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Gambling-related embezzlement in the workplace: a qualitative study

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Abstract

People with severe gambling problems typically first spend all their available money on gambling and then resort to borrowing, selling personal property and other ways of procuring more money for gambling. Some problem gamblers commit economic crimes. This investigation examined gambling-related embezzlement in the workplace, an aspect of problem gambling that may severely harm the gambler, significant others and the employer. The methods used are the study of newspaper articles and qualitative interviews with 18 informants, including professionals in workplace security and drug-use prevention, therapists specializing in problem gambling treatment, counsellors from mutual support societies, and recovered problem gamblers who had embezzled. Gambling-related embezzlement often progresses in a characteristic sequence shaped by specific processes in which the gambler's thoughts and emotions interact systemically with the monetary losses caused by participating in commercial gambling and the opportunity to embezzle money in the workplace. In this study,

theories of problem gambling. It is concluded that a processual perspective, in addition to consideration of psychological and environmental factors, is valuable for understanding the progression to severe problem gambling.

Keywords:

Problem gambling

crime

embezzlement

fraud

workplace

Introduction

- Yes, I used to think like that back then. That I was just 'borrowing' [money from the company's accounts], because I had been so unlucky [when gambling on online slots] that my luck just had to turn. But it didn't. I can't say that, it did not turn strongly enough and not fast enough. So I continued to 'borrow'. I was well aware that this was not okay. I'm a pretty honest person. I know that when my friends got the news of this they couldn't understand anything. One of them said, 'What the f..., you don't even cross the street on a red light!' And I don't. It's so unbelievable that I did all this that I can hardly believe it myself. But in any case, I was desperate. I 'borrowed' time after time. I did. For about a year. Then I realized that it would burst, at the latest when the public auditors checked the closing of the books. But before that, the board of directors found out.

Jenny (pseudonym), former financial accountant and recovered problem gambler

The above quotation illustrates what this article is about – gambling-related embezzlement in the workplace. It is from an interview, conducted for this study, with a female recovered problem gambler who managed the finances of a small company, stole approximately SEK 100,000 (EUR 10,700 or USD 12,000; SEK 1 is equivalent to ca. EUR 0.11 or USD 0.12) from her employer, was dismissed from work, received a suspended sentence for embezzlement and had to repay the money as well as pay damages to the employer. 'Jenny' had no previous criminal record and lived a well-adjusted life with her family. She had little interest in gambling until she started to play

online slots. She developed an addiction to this form of gambling and could not resist playing again and again.

This article reports results from a multi-method exploratory investigation of gambling-related embezzlement in the workplace. The investigation is reported in three articles. One article presents quantitative results of a study of newspaper coverage, giving an overview of the extent of economic harm caused by such crimes (Binde, [in press](#)). A second article discusses preventive measures and responses to gambling harm in the workplace (Binde, [2016](#)). This article takes a qualitative view of gambling-related employee embezzlement, outlining its characteristics and offering an understanding of its context, driving forces and systemic properties.

Gambling-related employee embezzlement is a seldom-studied aspect of problem gambling that merits investigation because its harms can be particularly severe and long-lasting, affecting the gambler, significant others, the employer, and society more generally. The problem gambler suffers from both economic and psychological distress – typically, gambling-driven embezzlement eventually leads to loss of employment, difficulties finding new work, and often a criminal sentence and incarceration. The escalation of harm is arguably due to interplay between environmental factors (access to money at the workplace) and configurations of emotions and ideas in the gambler's mind – interplay that worsens a gambling problem that otherwise need not have become so harmful. Such qualitative findings are relevant to advancing problem gambling theory, which largely builds on quantitative studies aimed at isolating and measuring specific demographic, social and psychological factors. Furthermore, knowledge of the nature of the workplace harms caused by gambling is potentially useful for developing and implementing preventive initiatives.

This article is organized as follows. Initially, the literature on problem gambling in relation to economic crime in general and embezzlement in particular is reviewed, with a focus on qualitative findings. After that, the methodology of the study is presented. The characteristic phases of the typical severe case of embezzlement are then described, followed by a section addressing variants and other scenarios. The article's concluding discussion highlights the systemic properties of escalating problem gambling.

Numerous studies have found a relationship between problem gambling and crime (for reviews, see Lind, Kääriäinen, & Kuoppamäki, [2015](#); Productivity Commission, [1999](#), section 7.7; Zorland, Mooss, & Perkins, [2008](#)). The relationship is expressed, for example, by problem gamblers being more common among prisoners than among the general population and by economic criminality being more common among severe problem gamblers than among people in general. There are several possible reasons for this association. First, personality factors, such as impulsivity and sensation-seeking, may underlie both criminality and problem gambling. Second, gambling is often part of criminal lifestyles involving conspicuous spending of money obtained illegally. Third, problem gamblers who need money for gambling, or for managing a desperate economic situation caused by huge gambling losses, eventually see no other way to obtain it than by crime. The last reason is generally regarded as the most common cause of the association between problem gambling and criminality (e.g. Lind et al., [2015](#); Turner, Preston, McAvoy, & Gillam, [2013](#)).

