THE 21st CENTURY IMPACT OF PRIVATIZATION ON THE INVESTIFATION OF HIGH-TECH CRIME

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This Command College Independent Study Project is a FUTURES study of a particular emerging issue in law enforcement. Its purpose is NOT to predict the future, but rather to project a number of possible scenarios for strategic planning consideration.

Defining the future differs from analyzing the past because the future has not yet happened. In this project, useful alternatives have been formulated systematically so that the planner can respond to a range of possible future environments.

Managing the future means influencing the future--creating it, constraining it, adapting to it. A futures study points the way.

The views and conclusions expressed in the Command College project are those of the author and are not necessarily those of the Commission on Peace Officer Standards and Training (POST).

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PREFACE

The early Fall of 1982 found me attending a police management seminar in Los Angeles. I happened to be the only student in the class who was from outside of the greater Los Angeles area. My thirty or so cohorts were as interested as I in the subject matter at hand, however, they all seemed to be commonly preoccupied. By lunch of the first day I discovered the reason for their distraction. It seemed that most everyone in the class was in some way involved in planning the police response to the 1984 Summer Olympics.

I listened intently at each break and mealtime as folks discussed the progress of this committee and that committee. One officer would talk about potential traffic problems which would lead into communications dilemmas which would lead to aircraft support, and so on. The scope of the difficulties were seemingly insurmountable. Potential police matters, they perceived, would range from nonsense to nuclear holocaust. Nevertheless, none of these law enforcement missions seemed to bother my brothers as much as a foreign element injected into the planning process - CIVILIANS. That's right! Their turf was being invaded by unworthy, disreputable, good-for-nothing, lecherous non-combatants.

When it became apparent that these nonpolice-types abounded throughout the planning process, the skeptics began crawling out of the woodwork. "There is no way in the world," my friends would say, "that police should be expected to work effectively with private security, private communications systems and the like." Involvement of private enterprise in providing enforcement and security, they thought, would bring about the ruination of the Olympic Games. Well, in the vernacular, it didn't go down that way.

The combination of police and private security, it turned out, was only one of scores of public-private partnerships which brought about the most successful Olympics in history. The 1984 Summer Olympiad was, in addition to everything else, one large "coming out" party for privatization in the United States. The Olympics catapulted more than the spirit of the patriotism over to the National elections in November of 1984. Indeed, privatization too in all of its forms, was the watchword of many politicians from coast to coast.

In this report we will examine the impact of privatization on another emerging trend in law enforcement - the investigation of high-tech crime. The report explores the workload of the future investigator and the tools that investigator will have to accomplish his or her mission.

Will technological crimes leave ill-equipped detectives struggling in the dark? Are private or public investigators more prepared to delve into computer crime, credit card fraud and

communications trespasses? How might public and private agencies join forces to control high-tech crime? These and other questions will be addressed as the report projects several futures, selects a desirable future and then suggests policies which will help bring about the future which law enforcement executives find most expedient.

