



APPLIES TO ACADEMIC YEAR 2012/2013

MAN 2952/2953/2954/2955 Economic crime - leadership and social responsibility - RE-SIT EXAMINATION

Programme

Final Master of Management Program, Master of Management Program

Responsible for the course

Petter Gottschalk

Department

Department of Leadership and Organizational Behaviour

Term

According to study plan

ECTS Credits

30

Language of instruction

Norwegian

Introduction

This program presents theories of financial crime, stages of financial crime, and criminal entrepreneurship. Response, regulation and prevention of financial crime are described in terms of intelligence strategy, intelligence information sources and information systems. By combining insights into the broad variety of financial crime types and behaviors and alternative corporate approaches, this program provides a unique insight into the growing local and global phenomena of financial crime.

The program provides participants substantial insights into interrelationships between how financial crime occurs and how financial crime can be investigated and prevented. Based on theories of financial and organized crime combined with Norwegian as well as international examples, participants develop a reflected understanding of overall crime situations, that enable them to discover and prevent such crime. Participants accumulate knowledge about internal investigations and investigation management. This is a white-collar crime program that teaches participants how to reveal criminals and their crime as well as to assess the seriousness and consequences of financial crime. White-collar crime is serious crime that may have victims such as the society at large, key institutions such as banks, other business organizations as well as public administration, and individual persons in society.

Learning outcome

After completing this program, participants should have acquired the following *personal knowledge* :

- Knowledge about financial crime: markets, actors and mechanisms
- Knowledge about criminal financial organizations: value configurations, business models, criminal entrepreneurship and management
- Knowledge about theoretical, legal, criminological, economic and psychological aspects of financial crime
- Knowledge about crime investigation: whistle blowing, complaints, interviews, documents and decision-making
- Knowledge about prevention of crime: intelligence information, threat and risk assessments, security measures, ethical standards, regulations and committees

After completing this program, participants should have acquired the following *personal skills* :

- Know how to assess threats and actions against financial crime
- Know how to detect irregularities and misconduct
- Know how to carry out investigations
- Know how to collect information through interviews, information systems and external sources
- Know how to apply value configuration analysis, competitive forces and evolution models for financial crime

After completing the program, participants should have developed the following *personal attitudes* :

- Willingness to focus on early warning and whistle blowing
- Ability to investigate the nature of crime and criminal motives
- Desire to contribute to reduce the magnitude and seriousness of financial crime
- Interest in understanding both offender and victim
- Curiosity in relation to criminal causes and effects

- Reaction to white-collar criminals and their actions as unacceptable behavior

Prerequisites

Bachelor degree or equivalent and 4 years of work experience. Please consult our Student regulations.

Compulsory reading

Books:

Benson, Michael L. and Sally S. Simpson. 2009. White-collar crime : an opportunity perspective. Routledge
 Brightman, Hank J. 2009. Today's white collar crime : legal, investigative, and theoretical perspectives. Routledge
 Gottschalk, Petter og Morten Løv Hansen. 2011. Etterrettingsprosessen : fra strategi til implementering. Unipub
 Gottschalk, Petter. 2012. Hvitsnippkriminalitet og samfunnsansvar. Unipub
 Gottschalk, Petter. 2012. Økonomisk kriminalitet i ledelsen. Unipub
 Olsen, Anders Berg. 2007. Økonomisk kriminalitet : avdekking, gransking og forebygging. Universitetsforlaget

Articles:

Badaracco, J. L. 1998. The Discipline of Building Character. Harvard Business Review
 Ditlev-Simonsen, Caroline D. 2010. From CSR awareness to action? The role of the individual translator in introducing CSR into the corporate vocabulary, and the effect of this process.. Social responsibility journal. 6 (3)
 Ditlev-Simonsen, Caroline D. and Atle Midtun. 2010. What Motivates Managers to Pursue Corporate Responsibility? A Survey among Key Stakeholders. Corporate social-responsibility and environmental management. June
 Do it right. Economist. 1/19/2008, vol. 386, Issue 8563, special section. p22-24
 Smith, N.C. 2003. Corporate Social Responsibility: WHETHER OR HOW?. California Management Review. 45 (4). 52-76