Little has been written about gambling-related embezzlement, apart from anecdotal accounts (e.g. Goldman, [2007](#), chapters 8, 11; Ross, [1987](#)) and articles in newspapers (Albanese, [2008](#); Binde, [in press](#); Edström, [1996](#)). A few academic and other investigations, to be cited in this article, have addressed the prevalence and character of gambling-related embezzlement (Crofts, [2003a](#), [2003b](#); Dellaportas, [2013](#), pp. 35f.; Kelly & Hartley, [2010](#); Lesieur, [1984](#); Peterson, [1947](#); Sakurai & Smith, [2003](#); Smith & Simpson, [2014](#); Victorian Responsible Gambling Foundation, [2014a](#)).

Studies of problem gamblers attending Gamblers Anonymous or in treatment have demonstrated that 22–37% have embezzled or stolen in the workplace (Blaszczynski & McConaghy, [1994b](#); Ladouceur, Boisvert, Pépin, Loranger, & Sylvain, [1994](#); Meyer & Stadler, [1999](#); Schwer, Thompson, & Nakamuro, [2003](#); Thompson, Gazel, & Rickman, [1997](#)). In Sweden, a study in the 1990s found that in a small sample of pathological gamblers, 14% had committed ‘work-related theft, fraud and embezzlement’ (Bergh & Kühlhorn, [1994](#)). The present author estimated, based on information from problem gambling therapists and counsellors, that about 1 in 10 help-seeking Swedish problem gamblers had embezzled or committed similar crimes in the workplace (Binde, [in press](#)). Furthermore, criminological studies of court files on embezzlement and similar crimes against employers have demonstrated that problem gambling is the motive in many, although not most, cases (Crofts, [2003b](#); Sakurai & Smith, [2003](#); Warfield, [2011](#)).

A study of publicly known cases of employee embezzlement in the USA between 2008

the perpetrator reportedly had a gambling problem (Marquet International, [2013](#)). An Australian study of employee fraud in financial institutions concluded that gambling addiction was the motivating factor in slightly over half the cases (Warfield, [2013](#)).

While the above studies are based on quantitative data, Henry Lesieur's ([1984](#)) sociological study *The Chase: Career of the Compulsive Gambler* offered a comprehensive analysis of the context and character of gambling-related economic crime, including embezzlement.

Lesieur ([1984](#)) outlined a three-step sequence leading from recreational to severe problem gambling. First, the gambler uses his (only males were studied) own funds. This is perceived by the gambler as fully moral, and ideologically and situationally justified. Becoming increasingly involved in gambling, the gambler exhausts his own funds and proceeds to take loans and 'juggle' money, which entails borrowing money from one individual to pay off another, moving money between accounts, 'borrowing' money in the workplace, etc. The gambler perceives this as partially immoral and partially justified, and formulates excuses for his behaviour. In the final stage, the gambler resorts to outright criminal acts to procure money for gambling or repay pressing gambling debts. He perceives this as immoral and, while he cannot justify his actions, still finds excuses. This process was conceived by Lesieur as a 'spiral of options and involvement'; that is, 'the chase'. As involvement in gambling increases, options to procure money become fewer as one source after another is exhausted. Finally, only risky and illegal sources remain. Lesieur observed, regarding the late-stage problem gambler, that 'the larger the debts and more questionable or illegal the activities he engages in, the more unshareable the problem becomes' (p. 196). The gambler finds it increasingly necessary to lie about and hide the true extent of his gambling and his questionable ways of obtaining gambling money.

The concept of 'non-sharable problem' was formulated by criminologist Donald Cressey ([1973](#)) in *Other People's Money: A Study in the Social Psychology of Embezzlement*. Cressey investigated 'white collar crime' (Sutherland, [1949](#)), focusing on male embezzlers. He observed that few embezzlers had previously committed crimes and that many had worked for several years in their workplaces. The embezzler had gained a position of trust, which he abused, becoming a 'trust violator'. Common to all studied embezzlers was that they had non-sharable problems; that is, problems that they could not tell anyone about because they were too ashamed or because doing so would

social inferiority, various emergencies, and business reversals, but all were believed to be solvable with money. The embezzlers saw no other way of solving their problems than stealing or ‘borrowing’ money at their workplaces. They considered themselves essentially honest people and found various excuses for why they, temporarily, needed to do unlawful things. Excessive gambling is one such non-sharable problem. Similar results regarding the psychosocial contexts of embezzling have emerged in other studies (Peterson, [1947](#); Zietz, [1981](#)).