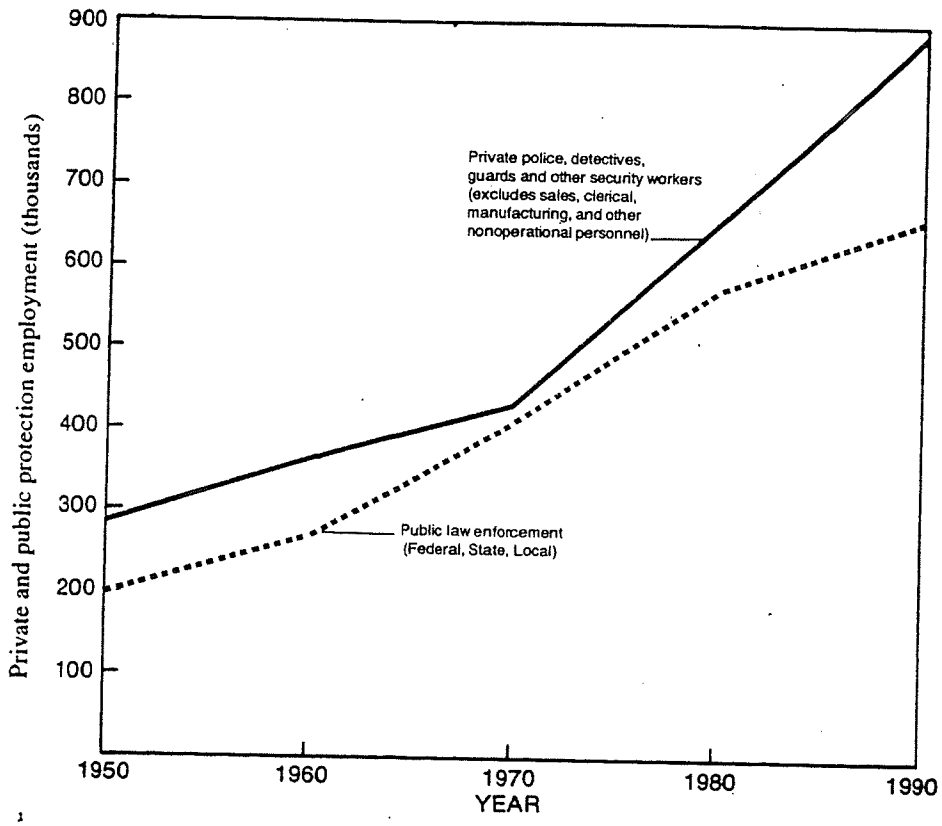
The report includes a strategic plan and a transition management plans to assist law enforcement agencies in preparing for the impact of privatization on the investigation of high-tech crime.

PART I - EMERGING TRENDS

Privatization

The term "privatization" connotes the transfer of services traditionally provided by government to the private sector. In many cases, such as recreation programs and drinking water supply, this action represents the return of services back to private concerns. This is also the situation with law enforcement. As our society became fully embroiled in the industrial economy, the mantle of protective services was passed from private, special-purpose guards to publicly-financed law enforcement agencies. Today, with industrialism cast aside, private protection appears to be making a startling comeback.

The chart below displays the trends in private and public protection employment.



Source: Bureau of Census and Bureau of Labor Statistics publications.

Gross expenditures and number of employees for private security business far exceed those for public police agencies.[1] There is nothing to indicate that this trend won't continue to where private police resources greatly surpass those available to pub-

lic agencies.
Our study revealed that of those stakeholders most impacted by this trend, one group stands out as being the most likely to be caught unaware and unprepared. Upper level and executive police managers are simply not as informed on this issue as are other affected parties.

Employee unions fear and fight the growth of privatization. The American Federation of State, County and Municipal Employees (AFSCME) has studied the issue of contracting services for many years.[2] They are well prepared to point out the weaknesses of privatization. California's largest police union, the Peace Officer's Research Association of California (PORAC), includes an article on privatization in virtually every edition of their monthly publication.

Private industry is zealously boarding the privatization bandwagon. They proclaim it to be a trend that could change the face of govenment. Private business is moving into public services with unforetold vigor. Private schools, airports, medical facilities and emergency services are growing by leaps and bounds as their public counter parts grope in disblief.

The public is also giving strong support to the private business takeover. In fact, a substantial segment of the public would extend privatization into services heretofor safely in the public sector. In a recent Roper poll, nearly 20 percent of the respondents indicated it would be a good idea to contract with private industry to manage the nation's armed forces. Moreover, 22 percent said private business should run local law enforcement operations.[3]

Many law enforcement executives are aware of the privatization trend. However, interest, at least in the published media, is far from being as strong as it is with the other stakeholders. In practice, when privatization is mentioned to local police executives, most of them rejoice. An unwarrented assumption is being made by the police community that private business is only interested in the more mundane security tasks. The trends indicate otherwise. Private business is moving in from both ends of the spectrum of police services.

Private security firms are ambitiously branching out from the commercial districts into residential areas providing patrol and investigative services. Private security firms are positioning themselves to provide full enforcement services under contract to small cities. In addition, many of the sophisticated, white collar and technical criminal investigations are solely within the realm of private firms. Financial institutions, fearing adverse publicity, conduct the major portion of their potential criminal investigations in-house.

From the routine traditional services, to highly specialized investigations involving computers and other technology, private

business is making vast inroads into the law enforcement business. Police leaders must put their ears to the ground and listen for the army of privatization marching toward their territory.

