an underexplored yet devastating category of criminality, often concealed behind positions of power, legitimacy, and respectability. Unlike conventional street crime, it does not provoke public outrage or immediate fear but instead inflicts long-term and far-reaching economic, political, and social harm. Its hidden nature, coupled with the involvement of elites, renders detection and prosecution particularly complex. This article seeks to unmask the “silent offender” by analysing white-collar crime through the dual lenses of forensic science and forensic psychology, with special attention to the Pakistani context and comparative insights from international jurisdictions. Forensic science has now become an unavoidable commodity in the detection of fraud, whereby forensic accounting, digital forensics and cyber evidence have helped in converting the abstract financial manipulations to effective admissible legal evidence. Other techniques, for instance, tracing shell companies, recovering deleted data, and money trail analysis can be used to uncover conduct that would otherwise go undisclosed. Forensic document examination and financial forensics can be indispensable in cases where a forged contract detail is at issue, forged revenue, and laundering schemes, as often the matter comes down to technical details which financial forensics and forensic document examination can prove in a court of law. Forensic psychology augments the other scientific instruments by providing reasons as to why individuals of privilege and social respectability can commit such improper acts. Cressey has suggested the use of the so-called postulates of the fraud triangle, and the analysis will focus on how pressure, opportunity, and rationalisation are combined to help engage in wrongdoing. Narcissism, entitlement, manipulateness, resistance to oversight, and others are often found among offenders, whereas criminological theories, strain, differential association, and control theory demonstrate how the organisational culture of a company legitimises immoral actions and how the softened institutions destroy the moral bounds. The theoretical discussion is supported by the case law. White-collar crime is a scar on governance and can be seen in one of the most well-known cases in Pakistan, the Hudaibiya Paper Mills case, the Modaraba scandal, and the Axta fake degree scandal. Cross-border, high-profile cases such as Enron, Bernie Madoff's Ponzi scheme, and Wirecard exhibit the same patterns of manipulation, deception and structural malfunction. Finally, the paper discusses that white-collar crime must be combated through skills other than technical investigations. Successful prevention as well as deterrence is contingent upon structural reforms, external control, whistle-blowing, cultural transformation of the corporate as well as political ethics, and international coordination. In the absence of such efforts, white-collar crime will remain a moribund but insidious element which eats away at institutions, economies and confidence in the challenging of justice.*

**Keywords:** *White-collar crime, forensic science, forensic psychology, criminology, corporate fraud, digital forensics, financial forensics, psychological profiling, moral disengagement, regulatory weaknesses, Enron scandal, Bernie Madoff, Theranos, corporate governance.*

## INTRODUCTION

Edwin Sutherland introduced the phenomenon of white-collar crime, which stressed that although criminals could be members of lower classes and categories, crime extends to the environment of privileged and powerful members of society as well. In contrast, unlike robbery or other crimes that deal with theft, white-collar crime is thus much more ethically clandestine and more likely to succeed in cases that are framed in complex financial transactions, legally facilitated schemes, and associated positions of power. The criminal has effectively been termed the silent offender because it has none of the characteristics of a crime that triggers panic among people, yet it has an excruciating effect on social and economic life. In Pakistan, the aspect of white-collar crime is deeply entrenched with poor institutions, political collusion and systematic corruption. Examples of two financial scandals, including the *Hudaibiya Paper Mills case*, the Modaraba scam and the Hascol Petroleum scandal, exemplify how economic fraud is able to undermine investor confidence, government stability, and economic resources used to drain the state. Criminal cases such as *Enron*, *WorldCom*, the *defrauding scheme by Madoff* and the situation found in Wirecard are just a few examples of how the phenomenon is rooted everywhere. Inquiry into white-collar crime needs interdisciplinary instruments. Forensic science is used to detect fraud by taking abstract transactions, documents and digital tracks and using them to present admissible evidence. The theoretical explanation is rooted in forensic psychology, and the factors behind why those of status and privilege commit misconduct are discussed, not including the aspect of personality traits such as narcissism and manipulateness. Criminological theories such as strain theory, differential association and control theory can also be used to understand systemic and cultural conditions that enable financial crime to flourish. This paper proposes that not only technical advancements in the field of forensic science will result in a solution to white-collar crimes, but also cultural and institutional changes will be informed by criminological knowledge. The silent offender can be exposed by a combination of scientific, psychological, and legal frameworks to ensure that he or she can be brought to justice.

## THEORETICAL FRAMEWORK

The theory of white-collar crime needs to be analysed through multiple disciplines. In contrast to traditional crimes of violence, theft or narcotics, white-collar crime is clever, advanced and concealed in paths of power and trust. The feature of being silent relates to it being inexcusable since it does not generate outright alarm, but brings tremendously huge social and economic losses. Both forensic science and psychology are required to unmask these offenders. Forensic science gives the empirical fingerprints to detect, trace, and prove fraud, and psychology gives us an understanding of the cognitive sequences, motives, and rationales of those who commit fraud.<sup>1</sup>

### Forensic Science in White-Collar Crime

The financial world of forensics is represented mainly in forensic accounting, forensic computer science, handwriting document examination, and data mining. Such tools transformed financial fraud into legal evidence that can be submitted in a court of law. In Pakistan, forensic accounting has been key in a number of high-profile corruption trials. The *Hudaibiya Paper Mills Case (2016)* demonstrates the work of forensic auditors in detecting intricate money laundering. Investigators were able to follow fictional loans and payments sent overseas through shell companies. The forensics involved studying the banking transactions, which indicated inconsistencies between the claimed and the actual transfers of funds, later

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<sup>1</sup> Sridhar Ramamoorti, 'The Psychology and Sociology of Fraud: Integrating the Behavioral Sciences Component Into Fraud and Forensic Accounting Curricula' (Issues in Accounting Education, Vol 23, No 4, November 2008) 521–533 [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=247875236](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=247875236) accessed 20 August 2025.

