COVER-UP AND COLLECTIVE INTEGRITY: ON THE NATURAL ANTAGONISMS
OF AUTHORITY INTERNAL AND EXTERNAL TO ORGANIZATIONS*

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This paper traces the roots of organizational cover-up to the sources of collective integrity. It develops a perspective on tensions between the vitality of authority within organizations and the penetration of moral authority representing the external society. In the white-collar ranks of formal organizations, persons construct authority to govern internal relations by shielding members from external scrutiny and by declining to force members to accept their responsibilities according to externally defined norms. Accepting these practices as proper, external authorities recognize the legitimacy of a collectivity’s moral autonomy. I examine several forms of shielding and non-enforcement practices, noting each for each: how it builds authority to integrate the collectivity by weakening the penetration of external authority; uses of the method routinely accepted as legitimate by external authority; and how members may drift from legitimate uses to illegitimate “cover-ups.” I also discuss some implications for the study of white-collar deviance and the experience of complicity in occupational life.

Sociological theory lacks a developed appreciation of the natural antagonisms of authority internal and external to formal organizations. In contrast, the complementary relation of internal and external authority is a common theoretical and empirical topic. Thus “functional” perspectives analyze the dependence of authority within organizations on the effective workings of authority in the external environment. As evidence of dependence, functionalists cite the establishment of a legal system to guarantee contracts and the creation of a market through socialization processes, and they stress the significance of the compatibility of the institutional patterns under which the organization operates with those of other organizations and social units, as related to the integrative exigencies of the society as a whole or of subsystems wider than the organization in question (Parsons, 1956: 80).

Empirical studies exemplify theoretical functionalism when they analyze the dependence of an authority system within organizations on its conformity with societal patterns of stratification. They have found that organizations draw on the strength of externally established patterns of stratification as latent resources when they allocate members to positions in congruent patterns, and suffer tensions in their internal authority relations when they reverse the broader patterns. (On tensions when women give orders to men in restaurants, see Whyte, 1949; on tensions when the less educated give orders to the more educated in the military, see Bidwell, 19611).

The converse point is also made: harmonious relations within an organization contribute to normative integration at the societal level. By assuming that intra-organizational and external-societal authority systems have common, directly related fates, modern function-

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1 Stinchcombe (1965: 181, n. 26) notes these studies and their pattern, and cites Udy (1961) for evidence that temporary organizations may break from the pattern without suffering the usual tensions.

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alism has continued a long-standing tradition in sociology. In many types of social theory, the problem of organizational authority for society is seen as that of removing tensions between hierarchical levels. Marx anticipated the growth of macrocosmic conflict from microcosmic conflicts between the levels of work organizations. Weber considered the question of legitimacy by focusing on stratified institutions, which he analyzed to characterize whole societies. Durkheim celebrated the complementarity of the moral strength of authority within collegial occupational groups and at the societal level (see, especially, Durkheim, 1957).

No similarly vigorous tradition carries forward the view of Simmel (1955a, and works cited below) on tensions between the system of authority within an organization and that representing the society as a whole. This perspective recognizes that patterns of conflict within the authority system of an organization, and between the organization and external authority, have inverse relations.

Internal conflict strengthens external authority in many ways. Where levels of an organization are in conflict, each has the strategic option of publicizing the other’s violation of external authority—as witnessed by the history of charges exchanged by union and employer of criminal conduct in relations with third parties. A recent instance was provided by the Long Island State Park Commission’s Policemen’s Benevolent Association which, “because of lengthy dissatisfaction with working conditions for the police” (in the words of an anonymous member), caused a scandal by hiring a private investigator who produced claims of extensive evidence of corruption within the Park Commission in the awarding of contracts for gas stations and towing services (Silver, 1974). Conversely, collective integrity may be preserved by not publicizing an insider’s violation of external law, as when an employer ignores union corruption in the management of pension funds to obtain bargaining peace (Brooks, 1975: 54).

