

WHITE COLLAR CRIMES IN THE METAVERSE

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ABSTRACT

The study below describes and analyzes an ethical concern of white-collar crimes in businesses as they are becoming involved within the metaverse. Through the research conducted, this paper dissects individuals' and businesses' views on the metaverse and how it will affect them. Also, included is the stakeholder analysis and stakeholder map with the scenario being that white-collar crimes will increase as businesses become part of the metaverse.

Key words: metaverse, white-collar crimes, businesses

Introduction

For this research-reflection paper, I have searched online for any information I could relating to businesses in the metaverse and the potential of crimes. Through the amount of research conducted on white-collar crimes in the metaverse, all signs show how it is not a matter of if they will happen but instead when. Many of the white-collar crimes expected to take place in businesses through the metaverse are being conducted in the real world already, but there are also new crimes that can take place within the virtual world. After reading about white-collar crimes in the metaverse, I gained knowledge of how the different stakeholders will be affected and how important it is to be proactive when preparing for such issues. There are multiple key stakeholders who can be negatively affected by crimes taking place such as law enforcement, businesses, and the government.

Metaverse and White-Collar Crimes

The concept of the metaverse may seem completely out of this world, and that is because it is. The metaverse is a 3D virtual domain resembling the real world or the world of your dreams through Internet functions. While the metaverse still has not yet been defined, Nokia describes the concept as, "a spectrum of digitally augmented worlds, realities, and business models" (Nokia, 2023). To many, the metaverse may seem like a foreign topic and brand new but it has been in the makings for decades. There will be many positive implications of the metaverse in businesses worldwide, but there are risks businesses should be aware of such as white-collar crimes. White-collar crimes can be defined as non-violent crimes committed by individuals or organizations for financial gain. In the metaverse, the types of white-collar crimes can range from virtual money laundering to identity theft. Crime is, unfortunately, something experienced and committed every day no matter where you are, and eventually, this will carry over into the metaverse.

After doing some research, some of the different types of white-collar crimes businesses will see in the metaverse became apparent. The new white-collar crime that will, unfortunately, make an appearance within the metaverse is the use of virtual currencies such as XPR or Bitcoin for money laundering (RiskScreen, 2022). Criminals will be able to use virtual currencies by hiding their illicit gains through several transactions that would be difficult for businesses and authorities to trace. Another example of white-collar crimes in the metaverse is virtual theft. Offenders of virtual theft may hack or conduct phishing scams to steal virtual property, virtual currency, or hack into avatars and sell them for real money (Pertiwi, 2023). Lastly, identity theft is a major concern of businesses entering the metaverse. Individuals in the metaverse create and maintain virtual identities, and with the information they provide to the server criminals can steal these identities just as they would be able to in the real world.

The question is, why would businesses intentionally enter the metaverse when they are unaware of the exact opportunities that could come but aware of the risks they and their customers could face? In hopes of proving this claim but not quite answering the question, Elliptic surveyed 100 customers asking them if they foresaw any commercial chances for their business in the next five years and it was found that at least 58% of them said they did. Of the respondents, 66% have intentions of assessing their risks of financial crime in the metaverse (Elliptic, 2023). This proves that over half believe they will partake in the metaverse soon, but they would want to assess risks because the possibility of them happening is high. I find it interesting how even though the majority were aware of how the metaverse could open doors to crime, they still see their company being part of this virtual movement. The reward seems to be higher than the risks, so many are willing to take the risk.

This may be because the average person is usually unaware of the dangers of the metaverse until it becomes too late. As Abshire stated in his article relating to security and hacking in the metaverse in 2022, "The metaverse is so different from our regular online world that it requires an entirely new way of thinking about data storage and safety measures". Customers want to have a pleasant experience with businesses in the metaverse as businesses want to provide it to them. Therefore, businesses must know these potential risks and be proactive when checking for errors and eliminating white-collar crimes.

Even though there is always room for more improvement, companies have made efforts to battle cybercrime and ensure that user data is safe. To fight against and be proactive against white-collar crimes in the metaverse, various measures have been proposed. For example, developing blockchain systems can provide not only security but also transparency for said transactions completed in the metaverse. Finally, another proposed solution is the use of biometric authentication methods such as facial recognition, iris recognition, or fingerprint scanner to provide another step to protect the users' identities and prevent identity theft.

Methodology

The information provided below was found in multiple online articles relating to the metaverse, white-collar crimes, and how both will soon affect businesses. Within these articles, some conducted surveys and questionnaires asking businesses if they see themselves being in the metaverse and what negative implications they thought would come from it. Through Global Circle, an organization that gives individuals the opportunities to learn from others and give their input, I had the chance to speak with peers around the world from countries such as Israel and Egypt. During the discussions, we reviewed online articles relating to the metaverse, white-collar crimes, and how both will soon affect businesses. I was able to hear them speak from their perspective of the metaverse and asked them if they thought white-collar crimes would increase when businesses enter the metaverse. Everyone was nice enough to respond but did not know much about the topic. Businesses on the other hand need to know how they will be directly affected.

Key Stakeholders

As the scenario of businesses experiencing white-collar crimes being committed in the metaverse comes about, the key stakeholders will be affected. A stakeholder refers to the people or groups who have concerns when it comes to an organization's decisions because of how it will affect them. The key stakeholders identified are law enforcement agencies, government, businesses, managers, employees, and customers (Lawrence & Weber, 2020).