High-Tech Crime

The term "high-tech crime" refers generally to criminal offenses which involve the iniquitous use of a technological apparatus as a means to commit the crime. The term is rather loosely applied and often includes what is generically termed "white collar offenses" and "industrial espionage". Even though broadly interpreted, it appears that high-tech crime, in its multiple forms, is experiencing a dramatic increase in our society. The District Attorney's offices in Los Angels and Santa Clara Counties have created special units to deal with these crimes. Both counties report an increase in reported high-tech offenses, with Los Angeles County adding that their Major Fraud Division has required a 30 percent increase in staff over the past ten years.

On a national scale, the financial loss from high-tech crime is staggering. One report shows that nationwide losses moved from $3 billion in 1978 to and estimated $18 billion in 1983.[4] In 1982 the financial loss from counterfeit goods alone amounted to some $6 billion.[5] Credit card frauds have increased over a thousand percent since the beginning of the decade.[6] Organized crime syndicates have been heavily involved in credit card schemes since 1982.[7] Although data on the number of reported high-tech offenses may be difficult to extract, it should be perfectly obvious that the financial impact of these crimes is growing at an astonishing rate.

These cleverly crafted crimes are not peculiar to the big cities. In fact, even the most rural regions are feeling the effects. For example, counterfeit agricultural chemicals are being black-marketed throughout the country. These fake products have ruined crops and caused millions of dollars in loss.

In addition to property and financial losses, high technology is becoming more prevalent in violent crimes. We see weekly examples in the news of mercy homicides, designer drugs, illegal gene threats and nuclear terrorism. These and other reprehensible activities depend in whole or in part on the knowledge and use of high technology. Many of the systems which are critical to our society are managed in sophisticated computer programs. Air traffic control, communications, payroll, welfare, pension and other systems are quickly becoming targets for crooks, extortionists and terrorists.

What follows is a listing of the types of high-tech offenses which, according to the Los Angeles and Santa Clara District Attorney Offices, are becoming more prevalent in California.

- trade secret thefts
- trademark misappropriation
- embezzlement of business information
- theft of computer components/software
- illegal sales or trading of components
- unauthorized computer access
- computer tampering (logic bombs)
- illegal use of credit cards
- automated teller fraud
- insurance frauds
- corporate securities and banking frauds.
- check kiting
- charity frauds
- real estate and land frauds

Many of these crimes are initialy reported to local law enforcement agencies, however, due to their complex nature, they are turned over to specialty units in the D.A.'s office for investigation. The Los Angeles District Attorney reveals that over 95% of their high-tech cases are first reported to police departments and regulatory agencies.

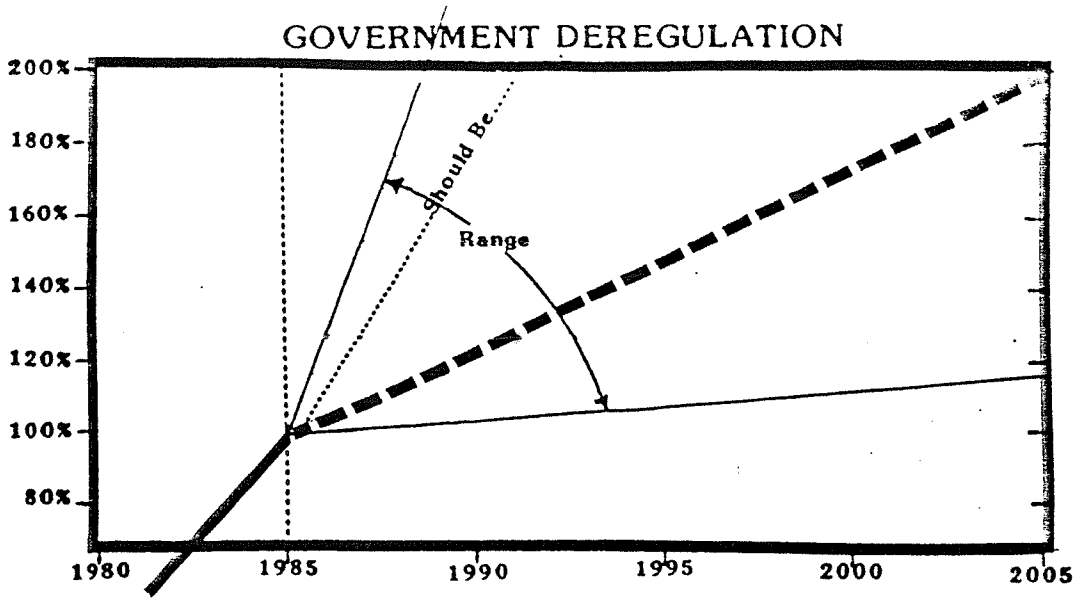
Our challenge now, as law enforcement executives, is to examine the trends in high-tech crime. If a substantial amount of our present workload in traditional crimes will likely be displaced by high technology offenses, we must prepare to respond to that change. And, in that response, we must consider what part, if any, privatization will play.