If conflict in internal authority relations promotes enforcement of external norms, the integration of an institution’s hierarchy appears in broad historical patterns to weaken the integrity of the penetration of external authority. Tensions between internal and external authority can be seen in shifting trade-offs. Coser (1972) describes the importation of pariah groups by absolutist rulers to circumvent problems of corruption in tax collection and the administration of state authority. From the ruler’s perspective, Christian renegades in the Ottoman Empire and Court Jews in Baroque Germany, as perpetual aliens not amenable to local integration, were more desirable administrators than local nobles. The latter might use their indigenous ties to integrate independent centers of power through the corruption of their official posts. Toynbee’s description (1954: 207-210, drawing primarily on Spear, 1932) of the generational shift in British colonial rule in India from corruption to cruelty also shows the penetration of external authority related inversely to the internal integration of moral authority. In his account, British norms governing the colonial administration enjoyed a “moral rally” in the nineteenth century, as aloof and racist professional administrators replaced the former, scandal-ridden ruling class of colonial English ‘nabobs.’ The nabobs had been isolated from native British society and had become diffusely integrated in the social life of the indigenous Indian community.

A perspective on tensions between the vitality of an internal moral authority and the penetration of external morality can be demonstrated in application to more familiar organizational settings. Common patterns of organizational complicity in covering up deviance can be seen to grow out of normal tensions between internal and external authority. “Normal” tensions reflect the legitimate use by organization members of methods which weaken the penetration of external authority in order to build internal authority.

By treating as “legitimate,” methods that weaken the penetration of external authority
to build authority within an organization, I refer to the public, official perspective of representatives of the encompassing society. In order to clarify the nature of "normal" tension, illegitimate methods of creating internal authority can be noted and set aside. I will not discuss "organized crime" where, presumably, organization is a means to crime, in turn the sine qua non of the organization. Instead, my focus is on methods which may, but do not necessarily, lead to illegality.

Another mechanism I will not be considering is joint-participation in deviance, which creates a common interest in an exclusive posture towards outsiders, forming an internal social bond that may be used to advance uncontroversial collective goals. W. F. Whyte (1955: 309-17) provides an illustration of this social logic in explaining his decision to join in an election fraud with the potentially reticent subjects of his sociological field research. Similarly, studies of small military units analyze several ways that the concerted protection by military authorities of a deviant member builds solidarity in the group, contributing to its everyday capacity to perform (Dentler and Erikson, 1959; Daniels and Daniels, 1964; other examples are given in Goode 1967).

In a third pattern distinguishable from a focus on legitimate tensions between internal and external authority, external authorities covertly support illegal ways of establishing authority within organizations when it solves an otherwise intractable problem of order in the larger community. Bell's (1962: 175-209) analysis of the value of rackets in bringing an orderly system to labor relations on the waterfront and Merton's (1968: 126-36) analysis of the functions of political machines in integrating diverse subgroups of urban society describe this pattern. Both suggest that the integrative functions of corruption for the larger economic and social system are implicitly appreciated by the community and thereby contribute to the maintenance of the illegitimate source of internal authority.²

In contrast to these relatively isolated, subterranean methods are two formally approved practices that strengthen internal authority by establishing collective distance from external authority. They are fundamental to the integrity of collectivities, and can be found in the white-collar or professional ranks of perhaps any formal organization. In one, insiders shield each other from external perception of violations of internal standards; in the other, insiders decline to enforce within the collectivity norms externally defined as applicable to members. The appreciation of these practices as proper constitutes a commitment by the public to the right of organizations to be morally autonomous. I will briefly illustrate three varieties of each type of practice, noting for each: how it builds internal authority by weakening the penetration of external authority, uses of the method accepted as legitimate by external authority, and the ways in which members may drift from legitimate to illegitimate uses.

SHIELDING

All organizations depend on external support for the economic, political or legal resources of internal authority. For all organizations, support depends on the appearance of internal

² The usually implicit sanctioning by external authorities of illegalities by officials of organizations with jurisdictions over domains seen as especially ungovernable is sometimes made explicit. Stressing the precarious nature of internal authority, the initial investigators of Attica recommended terminating the prosecution of officers and inmates on the paradoxical logic that by expressly overlooking their criminality the deterioration of public confidence and internal authority in the institution would decelerate (New York Times January 1, 1976). Organizations with official missions to control populations seen as outside the moral boundaries of society are commonly granted a similar license. Examples are the withdrawal of public oversight over illegal behavior in the military at the onset of war (Knightly, 1975) and public pressures for the prosecution of vice offenses in the face of consistent evidence that effective enforcement requires the violation of constitutional rights (Skolnick, 1966: 204-29; Rubinstein 1973: 372-433).
control to outsiders. Any organization may be faced by the action of a member which embarrasses the organization. Shielding members from external perception of their deviance also shields the organization from embarrassment. Warnings, systems of inspection, and dismissals are routinely effected discreetly, to avoid shaking the trust of supportive outsiders. The dismissal of professionals, political appointees, and managers is commonly represented as voluntary resignation (see Goffman, 1952, for related techniques); commanding officers often track down AWOL soldiers so as to place them on official leave, and managers of defrauded corporations resist prosecution of discharged embezzlers to protect their image with stockholders (Edelhertz, 1970: 31).

