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Master's Thesis - Summary

Character Profile of Perpetrators of Economic Crime

A pilot study

On the current stage of examining the character of perpetrators of economic crimes, the conducting of narrative interviews with convicted perpetrators of economic crimes and investigation into the possibilities of expanding the pilot study to a field study.

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The objective of this master's thesis is the examination of whether certain specific character traits can be ascribed to convicted perpetrators of economic crimes and whether these perpetrators possess a certain character profile.

In the 1970's, Michael Maccoby conducted intensive and extensive interviews with 250 American managers. Based on the quantity of information he obtained, it was possible for him to define different manager types. This was the aim and intention: to develop and discuss hypotheses – perpetrator hypotheses- with regard to the comparative characteristics and behavioural traits of those individuals who knowingly flout the laws of the free market and who are aware of their criminality and the consequences of their actions. It is a fact that findings from empirical examinations of convicted perpetrators of economic crimes are rare. There are few analyses of direct evidence provided by convicted and prosecuted perpetrators of economic crimes. The primary findings are mainly derived from case analyses and questionnaires.

The intent of this Pilot Study is to establish a connection with the definition of economic crime or perpetrators of economic crimes, the current links to its emergence in Germany, and beyond. The central focal point is the position of the jurist Franz v. Liszt (1851-1919), one of the co-founders of economic criminology, and his short but precise definition, that 'a crime is on the one hand, the product of the perpetrator's idiosyncrasy at the moment of the act, and of the circumstances surrounding the perpetrator at the moment the act is committed, on the other.' This is the central aspect of the so-called 'trialectics': the perpetrator's character, the situation at the time the act is committed and its integration into the social situation in general.

Furthermore the following section which elucidates the complexity of the theme is supported by this, above all with reference (marginally) to criminology, criminalistics, psychology, psychiatry, neurology, sociology and also law, economics and business studies perspectives. Particular phenomena such as social inconspicuousness, the well developed social and professional network of the relevant people, characteristics of the perpetrators of economic crimes and the complexity of the economic system in this respect are given specific attention. Abnormal narcissism, the question of body/mind/behaviour and significant value attributes are the subject of examination in the question: is the typical economic delinquent a normal manager? Investigations of the dominating character traits follow this. In the discussion using papers from Fritz Riemann, Schulz von Thun and Erich Fromm, one comes with appropriate brevity, to the conclusion that the

character of an individual is determined by the sum of all his traits. All features of an individual are combined, both his physical and psychological features. It is the sum of all experiences, all attributes gained, consciously or unconsciously instilled or acquired. Christoph Thomann and Friedemann Schulz von Thun have developed grouped character types based on a typology by Fritz Riemann. A person is characterised through being a part of nature. On this basis, they extrapolate that a person with four different basic attitudes can react to various situations in life with one of four possible forms of behaviour. Based on this, four character types are defined as follows: schizoid character (distance), depressive character (nearness); obsessive character (permanency); hysterical character (change). The typical is however, described by the main character emphasis, as character dependent behavioural tendencies (graphic representations support this statement). Each character is embedded in its environment, which directly or indirectly, consciously or unconsciously influences the decisions an individual makes. In the discussion of this doctrine, the question concerning the localisation of the manager in this system is explored. If the manager with integrity is in the 'distance/constant' quadrant, is the criminal manager found in the opposite quadrant, the change/closeness quadrant? The subject of the narcissistic character is also explored. On this assumption the conclusion is drawn that narcissistic characters are often encountered amongst the perpetrators of economic crimes and examples of such are cited. Furthermore, the question is explored, which character types possess the preconditions for deviant behaviour, thus for criminal behaviour? There it is considered that only extreme situations, extreme deviation from socially acceptable behaviour can be relevant. Further examination is required in defining this, namely so-called antisocial behaviour. This leads to the discussion on the social definition of social behaviour. This is subject to current social views, morals and ideologies and in particular, the law, because it reflects the relations of responsibility. The discussion on behaviour deviating from causal theory includes theories such as 'born' criminals, neurological dysfunction, didactic dysfunction and ethnological, political, religious, micro and macro social influences. Particular weight is placed on the considerations of a forensic psychological approach. Forensic psychology is hereby considered to be an area of psychology with appropriate references to psychological theories, methods and recognition of the problems in the legal system. Amongst other things, forensic psychology is devoted to the examination of anti-social behaviour, its causes and possibilities of prevention. In discussing theories on dissocial behaviour,