to become a piece of evidence presented to the Supreme Court of Pakistan.<sup>2</sup> The same police-led investigations happened in the *Fake Bank Accounts Case (2015-2018)*, in which the Federal Investigation Agency (FIA) and the National Accountability Bureau (NAB) used forensic audit of the bank trails to expose alleged billions of funds laundered in bank accounts held in the names of Benami accounts allegedly of high ranking politicians and business people. The digital record of electronic transfers, cross-border remittances and structural layering of funds came out to be a key determinant in the scale of the fraud.<sup>3</sup> In the United States, forensic accounting has been used to successfully prosecute quarterly accounting fraud at Enron (the Enron scandal, involving the Enron auditors at Arthur Andersen being shown to have hidden over \$1 billion in debt on balance as not having occurred),<sup>4</sup> as well as in the *Satyam scandal in India (2009)* in which forensic accounting led to the exposure of over 1 billion in inflated profits<sup>5</sup>. These two cases also underscore the point that fraudulent financial reporting is highly capable of destroying economies and investor confidence when left unprosecuted. The use of digital forensics is becoming invaluable to the Pakistani context, particularly where offshore wealth is concerned. Jumping ahead, Politicians in Pakistan, including the then Prime Minister Nawaz Sharif, were implicated in the *Panama Papers Leak (2016)* as having offshore companies. Digital financial forensic investigation of leaked documents provided by *Mossack Fonseca* allowed tracing the interrelation between the ownership structures and undeclared property overseas. This case has a politically controversial background. However, it has demonstrated the ability of electronic evidence to bypass corporate barriers. Moreover, forensic document examination and handwriting analysis have emerged in the prosecution plans of NAB. In property swindles, Quasi title to real estate and Pure Signatures have been vetted by professionals, and such Pseudo-graphical documents have been accepted in court as complementary evidence. Document examiners have also helped in unravelling false pension claims and the fabricated contracts in Government projects. Lastly, there is data analytics that is cropping up as a cutting-edge tool. As the volume of financial crimes involving Pakistan continues to intersect with online networks, the State Bank and the FIA are turning to automated solutions by using algorithmic screening of suspicious transaction activity in line with *Anti-Money Laundering (AML)* regulations.<sup>6</sup> The SEC and other U.S. regulators are also applying big data analysis to identify insider trading and market manipulation to prevent it in real-time. forensic science can, in short, make the abstractness of white-collar crime concrete. Nonetheless, its successful implementation in Pakistan is hindered by the problem of resources, political complications, and judicial facilities to interpret the highly technical results.<sup>7</sup>

## PSYCHOLOGY OF WHITE-COLLAR CRIMES

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<sup>2</sup> Rizwan Shehzad, 'SC dismisses NAB's appeal to reopen Hudaibiya Mills case against Sharifs' *The Express Tribune* (Islamabad, 15 December 2017) <https://tribune.com.pk/story/1584578/sc-dismisses-nabs-appeal-reopen-hudaibiya-mills-case-sharifs> accessed 20 August 2025.

<sup>3</sup> INP, 'SC orders SBP to freeze fake accounts under FIA probe' *The Nation* (Islamabad, 31 July 2018) <https://www.nation.com.pk/31-Jul-2018/sc-orders-sbp-to-freeze-fake-accounts-under-fia-probe> accessed 20 August 2025

<sup>4</sup> *Enron Executives: What Happened, and Where Are They Now?* Investopedia (19 December 2022) <https://www.investopedia.com/enron-executives-6831970> accessed 20 August 2025.

<sup>5</sup> *The Satyam Scam (2009): A Landmark Corporate Fraud Case* (Lawful Legal, date unknown) <https://lawfullegal.in/the-satyam-scam-2009-a-landmark-corporate-fraud-case/> accessed 20 August 2025.

<sup>6</sup> Will Kenton, 'The Panama Papers Scandal: Who Was Exposed and Consequences' *Investopedia* (12 March 2025, updated) <https://www.investopedia.com/terms/p/panama-papers.asp> accessed 20 August 2025.

<sup>7</sup> *Utilizing Data Analytics: SEC Harnesses the Power to Unveil Insider Trading Patterns and Prioritizes Egregious Cases* (Vinson & Elkins LLP, 7 June 2023) <https://www.velaw.com/insights/utilizing-data-analytics-sec-harnesses-the-power-to-unveil-insider-trading-patterns-and-prioritizes-egregious-cases> accessed 20 August 2025.

Forensic science tells you how the fraud happened; forensic psychology tells you why. White-collar criminals frequently come from a respectable social stratum of society, holding a place of responsibility in politics, political, or government. Their actions are best seen from the perspective that is Donald Cressey's fraud triangle:<sup>8</sup>

### **Pressure**

In Pakistan, the pressure aspect tends to be borne by the political and socio-economic context within which actors are interacting. Politicians are often forced to raise huge amounts of cash to fund political campaigns and support their political parties, as well as their patronage system. In comparison to several developed democracies in which campaign finances are highly regulated and transparent, the campaign finances in Pakistan are quite opaque. This exposes politicians to great financial pressures in the effort to ensure loyalty, finance rallies, and constituencies. This establishes a fertile soil for resorting to illegal financial means, such as kickbacks in contracts, misapplications of official resources, and flexible financial networks. <sup>9</sup>The *Foreign Funding Case (2021)* provides prime evidence as the Election Commission of Pakistan carried out investigations against allegations that foreign sources transferred funds meant to sustain a leading political party, although foreign funding was prohibited in Pakistan. The case shows how the forces of political survival and elections tempt financial misconduct, making the process of financial misconduct just as legal fundraising rather than crime.<sup>10</sup>

### **Opportunity**

The second component of the Cressey triangle of fraud, opportunity, stands out in Pakistan as the country has system failures in the form of governance and regulatory controls. The institutions charged with overseeing the financial transactions lack the independence or the ability to detect any misconduct, examples are the Securities and *Exchange Commission of Pakistan (SECP)*, the Auditor General, and the various parliamentary committees. <sup>11</sup>In addition, an obsolete auditing system and bureaucracy make this area prone to having loopholes easily accessed by offenders. This situation is visibly depicted in the *Rental Power Projects Case (2012)*. In this scandal, precarious contracts of electricity generation were awarded under emergency provisions with little scrutiny, with the potential of inflated prices and large kickbacks. It is also through forensic background checks that billions of dollars have been identified as diverted on the pretext of undertaking legitimate development projects, where poor institutional guard provides the possibility of engaging in systemic abuse. <sup>12</sup>The same may be applicable in the company domain, where family-owned conglomerates that typically have concentrated forms of ownership provide the executives with the power of absolute discretion. In the absence of independent oversight of the board and shareholder activism, there are still ample opportunities to manipulate accounts, engage in insider trading and divert company funds. Therefore, white-collar crime is thriving in all areas of a lack of strong

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<sup>8</sup> *The Fraud Triangle: Psychology Behind White Collar Fraud* (Novi Law, 2018)

<https://www.novilaw.com/2018/01/fraud-triangle/> accessed 20 August 2025.

<sup>9</sup> Afshan Subohi, 'Corporate funding during elections' *Dawn* (Islamabad, 2 October 2023)

<https://www.dawn.com/news/1778890> accessed 20 August 2025.

<sup>10</sup> *7 years: A timeline of the convoluted saga that is the PTI's prohibited funding case* *Dawn* (Islamabad, 2 August 2022) <https://www.dawn.com/news/1696149> accessed 20 August 2025.

<sup>11</sup> *Corporate Governance: Ensuring Transparency and Accountability in Pakistan* (Ur-Ca PK, date unknown)

<https://urcapk.com/economy-policy/corporate-governance-ensuring-transparency-and-accountability-in-pakistan/> accessed 20 August 2025.