Organizations have several widely recognized justifications for discreetly punishing deviant members. Action privately taken against deviants may laudably demonstrate a sensitivity to members as individuals. The efficacy of internal control may be strengthened by the confidentiality of punishment or warning: communication of the existence of deviance might send morally neutralizing signals to other members who in isolation contemplate and resist deviancy in the belief that they are idiosyncratic in their discontent. And the interests of concerned outsiders may be best served by discreet action, as when bank regulatory authorities seek to avoid a run on a bank and ensuing bankruptcy, without publicizing the crisis produced by conflict-of-interest loans (cf. Mayer, 1974: 83).

Thus the hope of avoiding embarrassment need not be a consideration in the decision whether to express publicly the failure of internal control. But it may be. This interest appears in patterns of differentiation of problems managed informally rather than by formal internal disciplinary procedures or by conveying complaints to outside authority. A university may ignore pot smoking, handle a faculty plagiarist secretly, consider allegations arising out of student disturbances confidentially at a university community committee, yet call in the police in the case of rape. Vietnam-era controversies about the use of American military authority involved charges that less honorable discharges were used to punish rebellious soldiers, and that the massive use of addictive drugs by soldiers in the field was tolerated or overlooked.

Legitimate reasons for the use of a discreet method of enforcement can subtly give way to illicit forms of organizational self-interest. Internal deviance may be punished so discreetly that it condones rather than deters. The otherwise justifiable deception of outsiders becomes part of a collective fraud. Through complex interactions, the relation in behavior of purposes to strengthen and weaken internal authority may become morally ambiguous. Cover-ups may develop into self-defeating webs as leaders progressively sense that the organization's ability to maintain internal social control depends on gaining resources from external audiences, in turn depending on an appearance of the strong moral character of the internal social order. This appearance may be secured by abstaining from forceful prosecution of members' deviance, thus weakening the possibilities of imposing internal order.

A second route to the corruption of organizational authority follows from its dependence on support from within. Members of organizations are subject to criticism by outsiders for their performance and are aware of their vulnerability. They expect that to some extent the official hierarchy will do the work of explaining their position in controversies with outsiders. In addition to the dependence of authority in organizations on external support, members themselves make the strength of internal authority dependent on the ability of superordinates to impose boundaries which protect subordinates from the need to deal directly with critical outsiders.

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3 Or so goes a recurrent rumor, says Charles Moskos, a sociologist of military life, in a personal communication.
The character of an organization—the social arrangements distinctively expressing the collective purpose of a group—emerges in the response of a leadership situated between pressures by members for the mediation of their problems with the collective environment and pressures by outsiders for internal control (Selznick, 1957). For some organizations more than for others, the shielding of subordinates from outsiders provides regular tests for leadership and significantly shapes the character of the organization. Teachers in public schools, for example, hinge their respect for principals on their defense of teachers against outraged parents (Becker, 1953). The teachers see a need for their principal to adopt a protective role in disputes with parents who, lacking professional educational training, "just can't understand" a teacher's treatment of children. A similar contingency for the maintenance of internal authority can be found in police organizations, where subordinates when effecting arrests develop short-term relations with outsiders who regularly find reasons for complaint.

The significance of the defense of members from outside criticism for the maintenance of internal authority is indicated by whether the task is delegated to a special public relations unit or is a substantial part of the work of leaders. The social location of responsibility for collective defense work varies across and changes historically within organizations, in patterns reflecting differences in the status of institutions. The function now delegated to public relations or "social responsibility" departments in business corporations was not always a routine activity geared solely toward external support. The modern corporate public relations unit originated through the personal efforts of heads of major businesses to stem the loss of internal support by members of the National Association of Manufacturers during the critical atmosphere of the New Deal (Tedlow, 1976).