Recommended reading

Books:

Fahsing, Ivar A. og Petter Gottschalk. 2008. Kriminelle organisasjoner : hvordan forstå organisert kriminalitet. Fagbokforl
 Filstad, Cathrine. 2010. Organisasjonslæring : fra kunnskap til kompetanse. Fagbokforl
 Gottschalk, Petter. 2007. Etterforskningsledelse : kunnskapsdeling, organisering og IKT. Vett & viten
 Lai, Linda. 1999. Dømmekraft. Tano Aschehoug
 Larsson, Paul. 2002. I lovens grenseland. Pax

Course outline

Part 1. Analysis of financial and organized crime

- Criminal industries, markets, projects and entrepreneurs
- Fraud, theft, corruption, manipulation and money laundering
- Theories of profit-motivated crime
- Stages of growth models for criminal entrepreneurship
- Value configurations in organized crime

Part 2. Detecting, investigating and prosecuting financial crime

- Information sources and knowledge development
- Interviews, documents and digital evidence
- Value shop for investigations
- Legal and accounting perspectives
- Systems dynamics and causal diagrams for analysis

Part 3. Management, leadership and prevention of financial crime

- Whistle blowing routines and handling of whistle blowing cases
- Control mechanism and reporting routines
- Development of a culture for informal control
- Loyalty versus integrity in management and on the board
- Action plan against financial crime

Computer-based tools

Participants are to draw figures showing causal diagram for developments in financial crime over time. The purpose is to model dynamics in combatting financial crime. One variable in the

causal diagram will be the number of crime occurrences. The causal loop diagram is built by starting with variables that influence the number of crime occurrences per year (causes) and what these kinds of crime lead to (effects). Number of crime occurrences will enter into several feedback loops. Causal loop diagram is drawn using the software Vensim from Ventana Systems. This software is available for free at www.vensim.com/freedownload.html. The causal diagram should include polarity (+ and \emptyset) for each cause-and-effect relationship. The causal diagram should indicate positive (+) as well as negative (-) polarity for each loop, where each positive loop suggests growth in crime occurrences, while each negative loop suggests decline in the number of crime occurrences as a consequence of actions and prevention measures. The causal diagram should indicate the exchange relationships between what is done to reduce financial crime. Causal loop diagram is a method within system dynamics.

Learning process and workload

The program is scheduled in five workshops with a total number of 150 hours. Supervision may vary in different master of management programs. There will be personal supervision as well as supervision in class. Students may expect general advice during supervision, rather than evaluation or judgment. Supervision is limited to two hours per student in the master program as normal program. For students taking this program as a final program, supervision is limited to total six hours.

Each student hands in a problem description to each workshop. In each workshop 1-2 problem descriptions will be picked out for a short presentation by the student.

Examination

The students are evaluated through a term paper, counting 18 ECTS credits and an individual written exam, counting ECTS 12 credits. Both evaluations must be passed to obtain a certificate for the program. The term paper may be written individually or in groups of maximum three persons.

For students taking this program as the final Master of Management Program the following applies:

The students are evaluated through a term paper, counting 24 ECTS credits and an individual written exam, counting ECTS 6 credits. The term paper may be written individually or in groups of maximum two persons. Both evaluations must be passed to obtain a certificate for the program.

Examination code(s)

MAN 29521 - term paper; accounts for 100 % of the grade to pass the program MAN 2952, 18 credits

MAN 29531 - 5 hour written exam; accounts for 100 % of the grade to pass the program MAN 2953, 12 credits

Both evaluations must be passed to obtain a certificate for the program.