<sup>12</sup> Mushtaq Ghuman, 'Rental power dispute settlement: Reward for those who helped country save \$1.2 bn' *Business Recorder* (Islamabad, 19 January 2021) <https://www.brecorder.com/news/40053147> accessed 20 August 2025.

controls in the process of both performing and operating businesses in the private and government sectors.<sup>13</sup>

### **Rationalisation**

It is the third factor and implies the defence mechanisms that offenders use to eliminate the incongruences between behaviour and their self-concepts. In Pakistan, political cover-ups of corruption charges are par for the course, with accused members of the political and business elites framing their case as politically motivated, in the process shifting him or herself into the role of victim. Such a story enables criminals to keep their status in social life and, at the same time, discredits accountability bodies and their efficacy. Claiming that the public service necessitates elastic funding is another common justification that comes out continuously. In this respect, money stolen in state contracts or taken by some other illegal means is justified, claiming that it is needed in political campaigns, welfare projects or even national interest.<sup>14</sup> There is a close reflection of global scandals in such rationalisations. Another example is that of *Bernie Madoff*, who justified his Ponzi scheme by asserting that he was simply borrowing the future in the hope that the markets would eventually cover his losses.<sup>15</sup> Likewise, executives of Barings Bank in the United Kingdom justified their risky trading activities as a form of business aggressiveness that was reasonable in order to be competitive. Such explanations are employed even in the cases of white-collar crimes in both domestic and international settings, to demonstrate how white-collar criminals psychologically isolate themselves and their authority as they reduce their behaviour to innocuousness, ephemeral, and socially acceptable.<sup>16</sup>

Recurring personality characteristics of white-collar offenders are also noticed by criminological studies, such as:

### **Narcissism and Entitlement**

The narcissism trait also makes the offenders think that they are irreplaceable entities that deserve special treatment because of their status or performance. In Pakistan, this mentality is evident in the case of the *Modaraba Scam (2013-2015)*. The perpetrators of the scheme intended to give the appearance of morally upright and upright and trustworthy representatives to the investors by promising high returns on their investments through Islamic financing schemes. They were beyond suspicion because they had the status of permissibility both in religious and business circles.<sup>17</sup> Although fraud was also demonstrated, others could still claim to have proceeded with good faith, and investigations represented an inappropriate assault on their reputation. Similarly, in the *National Insurance Company Limited (NICL) malpractice case (2010)*, high-ranking officials viewed state money as their fiefdom, carrying with it a sense of

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<sup>13</sup> Sattar Khan, Yasir Kamal, Shahid Hussain & Muhammad Abbas, 'Corporate governance looking back to look forward in Pakistan: a review, synthesis and future research agenda' (2022) *Future Business Journal* 8 art 24, DOI: 10.1186/s43093-022-00137-5 <https://doi.org/10.1186/s43093-022-00137-5> accessed 20 August 2025.

<sup>14</sup> *A Pakistani court indicts imprisoned former PM Imran Khan and his wife for corruption* (AP News, 12 December 2024) <https://apnews.com/article/pakistan-imran-khan-wife-indictment-graft-case-4435bfce902d911883f5d94d2f92cf58> accessed 21 August 2025.

<sup>15</sup> *Bernie Madoff Case* (FBI, date unknown) <https://www.fbi.gov/history/famous-cases/bernie-madoff> accessed 21 August 2025.

<sup>16</sup> *Bankruptcy of Barings Bank* (Encyclopaedia Britannica, article by Fid Backhouse et al.) (27 February 1995) <https://www.britannica.com/event/bankruptcy-of-Barings-Bank> accessed 21 August 2025.

<sup>17</sup> *Seven convicted in Modaraba scam* Dawn (Islamabad, 12 August 2017) <https://www.dawn.com/news/1351120/seven-convicted-in-modaraba-scam> accessed 21 August 2025.



entitlement that allowed them to misuse state funds as a work perk.<sup>18</sup> This arrogant feeling of entitlement resounds internationally in examples such as Elizabeth Holmes and Theranos in the United States, where Holmes portrayed herself as a revolutionary beyond reproach despite negative criticism of the fraudulent medical technology of her company, a blind refusal to innovate.<sup>19</sup>

### **Manipulativeness**

White-collar crime, the manipulation of a position, is the core of most white-collar frauds as criminals use systemic loopholes to bypass defences and develop elaborate walls to conceal their crimes. A prominent case in Pakistan is the corruption case in the *Pakistan Steel Mills (2009-2012)*, where the executives are accused of corruption, where they managed to manipulate the procurement contracts they had and understated the transactions to steal the money. The fact that there were layers of accounts and use of intermediaries hindered the real recipients of the gain, with the result that it took years before it was identified.<sup>20</sup> Likewise, the Bank of Punjab Loan Scam (2007), where the bank would give multi-billion rupee loans on a non-collateralised basis to people with political connections, who would open bogus corporations as conduits. The astronomical magnitude of the deceit, which was facilitated by collusion on the part of an insider, indicates manipulateness in terms of conducting fraud in addition to manipulating institutional procedures for individual advantage.<sup>21</sup> At the international level, the Parmalat scandal in Italy (2003) is a classic example of the executives creating fictitious bank accounts and forging documents to mask a deficit of €14 billion (euros) in the coffers of the company. When government regulators finally stepped in, there was almost nothing left of the fortunes of one of Europe's largest corporations, which had made them through manipulative strategies.<sup>22</sup>

### **Resistance to Oversight**

It is not a new psychological tactic in the playbook used by white-collar offenders and is a frequently used fallback tactic when their backs are to the wall. This resistance was evident in Pakistan in the *Employees Old-Age Benefits Institution (EOBI) corruption scandal (2013)*. Government officials opposed allowing outside auditing on alleged illegal land deals that involved billions of dollars, writing off auditors' findings as a technical error and not a deliberate case of fraud.<sup>23</sup> Similarly, in the case of the *Pakistan Railways scam (2011)*, it was the outright refusal to cooperate with efforts at accountability, supposedly on the basis that an investigation would destabilise the organisation and therefore, at least it would not be

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<sup>18</sup> AGP confirms Rs five billion irregularities in NICL Business Recorder (Islamabad, 21 March 2011) <https://www.brecorder.com/news/3856541/agp-confirms-rs-five-billion-irregularities-in-nicl-201103211168719> accessed 21 August 2025.

<sup>19</sup> Theranos Founder Elizabeth Holmes Found Guilty Of Investor Fraud (U.S. Attorney's Office, Northern District of California, 4 January 2022) <https://www.justice.gov/usao-ndca/pr/theranos-founder-elizabeth-holmes-found-guilty-investor-fraud> accessed 21 August 2025.

<sup>20</sup> Jamal Shahid, '20 corruption cases detected in steel mills in five years' *Dawn* (Islamabad, 7 February 2013) <https://www.dawn.com/news/784195> accessed 21 August 2025.

<sup>21</sup> Bank of Punjab scam: NAB told to seize property of accused *The Express Tribune* (Lahore, 20 January 2011) <https://tribune.com.pk/story/106443/bank-of-punjab-scam-nab-told-to-seize-property-of-accused> accessed 21 August 2025.

<sup>22</sup> Dan Venon, 'Parmalat Scandal (2003): The Complete Story' *Shipping and Commodity Academy – Blog* (6 March 2024) <https://shippingandcommodityacademy.com/blog/parmalat-scandal-2003-the-complete-story/> accessed 21 August 2025.