Persons secure their authority over others by shielding them from external review through activities more widespread and in relations more flexibly negotiated than the existence of specialized and formalized "public relations" roles suggests. Thus, to take the extreme case, outsiders often provide shields to insiders, becoming integrated with them into evanescent collective arrangements formed in the shadows of formal organizations. Many systems for reviewing the work of subordinates rely on the recording by subordinates of actions they take toward outsiders. By manipulating the definition of an encounter with the subordinate as a situation beyond the latter's recording requirements, outsiders enable subordinates to avoid burdensome and potentially embarrassing accountings to superiors. The outsiders may thereby gain leverage in their own relations with the subordinates, entering a collusive arrangement which depicts the subordinate's formal superior as the outsider. For example, an FBI agent can show consideration by orally referring a case to an assistant U.S. Attorney for a decision whether to prosecute. Less consideration might be shown by a written referral of the case that would require the prosecutor to create a written and internally reviewable response (Eisenstein, 1968: chapter 5). Similarly, formal requirements that public officials record the bases of their decisions give an informal means for exercising influence to outsiders, who can activate the recording obligation. Thus Washington lawyers, when contemplating an objection to agency regulations, show consideration for the work burdens of regulators by seeking an informal opinion on the prospects of the challenge in private discussions; if made formally, the lawyer's objection would trigger a public and therefore more elaborately defended decision (cf. Horsky, 1952: 73-8, 92-114).

Practices permitting one member of a working relation to shield another from critical audiences are not necessarily illegitimate, but their legitimacy depends on a delicate trust. Where, as in the relation of prosecutor to investigative agent, the party in a formally independent and superior status receives informal consideration that by passes a system for review in one case, a return of consideration in the nature of the decision rendered on a subsequent case would suggest an improper reversal of the legitimate relation. Shielding practices
may be turned to illegitimate purposes even without exchanges of consideration passing between the shielding and shielded parties. Persons in formally subordinate positions may take the trust implied when they erect a shield for a superordinate official and exploit it in relations with third parties. Lawyers effectively compromise official authority when they fraudulently boast of non-existent influence by pointing to mutually respectful informal relations with regulators to recruit clients.

A third source of shielding activity lies in the commitments in all organizations to goals other than disciplining members to a system of internal social control. In most organizations, matters of internal social control are approached as disagreeable secondary concerns. Even in institutions whose central mandate is to control internal populations, officials develop further interests in the style, program, and administrative hierarchy of control. In all organizations, superordinates make investments in members to promote goals for which the internal authority system is a means. Thus in addition to retaining support from external audiences and from members, shielding members from the force of external authority promotes the interests of superordinates in avoiding the sacrifice of their own investments.

The interests of superordinates in tempering rule enforcement to avoid the sacrifice of other collective goals are not necessarily seen by outsiders as illegitimate. Just as the institution of “public relations” reflects an understanding by outsiders that members may legitimately be buffered from external criticism, internal “human relations” methods of management reflect a philosophy that internal control can best be achieved when tempered with an appreciation of a larger collective purpose. Inspection and enforcement agents frequently seek to enhance public acceptance of their work by stressing that they identify with those under their punitive jurisdiction in a common enterprise fulfilling more positive purposes. Attempts to justify publicly an enforcement role by its diffusion in multiple relations with those who are to be controlled extend from police departments publicizing their “community relations,” to privately employed bank inspectors. The latter ridicule as old-fashioned the image of them as stiff-necked, aloof, and single-minded, explaining that their predominant interest during an inspection of a branch office is in preventing rather than detecting, and in improving business practices in such matters as stylish customer service rather than in representing omnipresent suspicion (for the occupational ideology of a Lloyd’s bank inspector, see Trout, 1975).

Organizations may add purposes other than policing to enforcement roles for reasons of efficiency—inspectors make rounds convenient for the dissemination of changes in policy—but they also do so to avoid the tensions of an unalloyed policing presence. The history of the social distribution of private police within industry indicates the importance of a more subtle expression of the function to promote cohesive internal social order. After acquiring a reputation for creating rather than controlling disorder in labor-management relations, the functionally specialized institution of private police took a less controversial direction, toward protecting organizations at their boundaries with outsiders (see generally Shalloo, 1933, Kakalik and Wildhorn, 1971). Private police act at this boundary as guards and watchmen, as investigators of the integrity of potential employees, and in the guise of customers at retail department stores who compare their receipts with what clerks enter in cash registers. Pinkerton’s has risen to respectability by shedding the dirty-work character the private police role assumes when it operates within ongoing domestic, industrial, or political relations. (On the special strains of retaining one’s identity as an agent of external authority while posing as a fully integrated group member, see Marx, 1974.)