Based on Cressey’s study and related research, the ‘fraud triangle’ was conceptualized in American criminology. In this model, three elements are necessary for fraud and embezzlement to occur: opportunity, need/pressure, and rationalization. Opportunity refers to the practical possibility of accessing other people’s money. Need/pressure is the factor driving the individual to commit the crime; for example, a non-sharable problem of addiction to gambling. Rationalization refers to the individual’s justification for his or her behaviour; for example, stealing money at the workplace is just temporary ‘borrowing’, necessitated by a pressing and urgent need for money. The fraud triangle is still widely regarded as a useful model when conceptualizing fraud and embezzlement (Dellaportas, [2013](#)), although modifications have been suggested (Dorminey, Fleming, Kranacher, & Riley, [2010](#); Ramamoorti, [2008](#)).

From descriptions and analyses of gambling-driven embezzlement in the workplace (Brown, [1987](#); Crofts, [2003b](#); Dellaportas, [2013](#), pp. 35ff.; Kelly & Hartley, [2010](#); Peterson, [1947](#); Smith & Simpson, [2014](#)) a ‘typical’ case emerges, similar in character to the sequence from recreational to severe problem gambling outlined by Lesieur ([1984](#)) and corresponding to the picture of the white collar embezzler in criminological research. An employee in a position of trust develops a gambling problem, loses a lot of money, gets into desperate financial straits and embezzles and steals money in the workplace, often rationalizing that the money is just being ‘borrowed’ for a while. This can continue for a long time and eventually involve huge sums of money. Because the employee typically has no criminal record and is apparently socially well adjusted, it usually shocks others when the wrongdoings are exposed. This article explores the ‘typical’ case, as well as variants and other scenarios of gambling-driven employee embezzlement.

This article is based mainly on two sources of data on gambling-related embezzlement in the workplace: a media study and qualitative interviews. The media study used the digital archive of Retriever Mediarkivet, which covers all major national and regional newspapers in Sweden as well as many local newspapers and weekly magazines. Keyword searches over a time frame of five years, 2009–2014, yielded over 5000 articles about problem gambling. These articles were examined and 55 cases of gambling-related embezzlement and similar workplace crimes (i.e. fraud, larceny by servant, criminal conversion, and theft from the employer) were found. In most cases, the articles provided a fairly good overview of what had occurred; some of the cases were described in great detail in a sequence of articles reporting on court proceedings. The cases and their main characteristics (i.e. offender gender, age and occupation; workplace type; sum embezzled; crime duration; legal classification of the crime; preferred gambling form; and a brief summary of the course of events) were entered into a spreadsheet to facilitate overview and analysis.

Qualitative interviews were conducted with three categories of informants. The interviews were semi-structured, conducted face to face or by telephone, and focused on gambling-related employee embezzlement. The 18 interviews lasted an average of 43 minutes each. The author conducted all the interviews, transcribed them and performed the analysis.

The first category of informants comprised five therapists specializing in problem gambling treatment and five semi-professional peer counsellors from mutual support societies of problem gamblers. The therapists were invited to participate in the study because they were among those with the greatest experience in this field in Sweden and the peer counsellors were invited because four of them had long been active in the three largest local mutual support societies in Sweden, while one belonged to one of Sweden's few Gamblers Anonymous (GA) chapters. Together, the therapists had knowledge of about 1500 clients, while the counsellors claimed knowledge of several thousand peers with gambling problems who participated in mutual support meetings or individual counselling. In the interviews, therapists and peer counsellors were asked to describe what embezzlers have in common, how they differ from each other and how they respond to therapy compared with other help-seekers.

The second category of informants comprised five recovered problem gamblers who had embezzled money in the workplace. They were asked to tell in their own words how

workplace crimes, and to describe the courses of their lives since then. The interviewer asked follow-up questions to ensure that topics central to the study were covered, such as how they had thought about their wrongdoings while committing them and how their significant others and other people concerned had been affected. These informants were recruited via mutual support societies of problem gamblers and a professional in problem gambling prevention. One of the five was also reported as a case in the newspaper study. Ethical approval for the study was given by the Regional Ethical Review Board in Gothenburg (Dnr. 618-14).

The third category comprised three informants: one professional specializing in preventing and detecting economic crime in financial institutions, and two professionals specializing in preventing drug and gambling harm in the workplace. These informants were recruited through the author's personal contacts in the field of gambling and drug prevention. The interviews focused on prevention and intervention, but the characteristics of gambling-driven embezzlement were also covered.