<sup>23</sup> NAB protected EOBI culprits for Rs34.38 billion corruption, documents reveal *The News* (Islamabad, 1 August 2013) <https://www.thenews.com.pk/archive/print/446402-nab-protected-eobi-culprits-for-rs34.38-billion-corruption-documents-reveal> accessed 21 August 2025.

conducted. Resistance also goes as far as defiance of the judicial process, as government officials and other high-profile individuals always seek bail to stall proceedings, thus fostering a culture of impunity.<sup>24</sup> As fresh evidence keeps surfacing in the world, there is a similar example in Germany, where, in the case of the *Wirecard scandal* (Germany, 2020), the directors of the company sued critics to prevent scrutiny, intimidated whistleblowers and even forged documents to help them resist regulatory efforts.<sup>25</sup> In another example, with the *Lehman Brothers collapse* (2008), top managers suppressed inquiries by Congress by misrepresenting the extent of risky activities until the September collapse laid bare the truth.<sup>26</sup>

## **OPERATION AND FORENSIC SCIENCE ON INVESTIGATIONS OF WHITE-COLLAR CRIMINALITY**

Investigation of white-collar crime is particularly difficult in that the crimes are hidden by the legitimacy front. In contrast to common crimes that mark a tangible trail behind them, such as physical violence or stolen money, financial crimes are integrated into daily transactions, corporate documents, and the jiggling paperwork and intricate contractual agreements. This renders the field of forensic science essential, especially in the fields of forensic accounting, digital forensics, and cyber evidence. Combined, these scientific instruments give investigators and courts the ability to turn abstract abnormalities into concrete, admissible evidence of transgressions.<sup>27</sup>

### **Forensic Accounting**

It is through forensic accounting that white-collar crimes are investigated. It entails the deployment of accounting skills in examining the complicated financial statements, detecting abnormalities and tracing hidden transfers of money. Forensic accountants use techniques to recreate financial histories; they apply not only to vet financial records to satisfy compliance, but also to unmask financial manipulation and fraud.<sup>28</sup> Forensic accounting has proven useful in a corruption case in Pakistan known as the *OGRA corruption case* (2011). It was found that officials of the Oil and Gas Regulatory Authority had rigged the licensing and pricing formulas, leading to losses of billions of rupees to the national exchequer. Forensic audit investigators discovered abnormalities in the books of account, and these could be connected to kickbacks and collusion with some private parties.<sup>29</sup> The *WorldCom scandal* (United States, 2002) is one example where forensic accounting played a major role as investigators uncovered fraudulent accusations by the company by improperly capitalised expenses to overstate profits to the tune of over 3.8 billion

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<sup>24</sup> Pakistan Railways scrap scam: NAB begins probe, makes four arrests *The Express Tribune* (Lahore, 30 December 2011) <https://tribune.com.pk/story/314024/pakistan-railways-scrap-scam-nab-begins-probe-makes-four-arrests> accessed 21 August 2025.

<sup>25</sup> Reuters, 'Timeline: The rise and fall of Wirecard, a German tech champion' (16 March 2021) <https://www.reuters.com/article/technology/timeline-the-rise-and-fall-of-wirecard-a-german-tech-champion-idUSKBN2B811J/> accessed 21 August 2025.

<sup>26</sup> Fid Backhouse and others, 'Bankruptcy of Lehman Brothers' *Encyclopedia Britannica* (2 August 2025) <https://www.britannica.com/event/bankruptcy-of-Lehman-Brothers> accessed 21 August 2025.

<sup>27</sup> R O'Neill, *Investigative Planning – Operational Guide to White-Collar Crime Enforcement* (National Center on White-Collar Crime 1977) <https://www.ojp.gov/ncjrs/virtual-library/abstracts/investigative-planning-operational-guide-white-collar-crime> accessed 21 August 2025.

<sup>28</sup> Stephanie Gordon, 'The Investigative Process of White-Collar Crimes' *ACFE Insights Blog* (September 2023) [https://www.acfe.com/acfe-insights-blog/blog-detail?s=investigative-process-white-collar-crimes&utm\\_source=chatgpt.com](https://www.acfe.com/acfe-insights-blog/blog-detail?s=investigative-process-white-collar-crimes&utm_source=chatgpt.com) accessed 21 August 2025.

<sup>29</sup> Dawn, 'How the high-profile Ogra scam became a 'complicated' case' (11 April 2016) [https://www.dawn.com/news/1251360?utm\\_source=chatgpt.com](https://www.dawn.com/news/1251360?utm_source=chatgpt.com) accessed 21 August 2025

dollars.<sup>30</sup> In another case in *Japan (Olympus scandal, 2011)*, the forensic accountants discovered concealed losses of 1.7 billion, and they found out how managers used creative accounting to mislead stakeholders over many years. These examples are the reason why forensic accounting is vital in uncovering complex financial manipulation which cannot be identified through normal auditing.<sup>31</sup>

### Digital Forensics

Since white-collar crime is becoming even more technology-integrated, digital forensics has become an important aspect in investigations. It involves the restoration, maintenance and examination of computerised evidence present in computers, servers, smartphones, and cloud computing. Digital forensics does more than just extract deleted files and uncover databases that are hidden; it is also able to recreate timelines of fraudulent activities by analysing metadata, emails and transaction logs.<sup>32</sup> In Pakistan, a case regarding the fake degree issue, named the *Axact fake degree scandal (2015)*, demonstrates the role that digital forensics plays. The searches netted the confiscation of the servers and computerised records that showed how this company sold hundreds of fake degrees across the world. The investigation of the email systems, payment systems, and webpage servers gave concrete evidence of the scam, which was used in the prosecution of a criminal court.<sup>33</sup> The same applied to the **Bahria Town Karachi land scam**, where sleuths used digital evidence of land transactions, emails and scanned documents to prove collusion between the developers and the authorities.<sup>34</sup> Internationally, the Silk Road case (United States, 2013) gives a prime example where digital forensics crushed an underground marketplace that was being administered through cryptocurrency. The evidence to convict Ross Ulbricht involved tracking exchanges of Bitcoins and restoration of digital communications that tied the administrator of the platform with criminal operations of exchanging drugs and weapons.<sup>35</sup> In Europe, the *LuxLeaks scandal (2014)*, a form of digital forensic recovery of files leaked by “PricewaterhouseCoopers”, reveals how multinational corporations exploited the tax regime available in Luxembourg to avoid paying taxes to governments around the world. These scenarios go to show that digital forensics has widened the scope of research into white-collar crime and allowed crime agencies to pry into disguised and encrypted electronic space to reveal the truth.<sup>36</sup>

### Cyber Evidence

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<sup>30</sup> International Banker, ‘The WorldCom Scandal (2002)’ (29 September 2021)

<https://internationalbanker.com/history-of-financial-crises/the-worldcom-scandal-2002/> accessed 21 August 2025.