Recent scandals about corporate management (e.g., ITT-Dita Beard, Penn Central, Equity Funding) have generated proposals that would in effect introduce private police at the white-collar levels of organizations in the form of “outside directors” and investigative managers
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with specialized oversight duties (e.g., Stone, 1975: 152-198). These reforms contemplate the emergence of tensions in the corporate authority-system that would combat the mechanisms of consensus whereby:

Typically, if board members come to question the direction of policy or doubt the capacity or integrity of the controlling officer, they may keep their reservations to themselves, resign voluntarily (and thus follow what amounts to a “Wall Street Rule” with regard to directorships), or, upon an open manifestation of disagreement, are asked to resign (Herman, 1975: 42).

Although commonly recommended as a proper foundation for internal authority, the development of interests by superordinates in the collective achievement of positive collective goals with subordinates may undermine the organization’s responsibilities to external authority in two ways. Members have differential value for the achievement of the organization’s purpose, and superordinates will not always feel equally the fear or pain of sacrifice when disciplining or discharging. Superordinates incline toward cover-up in their enforcement of internal authority when they feel too little or too much pain.

A member whose opposition to controversial organizational policies has alienated superordinates may be happily punished on the allegation of a violation of conveniently unrelated rules. Minority policemen (Hall, 1970) and “whistle blowers” in the Defense Department (U.S. Congress, 1969) have brought their organizations to the brink of scandal by alleging the existence of special passions behind dismissals and demotions. A loss of integrity from feeling too much pain is often alleged in the form of an internal conflict of interest, in the charge that superordinates have developed too close an identification with the work of a subordinate to suffer the sacrifice of their investments through even-handed enforcement.

NON-ENFORCEMENT

Three ways all organizations legitimately build internal authority by shielding members from external oversight have been described: external support for the organization is retained by obscuring outsider’s perception of the internal enforcement of norms; members’ support for internal authority is promoted by defending them against the criticism of outsiders; and the achievement of organization goals is promoted by avoiding formal, unambiguously singed-minded social control activities.

Organizations legitimately create morally autonomous collective environments in a second, closely related, but distinguishable way. If one form of the tension between internal and external authority is represented by practices of shielding the workings of internal authority from outside view, another is represented by the construction of boundaries to isolate social life within the organization from the moral concerns of external authorities. In this pattern, organizations build their internal authority by declining officially to notice deviance by members on the grounds that the norms violated are outside the organization’s appropriate or necessary concerns. Like the practices of shielding the workings of internal authority from outsiders, practices of declining to enforce externally established norms against members have “normal,” legitimated forms that may become illegitimate by gradations.

One use of non-enforcement to build authority is often represented when police decline to arrest, prosecutors decline to prosecute, and news reporters preserve the anonymity of a source. Agents of social control routinely trade their powers to learn of other criminals and greater crimes. In work organizations generally, superordinates appreciate the value of decisions not to enforce rules on subordinates for gaining the authority that the formal stratification of a hierarchical relation does not guarantee.

Non-enforcement of one set of norms is commonly traded for compliance with other
standards without an initial color of propriety, as when plant managers find that the cooperation of the labor force in maintaining the productivity of a factory depends on overlooking violations of safety standards required by insurance companies and felt to be needlessly burdensome by workers (cf. Gouldner, 1954: 182-5). More innovatively and subtly, officials may acquire non-enforcement as a resource to enforce one set of norms by facilitating the violation by a subordinate of another set. Thus government inspectors can induce the initial stages of bribe offers so that they can refuse them, compromising the persons they inspect and gaining leverage to secure conformity with regulatory requirements (see the analysis in Blau, 1955: 148-53).

The decision not to enforce begins in a more defensible form when it appears to reflect an inescapable compromise to enforce the same norms. Plea bargaining makes such compromises in informal as well as formal legal systems. In tuberculosis hospitals, patients who compare the strictures of their regimes plead for relief and make their cooperation in adhering to therapeutic schedules contingent on an appearance to them of receiving equal treatment; and their doctors find that to create that appearance they must give identical treatment to cases that in their professional judgement differ in ways that escape lay appreciation (Roth, 1963: 30-57). For another example drawn from "total institutions," prison guards find their ability to control a cell block depends on receiving the assistance of the authority system within the inmate community, in turn depending on the guards' restraint in enforcing prohibitions of the illicit transactions through which inmates build a disciplined hierarchy to govern their society (Sykes, 1958: 40-62).

