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This paper analyzes the documentary, *Jordan Belfort – White Collar Criminal*, a documentary that focuses on fraud and money laundering, both white-collar crimes. In this paper, I will provide an analysis on how Jordan Belfort manipulated his employees and clients as he defrauded and controlled hundreds of individuals through the stock market while he became rich, and his clients faced financial losses. After committing fraud, Belfort laundered his earnings into bank accounts outside of the U.S. while the FBI had an active investigation against Belfort. First, I will summarize the documentary and then will provide an analysis on fraud and several other white-collar crimes. Next, I will provide insight on how the documentary framed fraud and money laundering. I will then provide a take home message regarding raising awareness for fraud related crimes as well as money laundering and all white-collar crimes. Lastly, I will provide a reflection on the documentary followed by concluding statements.

Belfort is an American Entrepreneur, Former Stockbroker, and a Financial Criminal. Belfort is a man who built an empire based on fraud who maintained power and control over the employees of his company and their clients. A son of accountants, Belfort grew up knowing about economy, finance, and profit. Growing up, he had the fear of not having enough and feared the conditions of the neighborhood that he grew up in, he did not like that he was middle class. Belfort learned to manipulate others for his own financial gain at a young age, he started selling ice-cream on the beach. He invested \$10 at the start of the summer and made \$20,000 in one summer by having his friends sell ice-cream for him and making money off what they sold. At an early age, Belfort showed that he possessed the three facets of the dark triad personality which include machiavellianism, subclinical narcissism and subclinical psychopathy. Belfort

manipulated others to achieve his own goals of becoming successful, while lacking empathy and morality for the individuals that he preyed on (Amos, B. et al., 2022). Belfort later became a salesman and sold meat and frozen seafood in New York City. He broke all the sales records and was the best in his company. Belfort's greed continued as he left his job to start his own company as a direct competitor in the same industry. Gaining quick success, Belfort purchased his first Porsche at the age of 21. His business grew from one truck to twenty-six trucks, rapidly. At 24, Belfort was introduced to Wall Street. He began working a job calling potential buyers and passing them off to Traders. After the biggest stock market drop in history on October 19, 1987, Belfort lost his job.

He then got a job working with penny stocks, eventually leaving, and forming his own company out in Long Island, where he strategically located his business a distance from Wall Street and recruited employees by hiring people right out of high school and college who were 18-19 years old and inexperienced so that he can train them in the manner that he desired. Belfort always reminded his employees that they would be like him and would make a lot of money and would be able to party hard. Belfort stated, "it's easier to control them if they're broke." Belfort had complete power over all of his employees. He had employees making millions of dollars, but he controlled them by introducing them to his lifestyle that he knew they could not keep up with. Belfort treated his office and employees like a playground which was a sex, drugs, and dollars galore in the 1990s. The routine activity theory requires three components that are necessary for predatory crimes which are: motivated offenders, suitable targets and the absence of capable guardians. While predatory crimes are categorized as rape, robbery and similar criminal acts, Belfort's white collar crimes are not excluded from predatory crimes and he and his employee were motivated offenders, who sought out suitable targets, their clients, who did not have any

capable guardians or any one to advise them otherwise. Furthermore, Belfort was also a motivated offender who preyed on his own employees. His employees were suitable targets that lacked capable guardians (Boetig, 2006). Given the materialistic accomplishments and items that Belfort possessed, he felt superior and a sense of dominance over his employees. He had power over all of his employees. Belfort had yachts, fancy cars, a home in Long Island, spent \$10,000 on company parties in France, and he told his employees that he will make them successful like he is (Amos, B. et al., 2011). While Belfort manipulated his employees, his employees felt like they needed to get away from the fast-paced life which resulted in heavy drug use to get rid of the pain that they caused their clients as they knowingly misled them under Belfort's directives. Although the employees knew they were misleading their clients, they continued to do so as Belfort manipulated his employees into doing so with his superior complex and his false confidence. Belfort created a handbook that he provided to his employees. Belfort and his employees made illegal guarantees and promises to clients, Belfort illegally created companies run by his friends for financial gain of the stock market and failed to return clients money when requested and instead reinvested the funds in other stocks. Belfort's actions caused a ripple effect in him manipulating his employees who then manipulated clients resulting in financial loss which affected individual's retirement funds, homes, children's college tuition funds and the livelihoods of not only the company's direct clients but their families as well too. Individuals who hold high positions of status within companies such as Chief Executives often have access to resources which enable them to have convenient ways to commit financial crimes, Belfort is a prime example (Gottschalk, 2022).