The interviews were digitally recorded and then transcribed, except for some minor parts documented in detailed notes made from the recordings (e.g. covering factual information about labour legislation and the content of governmental publications). All transcriptions and notes were merged into a single document, which was coded with keywords so that information on particular topics could easily be found.

Analysis consisted of synthesizing information from the various sources on topics central to the study, such as the characteristics of gambling-driven embezzlement, its various phases and variants, and prevention and intervention. The newspaper study included quantitative and qualitative data on 55 specific cases, which offered initial insight into commonalities and differences in the course of events, wrongdoer characteristics and the embezzlement context. These commonalities and differences were explored further in the interviews, which added information about both other specific cases and the interviewees' general experience of gambling-related embezzlement. When all interviews had been conducted, an outline of the qualitative results was written and then checked and revised by reviewing all collected qualitative data. This iterative process of successively refining the analysis was then repeated.

A general impression when conducting the analysis was that information from the different data sources complemented and corroborated each other, while conflicting

from various sources, each with specific perspectives and strengths; a disadvantage is that these sources, which also have specific and inherent limitations, are not kept clearly separate.

The typical severe case of embezzlement

The 'typical' case of gambling-driven employee embezzlement emerging from the literature review could be recognized fairly clearly in most cases identified in the media study (i.e. 39 of 55 cases). Three of the five interviewees were clearly 'typical' cases, while one had relapsed into gambling-related embezzlement twice and one had been discovered before she had stolen substantial amounts of money. All therapists and peer counsellors had experience of the 'typical' case, and they also described variations in the typical sequence of events and other scenarios.

Background

The crime of embezzlement implies that the perpetrator occupies a position of trust in the workplace. Such positions, especially when an individual is entrusted with huge sums of money, are not easily gained. The embezzler is therefore often an apparently ordinary and well-adjusted person of middle age. Typically, he or she has a family and no evident psychological or social problems. In retrospect, the embezzler may tell of psychological vulnerabilities, such as anxiety symptoms and periods of maladaptive coping with problems and stress, but generally these vulnerabilities appear not to have caused major problems or distress. Sometimes the individual has been working in the same place for many years and is regarded as a faithful servant above suspicion. The workplace may be of any kind – private company, restaurant or store, municipal or state administration, or non-profit organization.

Onset of problem gambling

Some individuals who eventually embezzle have long had an interest in gambling and have gambled without any major problems. Others have not gambled much at all. Then something happens that makes the individual gamble more frequently and for significant amounts of money. The individual may start participating in fast-paced games with a relatively high potential to create gambling problems, such as online

casino gambling. Others may experience severe stress in their personal or professional lives, sometimes combined with a need for money to solve the problem causing the stress. They gamble to cope with the stress and/or in the hope that huge gambling wins will solve their problems.

The individual develops a gambling problem. Control over involvement in gambling becomes impaired and considerable money is lost. The individual begins to chase losses. Illusions of being close to winning big, as well as occasional substantial wins, sustain the hope of an impending big win. The gambler hides his or her high involvement in gambling from family, friends and work colleagues. After a time, sometimes as soon as within a few weeks, the individual has spent all available money on gambling. This can be a huge amount, as money can be lost rapidly when gambling online on casino games or sports betting.

'Borrowing' money in the workplace

To continue gambling, the individual may take out bank loans or sell personal property. Some may also 'borrow' money from bank accounts belonging to family members. Others, however, are unable to borrow money from a bank or withdraw money from a savings account shared with a spouse, who would notice.

Having exhausted other ways to get money for gambling, the individual 'borrows' money at the workplace; that is, embezzles or steals from the employer. The individual may also desperately need money to pay overdue bills and cover daily expenses, but has no money because everything has been lost gambling. In any case, the gambler views taking money from the workplace as an exceptional act, believing that further gambling will bring money that makes it possible to repay the 'borrowed' money and solve other problems. Some individuals may tell themselves that there will be no more gambling if that happens.

The embezzlement is seldom sophisticated. Typically, a flaw in the financial control system is exploited, and the gambler believes that the risk of detection is small. Sometimes the first embezzlement is impulsive: the individual happens to see an easy opportunity to obtain money and cannot resist 'borrowing' for a 'short while'.

Embezzling becomes routine

The individual continues to gamble and lose money. The high threshold of stealing or

Some individuals keep track of exactly how much money they have 'borrowed' and genuinely intend to repay it, and some of them actually do, at least in part. Ironically, one individual was, according to newspaper coverage of the court proceedings, discovered precisely because of this – he managed to cover up repeated acts of embezzlement but an unexpected inflow of money to a company account caught the auditor's attention. Other individuals occasionally 'win big' and have the opportunity to repay most or all of what they had embezzled. However, they then get the idea of using the winnings to gamble just a 'little more' to come out ahead, but soon lose it all.