Law enforcement agencies hold an interest in businesses experiencing white-collar crimes in the metaverse because it is their mission to ensure a safe environment for all. With law enforcement having legal and informational power they can do their part by protecting the metaverse from crime. For example, they will be able to investigate any white-collar criminal offenses, punish criminals, and help prevent crime from happening.

The next stakeholder in this situation is the government; their interests are to make sure they do not receive backlash and will work to create regulations to help with security. The government will do so by using economic, political, and legal power to find a solution with policymakers to decide what actions need to take place to make more regulations.

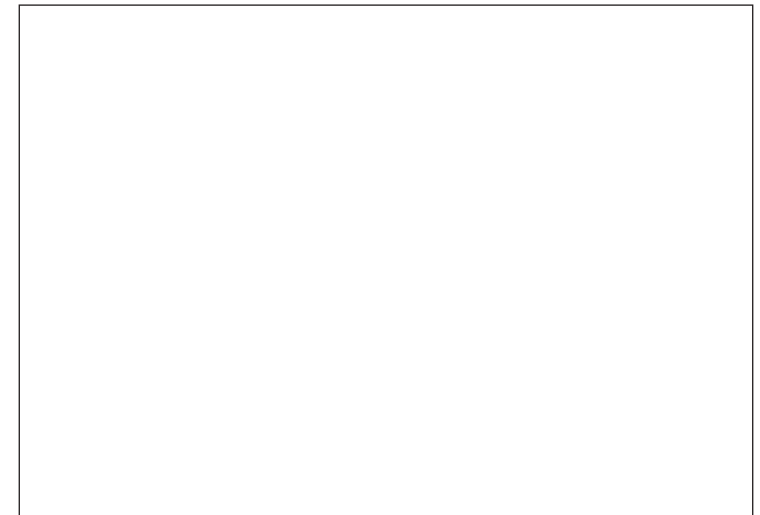
As previously mentioned, businesses want to decrease or eliminate the crimes being committed in the metaverse to give their customers a nice and safe experience, so they would also be key stakeholders. They want to ensure customers come back and they are profitable in the metaverse, so they need to use their power to give them what they want. Businesses would have economic and the most informational power out of the key stakeholders listed because they are the insiders and would have an idea of what white-collar crimes are happening and who they are being committed by. They can invest money into finding new ways to eliminate white-collar crimes in their workplace.

Managers of businesses experiencing white-collar crimes in the metaverse want to see the business succeed in the virtual world, not only so they keep their job but in hopes they can potentially move up in the industry. Keeping stakeholders happy is a big part of their job, so if they can do this in the metaverse using informational power they will be in good standing within the company. Managers have informational power and will be the first to know if something bad is happening, such as white-collar crimes.

The last key stakeholder in this scenario is the employees at the business. Employees' interest in white-collar crimes happening in the metaverse is making sure they keep their job. If crime numbers continue or grow, the business's instability may effect occupations and income; employees may recognize the business's stability decrease, as to occupation and income. The lack of stability as part of the metaverse, leaves the business open to budget cuts, and puts employees at risk of losing their job. Every employee wants a stable

occupation and income, but some may not feel like they have that stability here. This key stakeholder has economic power because if they were to not work then the business along with themselves would lose money and suffer economically.

Stakeholder Map



This stakeholder map shows how every key stakeholder holds an interest in white-collar crimes happening in the metaverse, but some contain more power than others. Businesses have the potential to create a coalition with law enforcement agencies and the government to help combat white-collar crimes in the metaverse.

Reflection

Afer doing some research online and talking with peers, it has become apparent that many do not know exactly how businesses will look in the metaverse. I now understand the different types of white-collar crimes in the metaverse as well as how the stakeholders have interest and power in this situation. As mentioned before, businesses

need to evolve and grow with the times, and this includes addressing new crimes and working towards preventing them. By learning from change and adapting to it, the metaverse will affect businesses and be the next big chapter in many of our lives. Ultimately, businesses entering the metaverse will only find success by staying ahead of all white-collar crimes and adapting to new changes that may come their way to create a safe environment for every stakeholder involved. ■

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HOW DO VIRTUAL REALITY AND BLOCKCHAIN TECHNOLOGY IMPACT THE CREATION AND GOVERNANCE OF DECENTRALIZED COMMUNITIES WITHIN THE METAVERSE?

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AUTHOR NOTE

This paper is a speculative glance at the dangers of the metaverse.

ABSTRACT

This paper explores the impact of virtual reality (VR and blockchain technology on the creation and governance of decentralized communities within the metaverse. The metaverse is a virtual world constructed using blockchain and other digital technologies. Decentralized communities are a fundamental part of the metaverse, and they are typically organized around a particular theme or interest. The paper analyzes the qualitative and quantitative datasets to investigate the impact of VR and blockchain technology on decentralized communities within the metaverse.

Key words: virtual reality, dangers, blockchain, technology, decentralized communities, metaverse

Introduction

The concept of a metaverse, or a virtual universe, has been around for decades. However, it was not until the emergence of virtual reality (VR) and blockchain technology that the metaverse became a tangible reality. The metaverse is a decentralized and interconnected virtual world where people can interact with each other and engage in various activities (Gillett, 2018). Decentralized communities are an essential part of the metaverse, and they are typically organized