For students taking this program as the final Master of Management Program the following applies:

MAN 29541 - Term paper; accounts for 100 % of the grade to pass the program MAN 2954, 24 credits

MAN 29551 - 5 hour written exam; accounts for 100 % of the grade to pass the program MAN 2955, 6 credits.

Both evaluations must be passed to obtain a certificate for the program.

Examination support materials

No aids allowed at the written exam.

Re-sit examination

At the next ordinary exam.

Additional information

Workshop topics

Workshop 1: Organized crime and criminal organizations

Workshop 2: Criminal entrepreneurs and criminal entrepreneurship

Workshop 3: Knowledge management in combatting financial crime

Workshop 4: Discovering and investigating financial crime

Workshop 5: Prevention of financial crime

Workshop 1 - Organized crime and criminal organizations

To fight crime successfully there is a need to develop insights into it. Over time, a variety of financial crime

categories have evolved. Often, such crime occurs as integral part of organized crime managed by both legal and illegal organizations. This first workshop will provide an overview into the variety of financial crime categories.

Workshop outline

- Criminal industries, markets, projects and entrepreneurs
- Criminal organizations and organized crime
- Dark side economics
- Theft, fraud, tax evasion, money laundering, insider trading, manipulation, corruption, etc.
- Different categories of financial crime and their relationships
- Financial crime from a legal perspective
- Financial crime from a society perspective
- Criminal knowledge and knowledge management
- Use of information technology in financial crime
- Theories of profit-motivated crime
- Historical evolution in financial crime
- Profit, excitement and revenge
- Financing terrorism

Workshop 2 - Criminal entrepreneurs and criminal entrepreneurship

Where others mainly see problems, entrepreneurs see possibilities. Criminal entrepreneurs see options in new markets for new goods and services. They have personal abilities and attitudes that make others join them to commit crime. This second workshop will report research into criminal entrepreneurs and compare it with non-criminal entrepreneurs.

Workshop outline

Stages of growth models for criminal entrepreneurship
Value configurations in organized crime
Value chains, value shops and value networks
Leadership and management in criminal organizations
Demand and supply of illegal goods and services
White-collar criminals and elite crime
Global criminal networks
Knowledge management in criminal entrepreneurship
Mafia activities
Environmental crime
Work-related crime
Economic management in criminal enterprises
Networks in business and politics
National and international consequences of financial crime

Workshop 3 - Corporate Social Responsibility

Workshop 4 - Discovering and investigating financial crime

All knowledge work is based on information as the raw material. By means of intelligence and investigation, information is collected and analyzed. This workshop teaches how intelligence and investigation is conducted within the framework of internal policing.

Workshop outline

Information sources and intelligence management
Intelligence strategy and threat assessment
Interviews, documents and digital evidence
Observation and infiltration
Digital forensics and investigation
Knowledge categories and knowledge levels in investigations
Cooperation between public and private sector
How the police does knowledge work
Risk assessments related to partners
Norwegian business responsibilities abroad
Revealing white-collar criminals
Investigation and intelligence in the value shop
Financial crime police, security police, FBI, Europol and Interpol
Police intelligence and police investigation procedures

Workshop 5 - Prevention of financial crime

The accumulated learning from the previous workshops evolve in this workshop into effective measures of prevention. Strategic choices are discussed for individuals, work groups, organizations, industries, sectors and nations are discussed.

Workshop outline

Corporate reputation
Combatting strategies
When management is the problem
Loyalty versus integrity in the management team
When the corporate board is the problem
Discovering accounting manipulation
Internal and external whistle blowing upon suspicion
Investigation methods and investigative teams
External versus internal investigations in self-regulation
Rights of involved individuals
Actions in the finance sector
Responsibilities of controlling authorities
Information to the police
Relationships to journalists, media and the public
Preventive measures to fight organized financial crime
Effective routines and guidelines
Reality is more than documents
Establishing a culture for informal control
Legal yes, but ethical no
Stopping crime in times of financial crisis
When legal becomes illegal
when illegal becomes legal