

PRIME MINISTER

ROSKILL

It is to discuss on Wednesday the papers below. A report will then be made to you. But there is of course an opportunity for you now to indicate views to the Lord President if you wish.

The Policy Unit do not think there are any points you need make at this stage.

I hesitate to attempt a summary in this complicated area, but the main points from these papers seem to be as follows:

(i) the Home Secretary is against a permanent body to advise on practice and procedures as recommended by the Roskill Committee in the form of a Fraud Commission. He would intend to set up the Commission for five years only with a remit directly focussed on the monitoring and evaluation of the changes made following Roskill;

(ii) the Home Secretary is against extending to the police the powers enjoyed by the Secretary of State for Trade and Industry under Section 447 of the Companies Act: the police already have new powers under the Police and Criminal Evidence Act 1984;

(iii) the Home Secretary proposes a statutory presumption in favour of admitting documents unless in the judge's view it would be unjust to do so in the circumstances of the particular case; he proposes to apply the changes in the rules of evidence to criminal trials as well as to fraud cases;

(iv) he would like to accept advance disclosure of the defence but only to the prosecutor and the judge and it should not be referred to during the trial without the consent of the defence or the leave of the judge (this is a variant suggested by Mr. Merricks).

*difficult - because knowledge of defence case - witness etc - examination of witnesses.*



(v) the Home Secretary thinks there is no need to take a position at this stage on the proposal for a tribunal in complex fraud cases but says his personal inclination is to concentrate on peremptory challenge and not to enact at this time the proposal for a tribunal.

The Chief Secretary was charged with looking at the proposal for a unified organisation. Officials recommended to him a fully unified organisation which would not in general have needed to seek police assistance. The Chief Secretary recommends against this because it would meet with resistance from the police service, it would need legislation allowing it substantial investigatory powers and it would look bureaucratic and cumbersome, among other things. He recommends instead the creation of a new Serious Fraud Office which would have prosecuting powers and powers to require the production of books and papers. But it would not be given police powers of search, arrest or detention. It would be staffed by a group of accountants, lawyers and others, and a full-time group of police officers would work alongside it and be co-located with it. The new office would be accountable to the Attorney General, but as a department separate from the DPP. It would probably have a staff of about 80 and the Law Officers Department would probably need to be strengthened - there has been talk of the need for an extra junior Minister.

The Chief Secretary thinks this would be easier to get off the ground and probably in practice more effective than a fully unified, separate organisation.

The Chief Secretary puts the gross cost of all the proposals at around £8 million but - unsurprisingly - thinks it should be possible for much of the expenditure to be absorbed within existing provision. However, he says he would be prepared to consider justified bids for modest additions.

DN

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