

## Previously

Cases of financial-economic fraud, reported by Private Investigation Agencies (PIAs) on behalf of their clients, are rarely followed up by the police or the justice department. This conclusion by Steenhuis (2011)<sup>1</sup> has motivated the Ministry of Security and Justice to initiate the pilot “Co-operation PIAs, police and public prosecutors”, in co-operation with the Dutch Security Association (NV). This pilot has taken place between May 1<sup>st</sup> 2012 and April 30<sup>th</sup> 2013 in four police regions in the Netherlands. The reasoning behind the pilot was that co-operation could lead to the follow up of a higher amount of significant cases of fraud. Nine PIAs, all members of the Dutch Security Association and in possession of a quality certificate of the Dutch Security Association, participated in the pilot.

The WODC commissioned APE Public Economics for an evaluation of this pilot.<sup>2</sup> The evaluation shows that PIAs were unable to provide the minimum amount of cases (20), given the preconditions. Especially the strict matching of offence categories to region appears to cause this disappointing production of potentially interesting cases. Nevertheless, the evaluation shows that investigations by PIAs can make a valuable contribution to the detection and prosecution of cases by the police and the justice department.

## Second pilot 2014-2015

In response to the evaluation of the 2013 pilot, the State Secretary of Security and Justice decided on a second pilot, with an adjusted research design, to follow up the first evaluation. The second pilot started on July 1<sup>st</sup> 2014 and ended on May 31<sup>st</sup> 2015.

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<sup>1</sup> Steenhuis, D.W. (2011). *Particulier onderzoek in strafzaken. An offer hardly to be refused*. Gorinchem: Nederlandse Veiligheidsbranche.

[http://www.veiligheidsbranche.nl/media/publicaties\\_nwe\\_site/rapport\\_particulier\\_onderzoek\\_in\\_strafzaken.pdf](http://www.veiligheidsbranche.nl/media/publicaties_nwe_site/rapport_particulier_onderzoek_in_strafzaken.pdf)

<sup>2</sup> Friperon, R., Bouwman, S. & Wilms, P. (2013). *Samen opgespoord? Eindrapport “Pilot samenwerking particuliere onderzoeksbureaus met politie en OM”*. Den Haag: Ministerie van Veiligheid en Justitie/WODC.

The research purpose of the second pilot is similar to the purpose of the first pilot, as well as the legal and financial framework: the second pilot is budget neutral and aligns with the current state of investigative powers.

To increase the amount of cases, the geographical coverage of the participating police regions is enlarged, the scope of offence categories extended to property crime in general (without matching offence category and region) and the number of potentially engaged PIAs expanded. Hence, both members of the Dutch Security Association and the Sector association of Private Investigation Agencies (BPOB) can participate in the second pilot, provided they possess a sector association quality certificate.

The WODC commissioned APE Public Economics for an evaluation of this second pilot, with the following research question: 'What contribution can PIA's make to detection and criminal prosecution concerning property crime?'

To evaluate the second pilot, APE Public Economics has used various research methods: online registration of developments and characteristics of the delivered cases, record analysis of those cases at the police, interviews (with PIAs, representatives of the police and Public Prosecution Service, a representative of the National Police and a client of the PIAs) and a survey among PIAs who did not deliver cases in the second pilot. Notwithstanding the well-timed permission of the head of the Public Prosecution Service (Parket-Generaal), particularly the record analysis has resulted in several additional, unexpected and time consuming research actions.

## **Results second pilot**

Compared to the first pilot, the second pilot has a broader scope. But, the broadening modifications could not prevent the slow start of the second pilot. During the second pilot, the small amount of delivered cases gave reason for an additional change in the research design. Therefore, PIAs have been granted the possibility to deliver cases taking place outside the four participating police regions, by the nationwide project group (including representatives of the Ministry of Security and Justice, the sector associations, the police and the Public Prosecution Service) in January 2015. The evaluation continues to make the distinction between cases delivered inside and outside the participating pilot-regions. After all, it concerns different regimes: inside the pilot-regions an assessment framework, contact persons with the police and case meetings are installed while these are absent outside these regions. The other conditions are kept in place.

In sum, 33 cases are delivered in by the PIAs between July 1<sup>st</sup> 2014 and May 31<sup>st</sup> 2015 in the online registration. A little over half of these cases (18) have taken place within the four pilot-regions. The remaining cases are delivered in the other regions; mostly in the regions The Hague and Middle Netherlands. 10 cases, of these 33, are rejected because there is no known number of the police report, making it impossible to track them throughout the system. Eventually the goal of selecting 20 cases for the in-depth analysis is achieved: 11 cases inside the pilot-regions and 9 outside. Most of the selected cases in the pilot are typified by a financial loss under €50.000. The offences mainly concern embezzlement (while employed), theft or deception.

It is remarkable that a very limited number of PIAs is responsible for delivering the cases. Together, 7 PIAs have handed in the total production of 33 cases and only 6 PIAs are responsible for the twenty selected cases. This means that 25% of the potentially participating PIAs (members of the sector associations in possession of a sector association quality certificate) have delivered at least one case.

A comparison to the first pilot leads to the conclusion that the geographical expansion, the wider scope of offence categories and the extension of potentially engaging PIAs have not contributed to an increase in the number of participating PIAs in the second pilot. Six PIAs were responsible for the total of 48 cases and 15 selected cases (after matching of offence category and region) in the first pilot.

Furthermore, this evaluation confirms the outcome of the first pilot in that not every case investigated by PIAs is reported to the police. However, the percentage of cases reported varies considerably among PIAs. The percentage is especially high among smaller PIAs (>90%), whereas it is very modest among larger agencies (<10%). There are multiple reasons for this diversity according to the PIAs. The percentage of cases reported depends on the sector in which the offence has occurred, the type of offence, the complexity of the case and the alternatives to resolving the case through criminal investigation for their client. Not all cases need to be dealt with through criminal law after a PIA has settled the case.

A substantial amount of all the cases (33) delivered by the PIAs and reported to the police is followed up by the police (75%). A suspect is identified in half of these cases. These percentages are higher when considering the twenty selected cases. This is logical, since only cases with a police report number were selected. Having a police report number is a condition for de-

tection and prosecution. A suspect is identified in 75% of the selected cases and in two-third of these cases the suspect is prosecuted or fined.

In general, the police speak highly of the quality of the investigations of the PIAs. The high quality of their work is labor-saving to the police and the Public Prosecution Service. There are however, limits to the attainable saving of labor: because some parts of the investigation cannot be carried out by the PIAs, police action is always required during the (criminal) investigation and/or to validate the work of the PIAs.

The design of the second pilot included regionally organized, recurrent, case meetings between contact persons of police, public prosecutors and PIAs to discuss cases, give and receive feedback and monitor developments of cases and pilot arrangements. These case meetings were also meant for PIAs to register case information essential to the evaluation of the pilot.

Physical case meetings as intended have not materialized in the regions within the pilot. There was no process of giving feedback in most cases. When feedback was given, it took place outside the case meetings. The PIAs registered new developments concerning cases in the online register, which is regularly debated in the nationwide project group. PIAs request more sharing of information by the police. In reaction, the police point out the limitations of sharing information with PIAs by current legislation. Where possible, the Public Prosecution Service sees that victims receive feedback on the case.

An impediment in the implementation of the second pilot is the formal structure of meetings which does not align with the current legislation concerning police activities and legal competences.

Success factors in the co-operation between police, Public Prosecution Service and PIAs include a contact person at the police and the opportunity for PIAs of filing police reports digitally.