

## **Assessing the criminal origin of the financial crisis**

### **Abstract**

The diploma thesis dealt with white-collar crime in the financial environment. The aim was to find out to what extent the financial crisis in 2007–2008 was the result of the economic cycle and to what extent it was the result of criminal practices. To this end, we analyze the theoretical perspective of white-collar crime from the perspective of the individual and the corporation. We denote criminogenic factors and models in the structure, strategy and culture of corporations. We examine individuals from a psychological and demographic point of view. We apply this knowledge to the scandal of Enron Corporation, as a paradigmatic case of economic crime that caused extensive damage but did not lead to a financial crisis. Further we are examining documented dubious practices leading to the collapse of financial markets in 2008. A minimum of convictions could indicate that the crisis did not originate in illegal practices. However, such a conclusion would be misleading. In this research work we present a number of reasons why the prosecution of white-collar crime is difficult and is often abandoned. However, the behavior of corporations and their representatives often shows the features described in criminology textbooks. The system, which began to take shape in the financial sector in the 1980s, has aspects that give rise to a criminogenic environment. We identify the causes of the crisis, of which there are more and lie both on the part of state authorities and on the part of corporations. It can be reasonably assumed that the crime took place. The behaviors in question meet philosophical standards for criminalization. However, the border is unclear here. In open markets, negotiations were often accompanied by moral hazard, but were still legal. It was only with great difficulty to prove a degree of intent that would criminalize the conduct. This was one of the reasons why the state embarked on a path of civil lawsuits. As many opportunities for prosecution remain untapped, we can only assume the extent to which criminal practices have contributed to the crisis. At the same time, we can say with certainty that, although fluctuations in the economic cycle cannot be prevented, a crisis of this magnitude may not occur. One cannot agree with the view that the crisis could not have been foreseen or prevented.