<sup>31</sup> Sebencapital, ‘Olympus Scandal 2011: Japan’s Shocking Corporate Fraud’ (12 February 2025)

<https://sebencapital.com/olympus-scandal-2011-corporate-fraud-japan/> accessed 21 August 2025.

<sup>32</sup> Ankura, ‘White Collar Crime in the Digital Age: Emerging Trends and Investigation Techniques’ (15 August 2025) <https://www.jdsupra.com/legalnews/white-collar-crime-in-the-digital-age-4259186/> accessed 22 August 2025.

<sup>33</sup> Malik Asad, ‘Axact CEO, 22 others sentenced to 20 years in jail in fake degrees case’ *Dawn* (Islamabad, 5 July 2018) <https://www.dawn.com/news/1418156> accessed 22 August 2025.

<sup>34</sup> Ishaq Tanoli, ‘NAB freezes 457 properties over BTK land scam’ *Dawn* (Karachi, 22 June 2025) <https://www.dawn.com/news/1918907/nab-freezes-457-properties-over-btk-land-scam> accessed 22 August 2025.

<sup>35</sup> Sam Frizell, ‘Inside the FBI’s Arrest of the Alleged Silk Road Mastermind’ *TIME* (21 January 2015) <https://time.com/3673321/silk-road-dread-pirate-roberts/> accessed 22 August 2025.

<sup>36</sup> Ben Dooley, ‘Ten years on, ‘Lux Leaks’ remains a byword for corporate tax chicanery’ *International Consortium of Investigative Journalists* (5 November 2024) <https://www.icij.org/investigations/luxembourg-leaks/ten-years-on-lux-leaks-remains-a-byword-for-corporate-tax-chicanery/> accessed 22 August 2025.



Related to digital forensics is the field of cyber evidence, which, in general, includes all electronically-based data that can be used as evidence in a trial. These are the records of online banking transactions, online data communication, tracked blockchain records and information held in servers across multiple jurisdiction lines. Due to the transnational character of most financial crimes, international collaboration between authorities of different countries is typically a requirement when it comes to cyber evidence. Internationally, the *One Coin cryptocurrency scam (2014-2019)* is an example of the strength of cyber evidence. Investigators in the United States and Europe used blockchain analysis, e-mail communications and confiscated online records to unveil a multi-billion-dollar pyramid scheme that pretended to be a cryptocurrency<sup>37</sup>. The most spectacular example is *Carbanak (2013-2016)*, when a cybercrime group attacked banking systems all over the world and stole more than a billion US dollars. Malware codes and international money transfer logs, among other digital evidence, played a crucial role in busting the network. Therefore, the three concepts in forensic accounting, digital forensics and cyber evidence make up a triad of defence on white-collar crime. Whereas forensic accounting resolves the puzzle of the numbers being played with, digital forensics un-erases the hidden electronic footprints, and cyber evidence can provide evidential documentation of transactions and communications.<sup>38</sup> In Pakistan, these approaches have started to play a role in controlling big corruption investigations; however, institutional and judicial skills are nonexistent. The fact that such high-profile cases have produced successful prosecutions on a global basis offers little doubt that forensic science can materialise invisible financial crimes into an absolute form of prosecutable offences. A combination of such approaches is thus not theoretical but real to expose the muffled misdemeanour.

### **THE ROLE OF CRIMINOLOGY IN PREVENTION AND POLICY**

Criminology offers critical theoretical perspectives that can be used to understand why white-collar crime continues to occur and how it can be prevented by imposing sound policies to curb the occurrence of this crime. Compared to conventional crime, which is explained with theories of poverty, opportunity and deviance, the white collar crime phenomenon needs new theories, which incorporate the factors of power, social status, corporate culture and system failures. Criminological approaches that point to strain theory, differential association, and control theory show a convincing understanding of the motives of offenders, whereas policy debates show failing regulatory systems and deficient oversight, deterrence and cooperation.<sup>39</sup>

#### **White-Collar Crime and the Strain Theory**

The areas of crime explained by the strain theory put forward by Robert K. Merton include that crime normally occurs when there exists a distance between socially approved goals and the proper methods to accomplish these goals. In white-collar crime, this strain is visible through the strain of unrelenting

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<sup>37</sup> Internal Revenue Service, 'Co-founder of multibillion-dollar cryptocurrency pyramid scheme OneCoin pleads guilty' (17 March 2025) <https://www.irs.gov/compliance/criminal-investigation/co-founder-of-multibillion-dollar-cryptocurrency-pyramid-scheme-onecoin-pleads-guilty> accessed 23 August 2025.

<sup>38</sup> Tom Chapman, 'How hackers stole \$1,000,000,000 using 'just their smartphones' in one of the biggest bank robberies in history' *UNILAD Tech* (15 January 2025) <https://www.uniladtech.com/news/tech-news/hackers-stole-1-billion-using-smartphones-153435-20250115> accessed 23 August 2025.

<sup>39</sup> Eric Ramirez-Thompson, 'Criminology and the Public Policy Connection' in *Criminology: Foundations and Modern Applications* (College of DuPage Digital Press 2023) <https://cod.pressbooks.pub/criminology/chapter/module-2-criminology-and-the-public-policy-connection/> accessed 23 August 2025.

financial, corporate, political success, profitability, and survival.<sup>40</sup>In Pakistan, what is called the *Hascol Petroleum financial scandal (2021)* is one illustration. There were cases of executives exaggerating revenues and other accounting practices to maintain the investors and the bank financing due to the need to portray a steady growth in a competitive industry.<sup>41</sup>In like manner, politicians embroiled in campaign financing scandals like those that are under scrutiny in the *Foreign Funding Case (2021)* had to resort to dubious financial streams due to the pressure of fulfilling their patronage systems and funding expensive elections<sup>42</sup>. Strain theory can be applied to shed light on various scandals, such as the *Olympus accounting fraud (Japan, 2011)*, where executives hid their losses worth billions of dollars in order to sustain the image of success within the competitive corporate world of Japan.<sup>43</sup>This trend can also be observed in the case of the Wells Fargo fake accounts scandal (*United States, 2016*), where employees opened millions of unauthorised accounts, simply because of pressure to achieve their unrealistic sales quotas. In both instances, the motivation to meet financial goals, in conjunction with lacking ethical controls, led to criminogenic shortcuts.<sup>44</sup>

### THE DIFFERENTIAL ASSOCIATION AND THE LEARNING OF THE CORPORATE CONDUCT

Edwin Sutherland, in his theory of differential association, points out that a person learns criminal behaviour via a process of contact with others. True to its context in the white-collar scenario, this theory explains how a culture of unethicalness legitimises the perpetration of fraud in corporate settings so that it becomes part of the routine business or even something essential.<sup>45</sup>An example in Pakistan is the *NICL land scam (2010)*, where high-ranking officials would be involved in fraudulent transactions in the purchase of land and manipulation of prices, which was normalised in the institutional culture and is labelled as business as usual.<sup>46</sup>Similarly, in the stockbrokerage scams of the 2000s, traders were taught the manipulative techniques by peers, not only making fraud part of the general ways of doing business in the financial market.<sup>47</sup> On the other hand, internationally, the *FIFA corruption scandal (2015)* indicates how the organisational culture of global football governance was reduced to accept decades of bribery and vote-buying as a matter of course. Employees who joined the system were socialised into a network

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<sup>40</sup> Greta Louisa Niehaus, 'Strain Theory can explain White-Collar Crime' (December 2020) [https://www.researchgate.net/publication/346965796\\_Strain\\_Theory\\_can\\_explain\\_White-Collar\\_Crime](https://www.researchgate.net/publication/346965796_Strain_Theory_can_explain_White-Collar_Crime) accessed 23 August 2025.