An insistence on more rigid enforcement to produce a lesser compliance might itself be seen as an improper exercise of authority. Conceptions of authority as deviant for being too inflexible are expressed by critical audiences of perhaps all legal processes, whether the legal process is located in courts ("legalism," Selznick, 1969: 13-14) or bureaucracies ("ritualism," Merton, 1968: 249-260). A discriminating sense that a prosecutor's failure to prosecute persons he thinks guilty is less unjust than his prosecution of persons he thinks innocent seems somehow natural (cf. Davis, 1969: 167-170, 230), perhaps because the former but not the latter may be a way of inducing a transcendent respect for the ideal of legality (cf. Selznick, 1961).

Decisions not to enforce become corrupt when, instead of strengthening the authority of persons in officially superordinate positions by recruiting agents for the enforcement process or by inducing cooperation for its goals, they strengthen the independent authority and illegitimate purposes of the persons granted lenience. The formal hierarchical relation may reverse by imperceptible degrees, with the result that the superordinate becomes an agent of the subordinate's morality. With a slight shift of perspective, decisions not to prosecute may be taken as implicit guarantees of future protection.

When inspectors, evaluators, or enforcers deal individually with persons independently organized into a communicating group, the latter have an asymmetrical power they may exploit to reverse the relation. In prisons, small colleges, and groups of organized criminals, each act of informal regulation may subsequently receive widespread review by subordinates. In such social settings, ill-considered judgements not to enforce are subject to pressure to make a general pattern congruent with the subordinates' morality. Thus news reporters, by withholding publication of information embarrassing to the police, to keep access open for news of more important police deviance, tacitly became public relations agents (Chibnall, 1975). Police and prosecutors, by declining to arrest and prosecute persons in order to create informants, may find the continued criminality of their agents based on an expectation of systematic protection. (For an authoritative charge that the FBI's slothful reliance on informants in investigation has made it a protector of "petty criminals," see Seymour, 1975:...
108; for an unusually close study of a process by which a gambling syndicate maintained control over public officials in part by compromising their non-enforcement practices, see Gardiner, 1970: 22-5.) Prison guards, through securing the cooperation of the inmate society by differentially enforcing institutional rules, may find that they have indirectly become backers of practices of oppression among prisoners. (Cressey, 1964: 1030, cites a number of relevant studies.)

A second restriction on the obligation of organizational authorities internally to enforce norms deemed applicable to members by external authorities is carried by traditions of honor. Obligations of honor are commonly praised as ways of insuring an integrity not obtainable by external edict (see, e.g., the ridiculing of conflict-of-interest rules by Collier, 1964, and Manning, 1964). But the moral community built by traditions of honor depends in several respects on a weakening of the penetration of external moral pressures.

Simmel (1898: 680-683; 1955, 99-104; 1955b: 163-166) places honor between law and morality, with law emanating from external sources representing the normative conscience of society as a whole, morality a matter of individual conscience, and honor characterizing the relation between member and group. He notes that the dictates of honor are specific to the distinctive character of the group. Members are obligated not to dishonor the family, the profession, or the religious community according to uniquely demanding standards in each group. Preservation of the honor of the family may require a duel over a verbal slight. The ascetic accepts being spat on as a matter of honor. Codes of honor, as for example in military academies, demand from members a special integrity which society values as greater than what it can demand through law.

Codes of honor are defined in their contrast with other forms of normative obligation. In one respect, they reinforce external authority through their unique demands, in another they weaken the penetration of societal interests in the control of members. An obligation not to dishonor the group includes a prohibition on the disclosure of internal deviance to outsiders. Thus businessmen treat the invocation of formal legal procedures to settle contract disputes as a breach of community (Macaulay, 1963). Honor also implies a respect for colleagues that restrains the expression of suspicion through activities of peer policing. Among scientists the restraint of honor permits scandals and suicides after the revelation of fraudulent data (one apparent instance is described in Zirkle, 1954). Traditions of honor place members under special obligations to the group and also grant members a special license in their dealings with outsiders. Simmel cites as examples sexual behavior in the officer corps and trade practices used by merchants to deceive customers. Another example indicating that honor may be more common among colleagues in work settings than is generally assumed is the way butchers find honor in collegial relations that exclude women and glorify work which otherwise might be regarded as dangerous and unpleasant (Meara 1974).