Some gamblers are fixated on the idea that gambling winnings will solve their problems and that their crimes can be covered up. They have few thoughts of seeking help or telling anybody about their troubles. The self-image of essentially being an honest person might even worsen the problems. The gambler may think that a good and considerate person solves such personal problems without bothering others. Other gamblers appear to have a less 'rational' outlook and do not think much further than that they need money to feed their gambling habit and to meet necessary expenses.

Embezzling money increases the gambler's stress, though gambling itself is tranquilizing. For example, one interviewed problem gambler made quick and huge sports bets early in the morning, and during the day lived in the hope that when the sport results were revealed in the evening there would be big wins. Another gambler played online slots for hours, to relax and in the hope of hitting a jackpot. However, gambling no longer adds something positive to the gambler's life. It is used as a tranquilizer to cope with increasing stress and it sustains a desperate hope of winning big, putting everything right and returning to normal life. In behaviouristic terms, the gambler has been conditioned; in psychiatric terms, an addiction has developed.

None of the five interviewed problem gamblers spontaneously mentioned that promotions and advertising from gambling companies had contributed to their problems. However, from the study of newspaper articles we learn that this is sometimes the case. For example, a mid-level bank manager was a VIP (very important person) customer of an online gambling company because he gambled so much, his gross gambling turnover at the company totalling SEK 170 million over 3 years. The company offered him gifts and a trip to Paris with accommodation at a luxurious hotel. When he temporarily abstained from gambling, the company sent him flattering messages about how much they valued him as a customer. Several interviewed

for online casinos and bonus offers as ways into gambling problems, as well as being factors that help maintain such problems. Gambling companies were criticized for being irresponsible and it was suggested that they should act more proactively if it is suspected that customers have gambling problems or are spending huge sums of money that few people are likely to be able to afford. Similar opinions were voiced in newspaper articles. In one case it was revealed that an online gambling company had accepted bets much larger than the daily limit from a problem gambler who was embezzling from her employer. The gambling company agreed to repay a substantial sum of money (ca. SEK 5 million) to her former employer.

The final phase

The embezzlement has now been going on for months or years. If the sums embezzled are huge, the individual likely realizes that it is nearly impossible to repay all of the money. Some individuals shift from justifying embezzlement as 'borrowing' money to the idea that stealing from the company does not hurt any particular individual; that the company is rich and can afford it. Others have no clear idea of what is happening or what they are doing: their thinking has become disorganized. The individual's life is often dominated by gambling, worrying about the crimes being detected, juggling money between bank accounts and creditors, and lying to colleagues, friends and family members about the extent of the gambling. Stress might be intense, at times almost unbearable, and accompanied with insomnia and suicidal thoughts.

Some individuals realize that they will be discovered but feel trapped in the web of lies and criminality that they have spun. They see no way out as they are too ashamed to confess what they have done and take the consequences, or to seek help for their gambling problem. However, they may become careless in covering up their crimes, as if they wish to be discovered but lack the courage to end it all by telling their employers and families what they have done.

Discovery and aftermath

The embezzlement is eventually discovered, by chance or in a regular financial audit. The discovery is typically a relief for the individual, who immediately confesses everything. Lying and committing crimes have ended and finally the individual can talk with others about his or her distress and shame.

The individuals are discharged from work and some, apparently a minority, are reported to the police, who initiate investigations. The time until the cases are tried in court can be long, a year or more, which is a difficult period for the individuals who wish to know what the sentence will be and start reconstructing their lives. The individuals have hidden their gambling problem not only from their employers, but also from other people. Colleagues, family and friends are shocked to learn of the problem gambling and embezzlement. In some cases, relationships break down immediately and are never repaired; in other cases, family and friends provide good support.

At the workplace, resources have to be allocated to reconstruct financial reports and find a new employee to replace the embezzler. If huge sums have been embezzled, this may have a serious impact on the business of small companies. For example, a software company with 30 employees had to discharge personnel because covering up the embezzlement of over SEK 10 million had created a distorted picture of the company's finances. A family ventilation and sanitation business came close to bankruptcy because of embezzlement and fraud committed by a shop assistant. It took one bank branch office one-and-a-half years to reorganize its business and regain customer confidence in the small town where it was located after a huge embezzlement committed by the asset manager. At another bank office, where there had been a huge gambling-related embezzlement that made front-page headlines in the newspapers, gross revenues suffered because the employees lost their focus on work. They also became hyper-vigilant: for example, if one employee was required to verify a transaction made by another, a third employee was asked to join in the verification just to ensure that everything was in perfect order. The emotional impact on the colleagues of the wrongdoer may also be great and disturb business; at a small company, 'everybody cried and thought it was just terrible' (interview statement).