<sup>41</sup> Aqib Rauf Abbasi, 'SECP Makes Hascol Management And Auditors Responsible for Financial Fiasco' *ProPakistani* (20 November 2021) <https://propakistani.pk/2021/11/20/secp-makes-hascol-management-and-auditors-responsible-for-financial-fiasco/> accessed 23 August 2025.

<sup>42</sup> 'Foreign funding case' *Pakistan Today* (4 January 2021) <https://www.pakistantoday.com.pk/2021/01/04/foreign-funding-case/> accessed 23 August 2025.

<sup>43</sup> Igor Prusa, 'Corporate Scandal in Japan and the Case Study of Olympus' *Electronic Journal of Contemporary Japanese Studies* (23 December 2016) <https://www.japanesestudies.org.uk/ejcs/vol16/iss3/prusa.html> accessed 23 August 2025.

<sup>44</sup> Philip Meagher, 'The Wells Fargo Fake Accounts Scandal: A Comprehensive Overview' *Learnsignal* (6 January 2023) <https://www.learnsignal.com/blog/wells-fargo-fake-accounts-scandal-overview-2/> accessed 23 August 2025.

<sup>45</sup> Edwin Sutherland's *Differential Association Theory* *SimplyPsychology* (undated) <https://www.simplypsychology.org/differential-association-theory.html> accessed 23 August 2025.

<sup>46</sup> *Order reserved in NICL land scam* Dawn (Karachi, 4 March 2016) <https://www.dawn.com/news/1243350/order-reserved-in-nicl-land-scam> accessed 23 August 2025.

<sup>47</sup> Adam Hayes, *The Biggest Stock Scams of Recent Time* *Investopedia* (29 November 2021) <https://www.investopedia.com/articles/00/100900.asp> accessed 23 August 2025.

where they were expected to engage in corruption at all levels of work.<sup>48</sup> The Arthur Andersen case in Enron (2001) is also a good example of how professional accountants have learned to ignore their ethical obligations in favour of servicing the client at the expense of observing the regulatory requirements. Differential association, therefore, makes it clear that organisational culture plays an important role in defining the scope of acceptable business practices and crime.<sup>49</sup>

### **CONTROL THEORY AND THE EROSION OF RESTRAINTS**

The control theory of Travis Hirschi is one of the most effective approaches in criminology. Centrally, the theory is based on the view that individuals are not necessarily law-abiding but conform to rules out of the connections that they have with society. Attachment, family and community commitment, invested in reputable occupation and reputation, engaged in accepted and lawful endeavours, and social norm and law belief make up these bonds. Once such bonds have loosened, they become less bound to the social rules and moral restraints and more inclined toward deviant behaviour. When applied to white-collar crime, the control theory attempts to understand why a person with a privileged status, highly educated, with stable, usually good financial position, and in many respects respected and trusted by other people, would put in risk his/her career, as well as the trust that people had in him or her by taking part in a crime. Unlike crime committed on the streets, which is motivated by the need to survive at that particular point in time, white-collar crime can flourish when the sense of institutional limits and ethical responsibilities degenerates. This erodes in a number of ways, namely through deregulated markets, lenient enforcement, and political collusion, giving the cover of opportunity and impunity to the offenders. Markets that have been deregulated or are poorly regulated environments are especially fertile for white-collar misconduct. The restraining pressure by law is reduced whenever mechanisms of control, which take the form of audits, compliance checks, or external regulation, are weak. Now people no longer take rules as dictates but as guides that can survive some bending without reproach. As an example, corporations operating in a weak regulatory state of financial disclosures or a poorly established corporate governance system, executives would have a clear conscience to play around with the books, deceive investors or even engage in insider trading. Not only is the lack of restraint legal, but it is also psychological; when there is no forceful enforcement evident, people start to relax their inner morality, too.

Weak institutions also have a central involvement in unravelling controls. When regulators, investigative agencies or courts are starved of resources, politically weak or slow, there is likely to be a perception by offenders that the probabilities of being punished are low. In the long run, it creates a culture of impunity in which white collar crime is endemic. To illustrate: failure to contest decisions by the management of the company boards or corrupting of accountability institutions in the society would result in the breakdown of the social safeguards of responsibility and integrity to check fraudulent actions. This erosion is also enhanced by political collusion. When elite businessmen or politicians buy into a position knowing that they can never be questioned, bribed or patronised, the moral and institutional checks, which are provided to deter crime, will have been simply eliminated. It is under these circumstances that white-collar crime does not represent a deviance but a sensible move to ensure that wealth and power are retained. This conspiracy erodes the duty that the wrongdoer owes to the general populace, in the sense that the state itself seems it be involved in shielding lawlessness. Control theory thereby demonstrates that white-collar crime is not solely the result of personal greed, but also a sign of weakened social and institutional relations. Restraints that normally curb deviance disappear when markets become

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<sup>48</sup> Jack Rollin and *The Editors of Encyclopaedia Britannica*, '2015 FIFA corruption scandal' *Encyclopaedia Britannica* (undated) <https://www.britannica.com/event/2015-FIFA-corruption-scandal> accessed 23 August 2025.

<sup>49</sup> *The Enron Collapse: Compliance Failures and Lessons for Modern Businesses* (Planet Compliance, 4 March 2025) <https://www.planetcompliance.com/regulatory-compliance/enron-compliance-failures/> accessed 23 August 2025.

deregulated, political power blankets elites and institutions are weak. What is left is the environment in which violations thrive, not out of lack of availability of resources or education, but due to the feeling by individuals that people are no longer required to act in accordance with law, morality, and accountability.<sup>50</sup>

### **POLICY IMPLICATIONS ON PREVENTION AS OVERSIGHT AND DETERRENCE**

White-collar crime is seldom an expression of individual greed in and of itself, as criminological theories demonstrate. Rather, it is the foreseeable consequence of topical pressures, corporate culture and weakening institutional controls. Strain theory brings out how structural pressure pushes an individual to want to take the illegitimate shortcuts; differential association puts forward how the corporate environment alters the deviance to normalcy, and control theory brings out the process of erosion of ties and institutional bonds that check misconduct. In general, all of these theories suggest that effective white-collar crime prevention should not only punish individual perpetrators but also alter the systems, institutions and cultures that make white-collar crime prosper. The context of structural weaknesses in regulatory institutions in Pakistan is demonstrated by the structural weakness of regulatory institutions like the *Securities and Exchange Commission of Pakistan (SECP)*, the *National Accountability Bureau (NAB)*, and the *Federal Investigation Agency (FIA)*. Research (investigations) of cases such as the *Hascol Petroleum* and the *NICL corruption case* illustrate the tendencies of regulatory delay, interference and long litigation. Politicians or other people who have power over institutions do complete abuses of these loopholes, by sometimes getting the offenders bailed or causing them to languish in the justice system when it comes to being dealt with correctionally. Not only does this cycle undermine deterrence. However, it promotes the idea that white-collar crime does not have as many risks and is worth the limited as compared to its risks. Such circumstances establish a criminogenic milieu- the one that creates or encourages rather than prevents crime.<sup>51</sup>

