

CCBG



HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT

13 January 1986

Dear Lord,

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ROSKILL REPORT

I attach a revised text of the Home Secretary's statement on the Roskill Report. It takes account of the discussion at the Prime Minister's meeting on 9 January recorded in your letter of the same date to William Fittall.

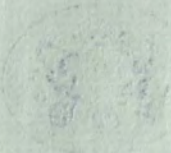
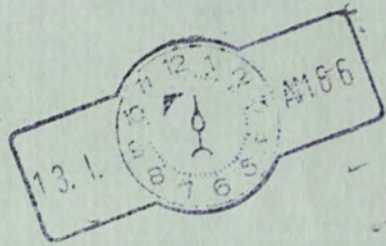
at Prop.

We understand that the Lord Privy Seal is content with the reference in the final sentence to an early debate. I draw Richard Stoate's particular attention to the reference to the CLRC study in the middle of the second page.

Copies of this letter go to Joan MacNaughton (Lord President's Office), John Mogg (Department of Trade and Industry), Rachel Lomax (HM Treasury), Henry Steel (Law Officers' Department), Murdo Maclean (Chief Whip's Office), David Morris (Lord Privy Seal's Office), Richard Stoate (Lord Chancellor's Office), John Bartlett (Office of the Governor of the Bank of England), and Michael Stark (Cabinet Office).

Law,
S. W. Boys Smith

S W BOYS SMITH



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DRAFT STATEMENT

With permission, Mr Speaker, I would like to make a statement about the Report of the Fraud Trials Committee under the chairmanship of Lord Roskill whose Report was published on 10 January. The House will recall that this Committee was set up in 1983, well in advance of recent events, to consider ways of improving the conduct of criminal proceedings arising from fraud.

The Government is most grateful to Lord Roskill and his colleagues for producing with commendable speed such a readable, thorough and radical Report. It deals with a serious and urgent problem. We fully share the Committee's concern that the perpetrators of serious fraud should be brought effectively to book. The report shows that the legal and administrative machinery for this purpose has been creaking badly. We are determined to bring about the changes in law, practice and attitudes which are necessary. There are two reasons for this. First, the reputation of our financial institutions, and of the City of London in particular, needs the support of effective action against fraud. Second, there must be no escape for offenders simply because their offences are highly complicated or because they can employ large resources to cover them up; the enforcement of the law must be evenhanded. Accordingly the Government welcomes the Report as providing a basis for early legislation to achieve substantial reforms of the law in this field, and also for new administrative measures in areas where legislation is not required.

Responsibility for the investigation and prosecution of fraud is now shared by the police, the Director of Public Prosecutions, the Department of Trade and Industry and other agencies. Co-operation has been greatly improved in recent years, and permanent Fraud Investigation Group arrangements have been in place since last January. The Roskill Committee recommended an urgent examination of the need for a new unified organisation. We accept the recommendation for such an

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examination, and it will be immediately put in hand under the leadership of [my rt hon Friend the Chief Secretary].

The Committee have called for the resources devoted to the pursuit of fraud to be expanded as a matter of priority. The Government is already taking steps to that end through the strengthening of the DTI (by nearly 200 new staff over the next few years) and the addition to the DPP's Department of nine extra lawyers with support staff. We shall be seeking to draw in more people with the necessary skill and experience from the private sector on short-service appointments. In addition, the self-regulatory agencies to be set up under the Financial Services Bill will have their own resources for the investigation of fraud.

As regards the substantive law, my noble Friend the Lord Chancellor and I will be in touch with the Law Commission about their work on conspiracy to defraud. I shall seek the advice of the Criminal Law Revision Committee on early legislation to deal with the urgent problem of the limitations on the use of a charge of conspiracy to defraud to which the Roskill Committee drew attention.

The Committee make a number of recommendations concerning juries, including provision for certain complex fraud cases to be tried by a tribunal comprising a judge and two lay members, and for the abolition of peremptory challenges. We shall be consulting urgently about ^{these} important matters, and we shall listen with interest to the views which will be expressed in this House and another place and in general public comment.

The Committee's general approach on preparations for trial, the law of evidence and other matters would lead to significant improvements in the trial of fraud cases. The feasibility of certain aspects of the Committee's proposals will require further study and we shall need to give more thought to the details. Some of the recommendations may well be applicable to other areas of the criminal law besides fraud.

To sum up, we have in this Report a basis for substantial and worthwhile legislation and administrative action. The report will be immensely helpful in shaping the Government's continuing fight against the insidious menace of fraud. For this we are most grateful to Lord Roskill and his colleagues. It is now for us and for Parliament to do our part in carrying forward the work they have begun. I hope that my rt hon Friend the Leader of the House will be able to arrange for an early debate on the report.

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