Depending on the severity of the crime, criminal sentences in Sweden for embezzlement and similar crimes vary between fines, conditional sentences, and unconditional sentences with several years in jail. The money embezzled must be repaid and, in addition, damages must often be paid to the employer. In the worst case, the individual's life is ruined: a criminal record, huge debts, loss of professional career and social status, unemployment, difficulties finding new work, divorce, need to move somewhere cheap to live, and coping with intense feelings of shame and guilt.

However, approximately two-thirds of help-seeking problem gamblers who have

these individuals might be similar to that described above, except for the judicial consequences. They lose their jobs, their gambling problem is likely to become known to friend and family, and their personal finances are hurt or ruined. According to those interviewed here, there are several reasons why an employer does not report a case of embezzlement to the police.

First, the company or organization may not want any publicity about such events, which suggest poor internal security and unreliability in financial matters. Second, management may not consider it worth the trouble to report and help the police investigate the matter; instead, management itself will investigate and reach agreement with the embezzler. Third, the company may consider the embezzlement a single unlucky event best handled by simply discharging the embezzler and continuing with business as usual. Fourth, the company may have evaded tax or been involved in other economic wrongdoings that might be exposed if the police started to investigate its finances. Finally, in small companies and non-profit organizations, there might be a close personal relationship between management and the embezzler. Management may consider it too harsh a response to report the incident to the police, and may simply ask the embezzler to leave the workplace and never return. In that case, the probability of not reporting to the police is greater if the gambler can rapidly repay the money embezzled; for example, with the help of relatives or by mortgaging real estate. In all cases, the probability of being reported to the police increases with the size of the sums embezzled.

Recovery and long-lasting harm

Several interviewed therapists and counsellors said that embezzlers often respond well to treatment. Compared with problem gamblers more generally, they less often have co-morbid disorders, and they fully realize that they have a serious gambling problem and are strongly motivated to return to a normal life without gambling. Some of them were unfamiliar with the concept of gambling addiction and experience a kind of revelation when the cause of their problems becomes clear to them. Relapses are relatively uncommon. Because problem gambling was the cause of the embezzlement, recovery means that no further such crimes are committed.

However, even if the gambler recovers and abstains from gambling, life-course and intergenerational harm (Langham et al., [2016](#)) may impact his or her life, and the lives

study, which has been followed up by more recent newspaper coverage (Laul, [2016](#)).

The case also serves as an example of the sequence of events outlined in this article.

Anki (pseudonym) was a middle-aged woman with family and four children. She had an education in accounting and had worked for eight years at an association for rural development. Anki began gambling at online casinos and, according to her, 'got hooked in a couple of weeks'. Gambling created a 'quiet and cosy bubble' and she could play for 20 hours a week. In retrospect, Anki explained the reasons for her excessive gambling as traumatic childhood experiences, stress at work and the 'ruthless exploitation' by online casinos of people with gambling problems.

Anki began embezzling when she lost a month's salary at gambling and could not pay the rent. She 'borrowed' money from the company's accounts, which she initially intended to repay. Anki never withdrew any money from the online casinos, but used all her winnings to continue gambling. She often switched between casinos and received a continuous stream of offers, bonuses and invitations to gamble. When Anki realized that her wrongdoings had been discovered, she turned herself in at a police station. Over three years, she had embezzled SEK 5.1 million. This came as a shock to her colleagues and family, who knew nothing of her gambling habits. One colleague told the court that 'not even in her wildest fantasies could [she] imagine that Anki was gambling'.

Anki was sentenced to two years in prison. Her husband left her and gained custody of the children. She is currently unemployed, lives by herself in social housing and gets by on social welfare payments. Anki owes her former employer and quick loan companies SEK 6 million. In prison she met two other gambling addicts, serving time for similar crimes. According to a newspaper interview (Laul, [2016](#)), she thinks that addiction and not stupidity or moral degeneration was the cause of her troubles. She abstains from gambling and attends GA meetings.

Although she has recovered from her gambling problems, Anki still suffers, and will continue to suffer, the consequences of her gambling-related embezzlement. The newspaper articles tell nothing of her family, but it can easily be imagined how these events have distressed them and will continue to affect their lives. A representative of the rural development association where Anki worked said in a newspaper interview that the association was hurt 'both economically and mentally', but that it has now

Variants and other scenarios

The previous section outlined the typical sequence of events in severe cases of gambling-related employee embezzlement. I will now describe variants and other less common scenarios.

Previous criminality

In the typical severe case, problem gambling comes first and criminality later. However, a few embezzlers have criminal records and sometimes also previous gambling problems. They have committed crimes of various kinds to get money for gambling, drugs and lavish consumption. They often change jobs. When the individual is hired, the employer is unaware of his or her history. Given the opportunity, such individuals soon start to steal and embezzle at work. They may have an antisocial personality disorder, which is expressed in both excessive gambling and criminal acts (Blaszczynski & McConaghy, [1994a](#)).