What honor demands outsiders may find frivolous, and what outsiders prohibit, honor may permit. Doctors who lose malpractice suits may find that their colleagues will offset the public shame by increasing the referral of patients to them (Schwartz and Skolnick, 1964: 111-112). Studies of internal proceedings to enforce Congressional ethics have found what can be characterized as the workings of a code of honor: a disinclination to anticipate criminal legal processes in the punishment of corruption and an almost exclusive punitive emphasis on affronts to the "sacred folkways" of the group. Congressional ethics proceedings have centered on behavior which defies ritual obligations to express mutual respect and on conduct which flouts public morality and brings discredit on the group (Rhodes, 1975). They appear to punish members in public only after external proceedings or the member's own defiance of customs of discretion have destroyed the possibilities of a cover-up.
A final example of the way authority within organizations draws strength from not enforcing laws externally defined as applicable to members is represented by three boundaries all organizations place on their normative responsibilities. These boundaries are so widely legitimated as to suggest that a formal organization may be defined sociologically as a collective arrangement to effect social behavior with limited moral liability. Organizations are created as collectivities distinguishable in their separation from other social phenomena by expectations of a responsibility in internal authority to control some persons as members, but not others, deemed outsiders. Organizational behavior exists as a phenomenon distinguishable from the conduct of individuals by virtue of limitations on the rights of internal authority to control private spheres of members' lives. And organizations exist as phenomena distinguished from more fluid types of collective behavior by virtue of expectations limiting the rights of subordinates to question the propriety of actions by superordinates. In other words, the distinguishing characteristics of organizations as recognizable social facts consist of activities creating moral boundaries that separate insiders from outsiders, persons in their status as members from their status as private individuals, and subordinates from superordinates.

In supporting the existence of formal organizations, society authorizes a group differentially to allocate responsibility: for the morality of the collectivity by internal strata; to avoid the impairment of collective effort that would be entailed by a responsibility for the personal moral character of members; and to leave to others the responsibility for enforcing external norms on outsiders. Publics supporting organizations understand: that at times the pharmaceutical research department, having found a drug to be defective, will properly not know whether executives will market it; that legislators are justified in not investigating their suspicion that a colleague is financing his sexual life with committee funds; and that retail store owners properly invest more in guarding goods on their premises from theft than in detecting whether the goods were stolen by their suppliers from others.

But at some point, suspicion not acted upon becomes connivance. Restraint in investigating the private lives of employees is an especially cheap resource for organizational benefit when the organization gains from an employee's privately borne risk. Restaurant owners tacitly profit from the realization by new waiters that their minimum wages suggest supplementation through untaxed tips. An even more cheaply acquired, morally less implicating, benefit accrues to organizations when subordinates violate organizational rules and profit more from external victims than the organization loses. Tax laws enable corporations to benefit indirectly through decreased costs for labor when employees engage in regular practices of gaining untaxed income through padding expense accounts and stealing petty organizational property.

The arrangement of these forms of collusion may be so tacit and indirect that neither party realizes that both gain. By imposing limitations on policing responsibilities, organizational boundaries impair one's ability to perceive the meaning of interaction with others and enable corruption to take many ambiguous social forms. In a society where work is conducted through highly differentiated organizations, corruption carries implications for the moral character of occupational life reaching far beyond those actively involved. Ongoing negotiations—among legislators, between purchasing agent and supplier, between lawyer and client, and between union and construction contractor—provide legitimately established channels for the gratuitous compensation of a passive bystander role, a role or reward the bystander may not realize he or she has taken.4

4 Similarly, a bystander may not realise that he or she has given a bribe. The flow of money in a relation may indicate clearly when a bribe has been paid, and solicitations for cash payoffs may be un-
Members personally committed to integrity cannot insure that others do not causally implicate them by implicitly taking their restraint into account and indirectly rewarding them as silent partners in an improperly prosperous relation. The legal innocence of individuals passively compromised enables them to protest an imputation of unjust gain without personal risk. Thus we learn in an alumni magazine of the difficulties faced by acquisition officials in university museums when art donors thrust upon them gifts figuring in tax frauds (Simon, 1976). The C.B.S. program “60 Minutes” presents us with a ghetto doctor who describes the contribution to his six-figure income by patients using fraudulent Medicaid cards, and a Florida unemployment compensation official who describes the advantages to his state of its processing for winter residents their apparently fraudulent claims on the tax funds of Northern states.  