antisocial or dissocial behaviour is examined in connection with economic criminal behaviour, this also being directed against society. The discussion on so-called 'Machiavellian intelligence' lead by the Swiss psychiatrist Thomas Knecht, in which he describes the bundle of cognitive abilities of a perpetrator of economic crimes as being those cognitive abilities which allow its possessor to recognise and manipulate the reactive disposition of other individuals and to manipulate his fellows to satisfy his own interests, is here awarded significance. The exploration of criminal investigative analysis occupies further space. Up until now, criminal investigative analysis has been applied by criminal prosecution agencies for perpetrators of violent, sexual or serial crimes. Whether these methods may be applied to perpetrators of economic crimes remains unclear. There are no findings. From a forensic psychological view, four typical behavioural patterns of the perpetrators may be observed: uncharacteristic behaviour, social/situational dependent behaviour, character-dependant behaviour and characteristic behaviour. From this is extracted that economic perpetrators with uncharacteristic and socio-environment dependent type behaviours are documented as having a loss of self-competence and self-worth. The derived conclusion is that those less endangered vis-à-vis economic crimes are those able to position themselves with higher self-competence, demands and restrictions in social micro and macro areas, to consider and assess these, and to unfold their own abilities, to create and further develop life plans. The forensic psychological view previously discussed is substantiated using repeated references to current economic crimes (VW scandal). With all relatedness to reality, it is pointed out that a character profile is not admissible evidence in criminal proceedings. The construction of a character profile of a suspected perpetrator does however lend itself as a problem solver.

With this work's objectives in mind it is again referred to Michael Maccoby, and a strategy, an interview management and a variable group of questions for a pilot study is developed, which should provide findings on whether interviews with convicted economic perpetrators are possible and if these could be a viable 'tool' for qualitative assessment. The intended focus of the analysis is: character types, individual principles, motivation and the planning methods of perpetrators. The questions are orientated on the so-called 'big five'. Furthermore, interview management includes, in addition to other defining factors, space to win and motivate test subjects and also for a description of the interviewer's tactical behaviour. The methods described were practically applied

by the author himself in 9 topical interviews in non-directive discussions. Amongst the test subjects were both persons who had already served their sentence, and those who were/are serving sentences in open or closed correctional facilities. The subsequent description of the interviews conducted is based on a comprehensive documentation of the interviews. The variables recorded were: life development; social relationships, professional competence, position within the company; influence of general acceptance of the environment on the own life strategy; narcissism/hedonism; present social position; own conclusions. A quantitative evaluation of the interview follows. The hypothesis constructed prior to the interviews has been confirmed. Character-typical behaviour could be drawn for the individual perpetrators. It is clear that as a rule the criminal acts were made possible at a point in time that the environment was favourable for the specific act.

The subsequent findings as key points: all test persons admitted to mistakes in their behaviour; all asserted that they had been sentenced to too high sentences; they are victims of adverse circumstances; they were forced into a position, which they could not influence; blame was apportioned to third parties; without exception all perpetrators interviewed trivialised the damages resulting from their actions; they were partially unable to recognise the consequential damage (e.g. the non-payment of social contributions, or improper use of granted subsidies).

The test persons did not recognise the situation at the time of the act as a crisis and were not in a position to act in an adequate manner. They proved themselves to be unable to cope. The self-competence observed is only minimally trained; they overestimate their own skills, therefore their own abilities. They used the advantageous circumstances, the favourable opportunities to cover up their lacking self-competence. A low sense of right and wrong was observed in all perpetrators interviewed. The advantages obtained through their malicious actions were apparently their due! Furthermore, they had observed similar situations in their direct environment. All test subjects displayed a varying degree of narcissistic behaviour. This trait consistently had a significant influence on the behavioural decisions of all interviewees and was paired with moderately or less moderately pronounced acting talent. Even those in closed prisons displayed charm, tried to prove their intelligence and had no problems with communication. All persons interviewed had difficulties in forming relationships.

Due to the low number of those interviewed, no general conclusions may be drawn from

the interviews realised. It must also be warned from singling out individual character-typical behaviour and individual character traits and generalising as this would lead to an irresponsible stigmatisation.

As a result it can be determined that the methods used proved viable. It can be justifiably assumed that the perpetrators interviewed had built up a sufficient distance to their actions and convictions. Therefore, there was only little reservation in opening themselves to the interviewer. Under the expert guidance of a forensic psychologist, the pilot study is granted a perspective as a field study. It is proposed to realise a cooperative project with the Competence Centre Forensic and Economic Criminology, Lucerne and the University of Vienna, Institute for Criminal Law and Criminology with inclusion of the German Society for Criminalistics.

The obtained findings should be suitable for:

Supporting the preventative work aspect of personnel managers;

Aiding the recognition of signs of personal deficits;

Improving the significance of findings of assessments and compiling recommendations for the application of interviewing methods for assessment centres;

Ascertainment of the actual status of economic crime in companies;

Supporting the personal development processes in companies and assisting in answering questions e.g. on which character traits a manager should possess to promote the development processes of individual employees or whole teams, or which deficits in the personal development lead to a decrease in productivity or loss of effectiveness.