The documentary condemned fraud, money laundering and all the illegal acts Belfort committed. In the documentary, it stated that Belfort believed that he was a victim of capitalism,

yet the documentary made it clear that Belfort was not a victim of the system, he took advantage of the system. The Stock Exchange Watch Dog began an investigation on Belfort and his company in 1992, prior to the FBI investigating Belfort for six years. Ultimately, Belfort received a two million dollar fine from the Stock Exchange Watch Dog and lost his trader's license. Subsequently, Belfort continued being paid one million dollars per month from his company. At this point, Belfort began laundering his money to Switzerland by tapping his cash to the bottom of his luggage and having others smuggle cash from the U.S. into Swiss banks. In 1998 Belfort was arrested for fraud and money laundering. All of Belfort's assets were seized. Belfort agreed to cooperate and at sentencing, the Court told Belfort that he can keep the money that he made, but he must pay back the money that his victims lost. As a result of his cooperation, Belfort only served 22 months in prison. The documentary emphasized how while in prison, Belfort wrote a story about his life which was published and became a bestseller, and another way for him to make money. Belfort was released from prison and still owed over 100 million dollars in restitution.

White collar crime is a low risk, high reward type of crime unlike street crime which is high risk, low reward. Belfort took a risk but his career continued to go on for several years until he finally got caught. Contrary to mainstream criminology, white collar crime is about greed, power and controlling others. Belfort wasn't forced to commit any crimes, Belfort's survival did not depend on whether he committed a crime, Belfort was a knowledgeable individual who allowed greed and the theory of power over to dictate his life. Criminals who are prosecuted for white-collar crimes are usually sent to minimum security prisons as their crimes are classified as non violent offenses. White-collar criminals commit their crimes by manipulating data information, records or assets and usually get away with the acts (Olson, 2022).

A take home message in terms of raising awareness of white-collar crimes and crimes of the powerful should be to be aware of power over and narcissistic characteristics. The documentary describes Belfort as a calculated man without morals. It stated that he has a complex character and Google refers to Belfort as a financial criminal. The characteristics that Belfort exhibited towards his employees should have been a warning sign and indication that Belfort only had self interest and was only interested in supporting his stock in his corporation (Snider, 2020).

Without having much knowledge on the stock market, by taking the course White-Collar Crime, I was able to acknowledge and understand the criminality in “pump and dump” that Belfort and his company was doing when they had the knowledge that a company was doing bad, they would dress the company up to make it look good so that it could sell so that the cost of the stock would go up and their company would make a large profit, but caused financial suffering to people who were gaslighted by the artificial inflation of the stock.

Understanding the level of manipulation and control that Belfort and his company had over their employees and clients is the best way to analyze and understand the manipulation and control that occurs in our everyday lives. Both personally and professionally, we are all manipulated and controlled by various forms of individuals and institutions in power such as the government on several different levels.

In terms of the way we live our life, we are conditioned to believe that we all want to achieve the American Dream: a nice house, a nice car, a good job and a family. We are conditioned to believe that we must achieve the American Dream due to the societal influences that control our minds. Now, social media plays a huge factor in indirectly controlling what we believe the norms of our personal and professional lives should be. For instance, we should all be

30 years old making six figures and driving foreign cars. We have allowed the media to control our minds and perception on what success is the same way Belfort controlled and manipulated his employees as to what success looks like.

Another way that I can directly connect what I learned in this documentary to my personal life is when I worked at the police department, the department controlled and manipulated employees of the department in a similar manner that Belfort controlled and manipulated his employees. While Belfort held daily meetings with his employees every morning promising lavish lifestyles, a great deal of money and success, the Captain of the police department held similar meetings where he expressed how the department is a leading department and the department's practices are being model in other areas of the state, and the level of success of the department. Just as the documentary mentions that Belfort was his employee's cult leader, it is no different in the police department with the Captain and Chief of Police being the leaders of the cult. The same way Belfort hired people straight out of high school who lacked experience so that he could train them his way, the police hire inexperienced and uneducated individuals and train them to their standard (Patterson, 2011). Belfort's focus was on uneducated individuals in Long Island who were eager to make money, like young uneducated individuals who graduate high school who are looking to earn money in law enforcement.

Mainstream criminology explicitly excludes white-collar crimes and crimes of the powerful. Similar to other white-collar criminals, Jordan Belfort lived a life full of greed, motivated by power over and control. Belfort's narcissist and dark triad personality manipulated and caused a ripple effect of severe financial harm and life changing circumstances to hundreds of clients and their families. Belfort preyed on his employees as well as his clients for his own

financial gain, at their expense. Once Belfort had knowledge that the FBI was investigating his fraudulent acts, he committed additional crimes by laundering his earnings to Switzerland in an attempt to secure his finances. When apprehended, Belfort sold out all of the other individuals involved in his criminal behavior, though he was the head of the operation, resulting in Belfort maintaining his fortune and serving a mere prison sentence of 22 months for the years and years of crimes and harm he committed. The repercussions that Belfort faced for his criminal acts align with the leniency given to white-collar criminals opposed to the harsh sentencing that mainstream criminals face when prosecuted.

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