In comparison, the disparity between the penalties for white-collar crime and street crime is extreme between jurisdictions. A petty street-level thief in Karachi or London may be thrown into jail due to theft of a small amount of money, whereas executives involved in frauds of billions of dollars in both cases can easily get away with fines, suspended sentences and even bargained deals. A good example is the *global financial crisis of 2008*, which occurred even after the extensive banking malpractices caused economic downturn; a few high-ranking bank officials were subjected to criminal sanctions. Such disparity erodes popular confidence in the judicial system and plays into frustrations of elite impunity, by which the

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<sup>50</sup> Naomi Ellemers (Distinguished University Professor, Psychology, Utrecht University), 'Social identity theory' *Encyclopaedia Britannica* (undated) <https://www.britannica.com/topic/social-identity-theory> accessed 23 August 2025. See also/ Anjali Gautam, Riddhi Piplani, Priyanka Soni & Rajat Singh, 'Psychological Perspective of White-Collar Crimes' in *International Journal of Interdisciplinary Approaches in Psychology* 3(1) (2025) 57–66 <https://www.psychopediajournals.com/index.php/ijiap/article/view/748> accessed 23 August 2025. And also/ *Social science* (EBSCO Research Starters, undated) <https://www.ebsco.com/research-starters/social-sciences-and-humanities/social-science> accessed 26 August 2025.

<sup>51</sup> Ali Khizar, 'The Hascol fiasco' *Business Recorder* (Karachi, 13 July 2021) <https://www.brecorder.com/news/40106814> accessed 26 August 2025 see also Shahzad Paracha, 'Senate panel orders forensic audit of Hascol' *Profit by Pakistan Today* (Islamabad, 24 August 2021) <https://profit.pakistantoday.com.pk/2021/08/24/senate-panel-orders-forensic-audit-of-hascol/> accessed 26 August 2025. And John K. Roman and Jeffrey A. Butts, 'Balancing Deterrence and Prevention: The Role of Research' *Vital City* (2 March 2022) <https://www.vitalcitynyc.org/articles/balancing-deterrence-and-prevention-the-role-of-research> accessed 26 August 2025.

powerful play by one set of rules and regular people another.<sup>52</sup> The solution to the prevention of white collar crime calls not only for structural changes, but cultural ones as well. In a structural sense, corporate governance needs to be enhanced by having strong and independent boards of directors, compulsory forensic audits and enforcement of disclosure provisions. The existence of power sharing between family and political allies in the composition of corporate boards in Pakistan inherently jeopardises accountability. Some of the ways through which the integrity of corporate governance can be restored are by empowering boards through the use of independent directors and enforcing strong disclosure standards. Culturally, it is not possible to do without the protections given to whistleblowers. Reporting people who know what was going on are usually the first to notice shenanigans, yet these people run the risk of retaliation, loss of job, or worse, being physically intimidated. Pakistan came close to introducing a comprehensive whistleblower protection law, but still has not done so, with only small-scale reform being undertaken instead.<sup>53</sup> In comparison, countries such as the United States have built organised systems of whistleblower reward systems as per laws such as the *Dodd-Frank Act*, which have been used to root out significant whistleblower reporting of major frauds, including cases of securities fraud and tax evasion. Lacking such safeguards, the Pakistani whistleblowers find themselves exposed, and it is corporate secrecy that still protects abuses.<sup>54</sup>

Lastly, the modern form of financial crime is transnational, which requires international collaboration. Tax havens, offshore shell companies, and cross-border money laundering make it easy for the case to be investigated, and it requires means beyond national jurisdiction. Options that should be used include *Mutual Legal Assistance Treaties (MLATs)*,<sup>55</sup> employing the aid of Interpol and following the recommendations of the *Financial Action Task Force (FATF)*, as sources to trace illegitimate finances and convict individuals who take advantage of jurisdictional loopholes to conduct their illicit businesses. The fact that Pakistan was listed on the grey list of the FATF in recent years underlines the necessity of making changes in the anti-money laundering and counter-terrorist financing, changes that also help the overall fight against white-collar crime. In summary, it is evident that the policy implications of criminological theories are that deterrence is impossible with symbolic arrests, selective prosecution. Prevention needs to be enforced by having institutions in place, enforceable enforcement, inculturating corporate landscapes, and global cooperation. Without independent oversight, proportionate penalties and a safe environment in which truth-tellers can operate, no white-collar crime can be considered high-risk and unreasonable as long as the perpetrators are also in power. Regardless of this, Courts have a controlling power over forming the deterrent impact of white-collar crime enforcement. Even though forensic science and criminology equip the investigation and the theoretical foundations, it is commendable to go beyond judicial interpretation in order to assess whether individuals who commit

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<sup>52</sup> *The 2008 Financial Crisis Explained Investopedia* (published ca. 2009)

<https://www.investopedia.com/articles/economics/09/financial-crisis-review.asp> accessed 26 August 2025.

<sup>53</sup> *From policy to practice: Building whistleblower systems that work* (Transparency International, 20 June 2025)

<https://www.transparency.org/en/blog/from-policy-to-practice-building-whistleblower-systems-that-work> accessed 26 August 2025.

<sup>54</sup> *Dodd-Frank Wall Street Reform and Consumer Protection Act Investopedia* (published c. 15 years ago —

approximately 2009–2010) <https://www.investopedia.com/terms/d/dodd-frank-financial-regulatory-reform-bill.asp> accessed 26 August 2025.