Embezzlement is relatively unimportant in relation to other crimes

Some problem gamblers, without criminal records, opportunistically resort to a wide variety of illegal acts to get money for gambling or to alleviate economic difficulties caused by gambling losses. They have stolen or embezzled occasionally at their workplaces but could not obtain huge sums. The balance between risk of detection and monetary reward, in their view, favours the committing of other economic crimes. When 'the bubble bursts' and problem gambling, huge debts and criminal acts can no longer be kept secret, embezzlement emerges as a relatively minor element in a much larger web of illicit actions. Nonetheless, even minor embezzlement is cause for discharge from work and is punishable by law.

Rapid detection

Some embezzlers are soon discovered, making the stressful period of hiding crimes and lying to people shorter and the sums embezzled smaller. Nevertheless, they usually lose their jobs and may be reported to the police and eventually be convicted of criminal offences. Included in this variant are young individuals who enter into new employment, gain access to limited amounts of money and steal or embezzle relatively

said that these individuals respond less well to treatment and peer support. They tend to think that they have a problem with money, not with gambling. They persist in believing that if their crimes had not been detected, they might have won money enough to 'solve' their problems and everything would have been fine.

Escaped detection or embezzlement could not be proved

Some problem gamblers have confessed to therapists or in mutual support societies that they have embezzled money in their workplaces without being detected. They avoided detection by quitting work when management began to get suspicious, or when management accused them of embezzlement but could not prove it. They get new jobs, continue to gamble excessively and eventually seek help for their problems. There are certainly also those who quit gambling on their own, but in this study there was no way to learn about such individuals.

Not dismissed from work

A detected embezzler who has confessed to the crime might not be dismissed from work because the sums embezzled are minor. At small companies there might be close personal relationships, making management more likely to feel sympathy for the individual. If the embezzler confesses before having been detected, which appears to be rare, this increases his or her chances of retaining employment. In some cases, company management may consider that it neglected signs of problem gambling or distress and thus shares responsibility for the unfortunate events. When the individual is given a second chance, it is sometimes conditional on undergoing treatment for problem gambling and accepting zero tolerance of further gambling-related harm in the workplace: any additional gambling-related incident will be cause for dismissal. The individual is assigned work where there is no access to money or is required to follow specific security routines when money is handled.

Relapse into embezzlement

Individuals with no previous criminal record, who have undergone treatment or regularly participated in mutual support meetings, do not usually relapse into embezzling money for gambling-related reasons. However, one interviewed problem gambler, who is now retired, had embezzled money at three workplaces. On the first occasion, he was fired and his wife left him. The second occasion was 10 years later,

for small stakes, he was entrusted with money at a non-profit organization and could not resist the temptation to 'borrow' and start gambling for big money. He was discovered and forced to leave the organization, and started attending mutual support meetings for problem gamblers. He has since abstained from gambling. A possible explanation for the relapses in this case is that, on the two first occasions, the concept of problem gambling was unknown in Sweden and no specific support or treatment was available.

Concluding discussion

Since the publication of Lesieur's influential book *The Chase: Career of the Compulsive Gambler* (1984), gambling studies have paid relatively little attention to the more or less criminal ways in which individuals with severe gambling problems obtain money for gambling. The present study is a step towards improving our knowledge of this particularly harmful aspect of problem gambling.

The sequence of events reported here, in the typical severe case of gambling-related employee embezzlement, is similar to that which has emerged in previous accounts and observations in the academic literature on white collar crime and problem gambling (Brown, [1987](#); Crofts, [2003b](#); Dellaportas, [2013](#), pp. 35ff.; Kelly & Hartley, [2010](#); Lesieur, [1984](#); Peterson, [1947](#); Smith & Simpson, [2014](#)). As the fraud triangle model outlines, a combination of opportunity, need/pressure, and rationalization must be present. The opportunity is created by being a trusted employee who knows of a weakness in the accounting or business management system. The need for money is caused by excessive gambling. Pressure comes from the desire to avoid detection and from the feeling of shame, not only for crimes committed, but also at having gambled recklessly and lived a shadow life built on lies – the 'non-sharable problem' (Cressey, [1973](#)). The rationalization, at least in the early phase, is that the money is just being 'borrowed' by a person trying to put things right in a problematic situation. Online gambling companies may help maintain and worsen the problem by providing heavy gamblers with bonuses, loyalty programmes and gifts, by exhorting them to continue gambling, and by not acting responsibly and proactively when there are indications that a customer has a gambling problem (eg. Smith & Simpson, [2014](#)).