CONCLUSION

Organizations build the strength of their system of authority through relating to external authority in ways that legitimately weaken its internal exercise and that may, by changes of imperceptible degree, become illegitimate. Shielding and non-enforcement both practically integrate collectivities and pose distinctive dangers for the moral quality of collective integrity.  

A perspective on the normal tensions between authority within organizations and external authority is essential for an understanding of the natural history of cover-up. What appears to outsiders as a qualitative change in the morality of an act often appears to insiders as a marginal change in degree. Like the use of excuses and justifications formally provided by law as techniques of moral neutralization in the causation of crimes against persons (Sykes and Matza, 1957), the marginal extension into illegitimacy of formally legitimate methods of weakening external authority is a major technique of neutralization in the causation of white-collar crime.  

As an effort to develop a framework for the sociological study of white-collar deviance, this essay has taken techniques of cover-up rather than statutory prohibitions of individual acts as units of analysis. One set of reasons for taking this perspective is related to recent trends in the study of deviance. With a heightened sensitivity to the nature of norms as social products, sociologists have turned their attention to the contingencies affecting the imputation of deviance to persons and their behavior by themselves and by others. Many of the insights of their research are based on the disparity between the apparent formal

ambiguously refused. But persons working together regularly over organizational boundaries routinely generate informal means of mutual compensation, and the meaning of a given symbolic consideration may be difficult to trace. By maintaining "normal" relations with another, one necessarily expresses a modicum of moral identification. The following instance of symbolic payoff is taken from personal interviews with Legal Aid lawyers. (Katz 1976:93).  

It would be easier I guess if I paid off like the private attorneys do. But I am ethical! I keep a high standard of integrity. I never take up a bailiff's offer. (What kind of an offer?) Oh, they'll ask, "Would you like me to talk to the judge for you?" It may be baloney, that they have any influence, but I stop it right away. . . . I said to the clerks at Christmas, I felt awful, they were so good to me, showing me the ropes and all, that I couldn't give them anything. . . . They said to me, "We understand. We know you're not working for a for-profit business. All we want from you is your thanks."
constancy of law and the problematic cognitive and moral judgments inherent in the process of applying law. In the area of white-collar crime, laws do not even appear to be constant in their formal content. It is everyday rather than scientifically discovered news that white-collar crime statutes are created through the shifting power relations of groups putting pressure on legislatures, courts and administrative agencies. As Aubert (1952) noted, the continued formal existence of many white-collar crimes as official norms—from the regulation of monopolies to standards for wages paid by housewives to maids—requires that they have a primarily symbolic status not threatening a precarious balance of power between those within the scope of the law and those whose political pressure keeps the law on the books. It seems more obvious in the study of white-collar crime than in the study of crimes against persons that a strategy of selecting concepts from formal categories and seeking to explain the manifestation of their behavioral referents is unwise.

If in the area of white-collar crime a focus on official law is less desirable, a focus on persons as potential criminals is also uniquely interesting. In contrast to statutes defining crimes of violence, many white-collar crimes could not be fully enforced without the statute invoked being changed as a result. By the number and type of defendants they indict, prosecutors can precipitate lobbying and legislative repeal of laws defining as criminal “white-collar” illegalities in political campaign contributions, tax deductions, and price fixing. Thus, the subjective sense of complicity in white-collar crime is necessarily greater than could be an officially produced, legally authoritative sum of its parts. In a distinctive way, the problem of white-collar deviance calls for a research focus on the subjective sense of complicity and moral compromise.

To develop this focus, research might build from the treatment in this paper of how the potential for complicity in cover-up inheres in the nature of authority in organizations. Six tensions with external authority have been described as central to the integrity of internal authority, and their location in organizational structure and personal careers can be examined in comparative research. For any institution we can expect to find practices of; obtaining support from without by depicting the strength of the moral order within; winning the respect of members by defending them from the attacks of outsiders; tying one’s career to the achievement of the collectivity’s substantive goals and regarding the current state of organizational rules as a provisional means; declining internally to enforce externally established norms in compromises that promote their effectiveness; acquiring the obligations and the license of honor; representing the organization at its boundaries in dealings with outsiders who have different moralities, exercising prerogatives to put contributions by subordinates to uses of which they are unaware, and drawing the delicate line between overseeing the personal morality and organizational responsibility of members.

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