

The egg of Columbo? Evaluation of the project on the Financial Investigation of Crime

Summary

In 1995 the council of Superintendents of the Dutch police decided to start further development on the financial investigation of crime. In October 1996 this project started, headed by a steering committee. It should last for three years, but it has twice been prolonged until June 2002.

In 1997 the steering committee presented her interim-recommendation, which led to the forming of special fraud-squads on the fight against the so-called 'horizontal fraud' (fraud in which a private corporation is the victim) and the National Bureau for Fraud.

The steering committee suggested a final evaluation on the institution of the special fraud-squads as part of the project, and the project as a whole. Faber Organisatievernieuwing was requested by the Research and Documentation Centre of the Department of Justice to evaluate the results of the project. The data were collected through open interviews, quantitative data-analysis and document-study and, on the subject of training and development, through questionnaires.

The main-questions to be answered were, on the subject of the project:

- How successful was the integration of financial investigation of crime in the overall approach of criminal investigation?
- What has been the contribution of the project financial investigation of crime?

Main questions on the subject of the institution of fraud-squads:

- What have been the positive or negative results by the organisation of the fraud-squads, for the fight against fraud?
- What is the potency of clustering knowledge and expertise regarding the fight against fraud?

The process that has led to installing the project was one of 'trial and error'. This was profitable at the beginning, but later turned out to be less effective. The steering committee mentioned four causes why financial investigation of crime did not get started before the project was installed. These were: lack of knowledge, inadequate scale on which financial investigation was possible, development of financial crime, lack of legislation. It is not sure, nor investigated, whether these were the real causes. According to what we were confronted with, especially in the interviews, it is more due to the way in which police and public prosecution department experience the interest of financial investigation of crime that caused so little attention on the subject. There is, however, a difference between the fight against fraud and the use of the instrument financial investigation of crime. The latter gets more attention due to the project.

Besides the project there were a lot of other developments in the field. The steering committee could have been a central controlling institute on these variable developments, but did not act as one. The developments were accepted as facts. One only tried to adjust plans (in a later stadium) so that these seemed to go well with each other. Another critical sound that is heard is that the steering committee has managed too much on structure and less on what was to achieve by the structure.

This lack of control is seen more in projects within the police and the public prosecution department. There is a lack of analysis on the circumstances and balance of power in which new concepts and projects are to be implemented. In this case it has influenced negatively the development of training and servicelevelagreements on public-private partnership, the position of the National Bureau of Fraud and the development of a Fraud Registration- and Information-System (FRIS).

After all can be concluded that the aim of the project (integration of financial investigation of crime in an overall approach) was too ambitious, related to the limited means that were available (especially on personnel). In fact there was not only one project, but there were several. Most of the respondents utter their respect for the project-leaders and their workers, for what they have achieved, due to their qualities and dedication.

On the subject of expert knowledge we were confronted with different expectations. However, which expectation is chosen as a starting point, the result is in any case rather disappointing. This concerns both the number of policemen and -women that have been educated as well as the educational products that have been brought about. Anyway, the respondents judged the quality of those products that have been presented positively.

The institution of the special fraud squads was an important and unique moment in the process of the fight against fraud. It has stimulated consultations and trust between police and justice on one hand and the organisations in the market on the other. In the mid-term evaluation of the fraud-squads in 1999 we already stated that a major effort has been established by forming these special fraud-squads in a short period of time. This is still applicable to the starting situation.

We did not find an evident relationship between the structure of the fraud-squads and the effectiveness of criminal investigation and prosecution. This is not surprising, because this association is very complex. In fact the number and complexity of investigations is limited. Decentralised teams can easily handle them. When investigations get more complex, the decentralised teams have to be concentrated, which means loss of the decentralised structure. This happens especially in investigations that take a lot of time. However, decentralised teams are more difficult to control and have more complex working conditions. Besides, the priority of investigations is centrally distributed. If the decentralised teams need to work on heavier cases outside their region, the bond with the region will wane. That bond was, however, an important argument to make the choice for decentralised teams.

The experimental status of the fraud-squads has too soon turned into a permanent one. Because of that, the Home Office, the department of Justice and also the steering committee, lost an instrument for control. Without that, however, it probably would have had the same consequences. In our mid-term evaluation we already noticed failures on control of the project. There is still a disagreement between both departments on the amount of control.

The tasks for the National Bureau of Fraud have not become evidently clear, due to different causes. In our mid-term evaluation we suggested to make it the bureau of managing support for the fraud-squads. This has not been established yet as there were not the right conditions. The choice for upper-regional squads, as was recently made, makes the possibilities for the National Bureau of Fraud even smaller.

The installation of the fraud squad has definitely stimulated the co-operation with organisations in the market. The number and complexity of investigations, which should occur, according to signals from the market in 1997 and before, is much smaller than foreseen. Nevertheless there are enough reasons to appoint these investigations to the fraud-squads instead of the ordinary police-departments, since the latter give much lower priority to these investigations. Moreover the market specifically wished to have an explicit address to communicate with. Besides, most investigations go beyond the regions. Last but not least: the organisations in the market, as well as the public prosecution department wish to have a uniform approach and priority.

Clustering of expertise and knowledge is still developing. In the first years it got little attention and it still does not come up to the demand. In too many different places some form of expertise is offered.

Internal registrations within the fraud-squads have improved during the last years. Nevertheless the information from the different fraud-squads is not sufficiently comparable yet. The Fraud Registration- and Information System (FRIS) that has been developed does not answer expectations yet. This system should be necessary to picture the development of crime. On the other hand, one should not be waiting for trends to occur before making choices in the fight against crime.

Part of the evaluation was actualising the number of deprivation of criminal assets. The evaluation of the Dutch legislation on this matter in 1998 called the results disappointing. The results of our survey show that little has changed on this subject during the last years.

Recently the ministers of Home Affairs and of Justice have proposed a new organisation of criminal investigation on upper-regional level. This obviously is a compromise between two opposite parties. That should not be too bad, but it is a latent cause for problems concerning the aspect of control, which should be more unambiguous, according to the report by Van Riessen. For the fraud-squads this means a change in position. They are to be united with the capacity for what is called middle-crime, in Upper-regional Crime Squads. This

solves some of the control-problems of the present situation and gives the fraud-squads advantages.

In the suggested structure, priorities could change but the organisations in the market will see to it that financial investigation of crime will not disappear from the agenda. Due to the project, financial investigation of crime as an instrument is more embedded in the common structure than ever.

Recommendations

The evaluation finally leads to the following recommendations.

- Create physical support on investigations as a condition for applying financial investigation of crime in practice (training on the job).
- Judge and exchange necessary expert knowledge between different parts of the organisations that are related to financial investigation of crime.
- Balance the attention between financial investigation of crime and the fight against fraud.
- Integrate the different centres for expertise from public and private organisations.

Het ei van Columbo? Evaluatie van het project Financieel rechercheren

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