The most striking feature of the typical severe case of gambling-related embezzlement,

adjusted person becomes entangled in a self-perpetuating dynamic that sets the person on a path ending in moral disintegration, serious crime and a ruined life. This is similar to how Lesieur (1984, p. 216) viewed compulsive gambling more generally, as a 'spiral of options and involvement' that causes the gambler to 'become enmeshed in a self-enclosed system with its own force'.

This study suggests that four processes interact systemically in aggravating an initial gambling problem. The first three processes are cyclical and self-perpetuating. First, there is the idea that gambling losses can be recouped by gambling even more, which in commercial gambling eventually leads to even greater losses. Second, gambling is used to escape from worries and anxiety, leading to further economic losses and ultimately maintaining or increasing anxiety – in psychiatric terms, an addiction develops. Third, the more serious the crimes committed, the more extensive the lies told and the greater the shame at having done all this, the more difficult it becomes for the gambler to tell anyone about the problem and seek help.

The fourth process is linear: increasing moral disintegration. It begins with the rationalization that money stolen at work is just a temporary 'loan' that no one will notice and that the gambler may even see as responsible, as it helps him or her solve the economic problems that gambling has caused without bothering anyone else. The moral disintegration progresses as the 'loans' become larger and other rationalizations emerge; for example, that embezzlement is a victimless crime. This process is driven by the psychological need to reduce cognitive dissonance; that is, an excessive gap between one's self-image and the moral significance of one's behaviour (Festinger, 1957). However, the moral disintegration means that, concurrent with rationalizations and justifications, the embezzler is painfully aware of stealing money and that this is, in the eyes of others, wrong and unlawful.

The strength of this study lies in its use of multiple methods – that is, a media study and interviews with several categories of key informants – to learn about the character of gambling-related embezzlement. Its limitations include the fact that the cases found in the media study are probably not representative of gambling-related embezzlement in Sweden because newspapers select crimes and personal stories according to perceived readership interest. Court files of cases of gambling-driven embezzlement would have added valuable information, but the limited resources available for this exploratory study did not permit the collection of such information. Therapists and peer

have embezzled. Interviewing only five recovered problem gamblers gives limited insight into how gambling-related problems are experienced and situated in the broader context of an individual's personality and life history. The study offers no information about embezzlers who have not been discovered and not sought help for their gambling problems, and these subjects may differ from those who have been discovered and sought help.

Because of these limitations, the relationship between pathways into problem gambling (Blaszczynski & Nower, [2002](#)) and embezzlement has not been explored in detail. It seems that in the 'typical' case of the trusted and socially well-adjusted employee, emotional vulnerability and behavioural conditioning are common, while antisocial impulsivity is rare. Antisocial personality disorder seems more common in cases in which the employee has a criminal record. Future studies could explore this issue in more detail and depth. More generally, qualitative studies with greater numbers of problem gamblers as informants, as well as quantitative studies of treatment populations, would render a clearer picture of the interplay between psychological and environmental factors and of the extent to which the 'typical' case, and its systemic character, is a valid generalization.

Gambling-driven employee embezzlement brings harm to the gamblers, their families and their employers (Langham et al., [2016](#), pp. 10ff.; Victorian Responsible Gambling Foundation, [2014a](#)). Although such embezzlement is uncommon, the severe direct harm and extensive collateral harm make workplace prevention of problem gambling important (Alna, [2015](#); Binde, [2016](#); Ramsay, [1995](#); Victorian Responsible Gambling Foundation, [2014b](#)). Online gambling companies should act proactively when they detect customer behaviour that suggests problem gambling. In the judicial system, greater knowledge of the contexts of these crimes would be valuable, to allow appropriate responses and sentences.

In gambling studies, the determinants of problem gambling are often sought in psychological and socio-demographic factors. This study suggests that, although these factors might illuminate why an individual starts gambling excessively, the individual can descend into increasingly serious trouble for systemic reasons. This dynamic is like a slippery slope that gets ever steeper, making it increasingly difficult for the individual to regain control over gambling once he or she has begun to slip down. The interacting systemic processes have a remarkable power to make individuals who initially differ

greatly in personalities and interests become very similar in their problems and suffering.

The injection of new theory into an established field of study can stimulate research and produce novel results. This study demonstrates that classical criminological theory of white collar crime, originating in the USA around 1950 and inspiring, in the following decades, the fraud triangle model of embezzlement, is useful for understanding gambling-related crime. In particular, the concept of the 'non-sharable problem' (Cressey, [1973](#)) believed to be solvable with money is relevant to problem gambling. More generally, this study suggests that a processual perspective, in addition to consideration of psychological and environmental factors, is important for understanding the severity of problem gambling.

Conflicts of interest

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Constraints on publishing

No constraints on publishing were reported by the author.

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