

Prime Minister 2

It should be possible for you ~~to~~ to chair
another meeting on Roskill early in May.
No Boston points can be picked up then. DRS

DN

MR NORGROVE

Thompson

18 April 1986 19/4.

ROSKILL REPORT: UNIFIED FRAUD ORGANISATION

I attended a meeting chaired by John MacGregor yesterday to discuss a unified organisation to investigate and prosecute serious fraud. The Solicitor General attended, together with David Mellor (Home Office) and Michael Howard (DTI) and a number of officials including Peter Middleton.

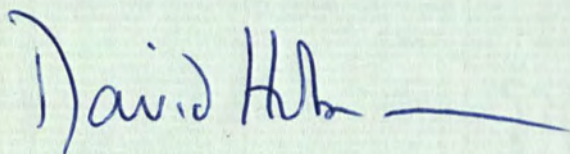
It looks as if the decision will be to establish an organisation (Serious Frauds Office, or SFO) under the supervision of the Attorney General in the same relationship to him as the DPP; ie it would be independent of the DPP.

The main problem has been the unwillingness of the police to form part of any unified organisation; it is therefore likely to be suggested that police officers seconded to the organisation should be kept under police control. They would work in the same building as the rest of the staff, and it was suggested that the head of the SFO might be given powers to authorise specific police officers to exercise additional investigative powers on specific assignments (comparable with DTI powers) subject possibly to the Attorney General's approval.

Various details of interchange of information, and the powers that will be needed by the new organisation, remain to be settled bilaterally. It now looks as if proposals to maintain the thrust of Roskill will be brought forward by John MacGregor. This should enable a much greater part of the investigative and prosecution powers to be handled by professionals than has been the case hitherto. Having all the resources in one office should make for speedier and more efficient work.

The legal recommendations are being dealt with separately
under Home Office control, and recommendations are being
drafted to go to H Committee.

The Treasury have further work to do on evaluating the
resource implications of these proposals.

A handwritten signature in blue ink, appearing to read "David Hobson", followed by a horizontal flourish line.

DAVID HOBSON

18 April 1986

NATIONAL FRAUD SQUAD

I add this note to that of David Hobson, at the request of Brian, in order to make a few checklist points.

1. Have the Treasury appreciated that the Attorney General's Office in the High Court is antediluvian? While I agree with the decision of John MacGregor's Committee, which is described in David's note, there will be resource implications as the Attorney General's Office must be brought up to date. This is an additional point to the one made by Patrick Mayhew, that perhaps a Parliamentary Secretary should be appointed.
2. Whilst it is clear that the Committee believe the police should have a minimal rôle and have also solved the structural problem of how the police should be involved, and I would support their solution, there are two aspects of the police involvement that should be given further thought.

On the one hand, one should ask how much police work is really needed at all, except to produce both records of previous convictions and also confidential police files, particularly on related offences. This intelligence liaison is the only police function that must be performed. Consequently, it can be argued that very few

police officers will be needed. Interviewing and arresting can well be performed by officials.

On the other hand, the experience of the serious fraud squad could be invaluable in improving the investigation of less serious fraud throughout the country. Secondly, serious fraud may be linked to other serious crime, and intelligence should help other police investigations.

3. The title 'National Fraud Squad' is deceptive. It sounds as if it is the police 'squad' and a move towards a national police service. Both these words 'squad' and 'national' should be given further thought.
4. May I emphasise the point that Police are so expensive with their various emoluments, allowances and training that many accountants are now cheaper if they are on the payroll, as well as being better qualified on serious fraud matters.
5. There is allowance made for in the discussions for the ad hoc services of accountants and lawyers. It is important that the best services of any necessary profession be available. Civil Service pay rules should be examined so as to find some way to permit payment reward or honour for an 'outstanding' expert.



HARTLEY BOOTH