<sup>55</sup> *Mutual Legal Assistance Treaties (MLATs)* (iResearchNet, undated) <https://criminal-justice.iresearchnet.com/criminal-justice-process/international-aspects-and-extradition/mutual-legal-assistance-treaties-mlats/> accessed 26 August 2025.



crimes face any accountability.<sup>56</sup> The more instructive precedent is the *Mehrangate scandal (Asghar Khan case, decided in 2012)*, though this case as well dates back to the 1990 elections. The Supreme Court ruled that the flow of money to manipulate a fair vote went through military and political leaders illegally. In this case, the courts have classified white-collar malpractices not only as financial crimes but as a threat to democratic integrity. Notwithstanding because of the clear findings, it also occurred that weak enforcement mechanisms ensured that very few of the powerful actors involved were punished unusually, and this aspect revealed the discrepancy between the judicial pronouncement and the enforcement.<sup>57</sup> On the other hand, *United States v. Raj Rajaratnam (2011)* turned out to be a landmark in terms of insider trading. The federal court used significant digital forensics evidence in the form of wiretaps of telephone conversations to convict Rajaratnam, a hedge fund manager, of having led one of the biggest insider trading schemes in history. That conviction, which handed him an 11-year prison term, provided a powerful warning to Wall Street. The case became extremely relevant in light of the fact that it broadened investigatory techniques, including wiretapping, that were normally applicable only to organised crime to white-collar indictments.<sup>58</sup> Moreover, In the UK, the *Serious Fraud Office v. Rolls-Royce (2017)*. The case was associated with bribery and corruption in different jurisdictions. The role of the High Court included the approval of the Deferred Prosecution Agreement (DPA), where Rolls-Royce promised to pay almost half a billion dollars in penalties. Even though criticised because none of the individuals in the case was sent to jail, the case represents the ongoing trend of the judiciary resorting to transnational settlements to address corporate misconduct involving more than one jurisdiction. This is a pragmatic but flawed approach to deterrence during a time when corporate fraud no longer exists in a vacuum. Collectively, these cases indicate that there are differences in the approaches to white-collar crime.<sup>59</sup> In Pakistan, Courts generally have shown eagerness to step in with such scandals that are on the front burner, but delays, political influences and the inability to enforce such a case can mitigate the deterrence. By contrast, showcasing the capability of the legal system in sending empowering messages to would be malefactors are jurisdictions such as India and the United States, which, through expedited trials, application of forensic technology, and heavy sentencing, have managed to convey powerful messages to future perpetrators.<sup>60</sup> The UK system and focus on corporate settlements point to a more practical balance between retribution and financial stability. However, concerns are raised as to whether there is individual accountability when settlements apply to companies. Ultimately, the comparative analysis is that the deterrence need not only be based on judicial recognition of white-collar crime but the consistency, speed and enforceability of judicial outcomes.<sup>61</sup>

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<sup>56</sup> U.S Department of the Treasury, *Financial Action Task Force (FATF)* (Treasury.gov, undated) <https://home.treasury.gov/about/offices/terrorism-and-financial-intelligence/terrorist-financing-and-financial-crimes/financial-action-task-force-fatf> accessed 26 August 2025.

<sup>57</sup> Ahmad Noorani, 'Asghar Khan case: SC passed conclusive judgment in October 2012' *The News* (Islamabad, 2 January 2019) <https://www.thenews.com.pk/print/413571-asghar-khan-case> accessed 23 August 2025.

<sup>58</sup> *United States v Rajaratnam* (No 09 Cr. 01184 (RJH), Southern District of New York, Jan 31 2012).

<sup>59</sup> *SFO v Rolls-Royce plc & anor* (Approved Judgment, Queen's Bench Division, 17 January 2017) <https://www.judiciary.uk/wp-content/uploads/2017/01/sfo-v-rolls-royce.pdf> accessed 26 August 2025.

<sup>60</sup> Nasir Iqbal, 'Delays in dispensing justice akin to 'unauthorised punishment': SC' *Dawn* (Islamabad, 4 July 2025) <https://www.dawn.com/news/1921934/delays-in-dispensing-justice-akin-to-unauthorised-punishment-sc> accessed 26 August 2025.

<sup>61</sup> Tina Søreide and Kasper Vagle, 'Settlements in corporate bribery cases: an illusion of choice?' (2022) *European Journal of Law and Economics* 53(2) 261–287, DOI: 10.1007/s10657-022-09726-9 <https://link.springer.com/article/10.1007/s10657-022-09726-9> accessed 26 August 2025.

## RECOMMENDATIONS

- i. **Empower Institutional Control:** Institutional control should be increased through independent investigation agencies like SECP, NAB and FIA, with evidence of free investigation of the cases and devoid of political interference. In both the case of public and private enterprises, forensic audits and an independent Board of directors should become mandatory.
- ii. **Whistleblower Protection:** A comprehensive whistleblower legislation is needed, but rather than shipping out duds, it is important to enforce the relevant legislation, which should provide protection against retaliation and even offer incentives to blow whistles, as provided elsewhere, such as the Dodd-Frank Act in the United States.
- iii. **Capacity Building in Forensic Science:** An in-depth training in forensic accounts, digital forensics, and blockchain analysis is necessary to be incorporated in the regulatory and investigative departments of Pakistan. Cooperation with universities and external foreign labs will allow filling in technical gaps.
- iv. **Judicial Reform and Fast Trials:** Prolonged delays in bringing financial crimes before a court threaten deterrence since it gives the perpetrators the chance to exploit procedural degrees of freedom, dilute proofs, and muddy the water of public opinion. The judicial system in Pakistan ought to embrace the concept of fast-track courts when handling white-collar crimes to limit their duration and ensure a consistent sentence is implemented. The examples of models of rapid trials emerging in India, where special courts are created to handle financial crime, and the United States of America, where federal courts have a tight schedule that deals with securities fraud and insider trading, are relevant to illustrate the extent to which expedited trials are effective. The swift trials provide a punishment to the offenders besides restoration of investor confidence, reduction in volume of cases in the courts and provide a potentially strong and powerful deterrence message against potential offenders that they can no longer hide under the umbrella of elite status or the government to escape justice.
- v. **International Cooperation:** Since financial crimes are cross-border in nature, Pakistan should increase the use of mutual legal assistance treaties (MLATs), Interpol networks, and FATF-compliant mechanisms that are used in tracking offshore assets and in prosecuting transnational frauds. Close coordination with financial intelligence units, regional anti-corruption agencies, and international monitors will help strengthen Pakistan in shutting down furtive money laundering, restoring what has been stolen, and blocking monetary havens to those seeking to escape financial accountability.
- vi. **Corporate Ethics and the Reason of Cultural Change:** It is not only necessary to change the law-making behaviour more ethically, but there is also a need to reshape the culture so that unethical behaviour will be antithetical to the business and political cultures. There should be educational programs on corporate ethics, training and advancing transparency in political financing.

## CONCLUSION

White-collar crime is a major but low-ranked risk to the economy, the integrity of institutions and trust in society. Unlike crimes that we can see and react angrily to, it undermines societies without anyone suspecting anything is wrong because there is a veneer of decency associated with it. Forensic science offers empirical measures of identifying and proving fraud, whereas forensic psychology and criminological theories help determine purpose, justification, and failures of the system that leads to fraud. One of the problems Pakistan has had with white-collar crime is that enforcement is lax, corruption in political circles can facilitate it, and the institutions are not strong enough to resist it. Comparisons of the experiences in the United States, the United Kingdom, and India indicate that effective deterrence looks like rigorous forensic examination, tough sentencing, whistleblower protection, and cooperative efforts

across national boundaries. Finally, the fight against the silent offender should not only be fought with technical skills, but also by culturally and structurally rehabilitating the notion of accountability, transparency, and trust. Organisational resilience cannot succeed without harnessing forensic inventions, and it is the only way that societies can detect white-collar offences and counter their impact on them.