Projections

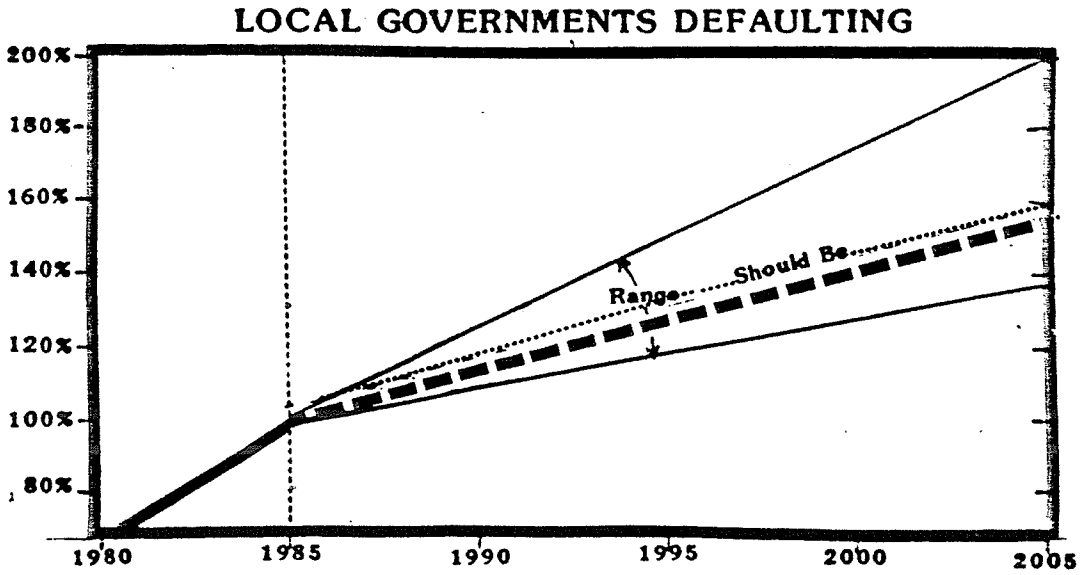
There are a number of emerging trends relative to privatization and high-tech crime which may be helpful in monitoring its infusion into law enforcement. The following trends and events should be monitored.

TRENDS	EVENTS
a. private and home education	a. private basic academies training public and private police
b. deregulation	b. licensing for private police discontinued
c. defaulting local governments	c. private police contracted to provide basic services
d. standards and training for private police	d. standards identical to public police
e. arrest powers legislation	e. private police accorded full powers of arrest
f. compensation for private police	f. private police accorded true professional status
g. private financing of local government projects	g. financiers impose privatization on governments for cost saving requirements
h. growth of trademark violations	h. federalizing trademark enforcement
i. banking disclosure legislation	i. banks required to disclose heretofor unreported crimes
j. computerization of retail purchasing	j. national/universal credit card adopted
k. decline in personal ownership of real property	k. private policing required an all cooperatively-owed property
l. increase in white-collar crime	l. decriminalization of white-collar offenses - becme civil matters
m. advent of laser technology	m. asassination of public official official by laser beam

Some of these trends can be especially useful in gauging the impact of privatization and high-tech crime on local law enforcement. A panel of nine police and non-police persons evaluated these bellwether trends using the Nominal Group Technique. The following graphs and narratives describe this evaluation. In the graphs, 100% equals current activity of the trend. The broad solid line depicts activity prior to 1985 and the broad broken line is a concensus projection to 2005. The range of projected opinions is shown in narrow lines and the "Should Be" line represents a value judgement by the panel.

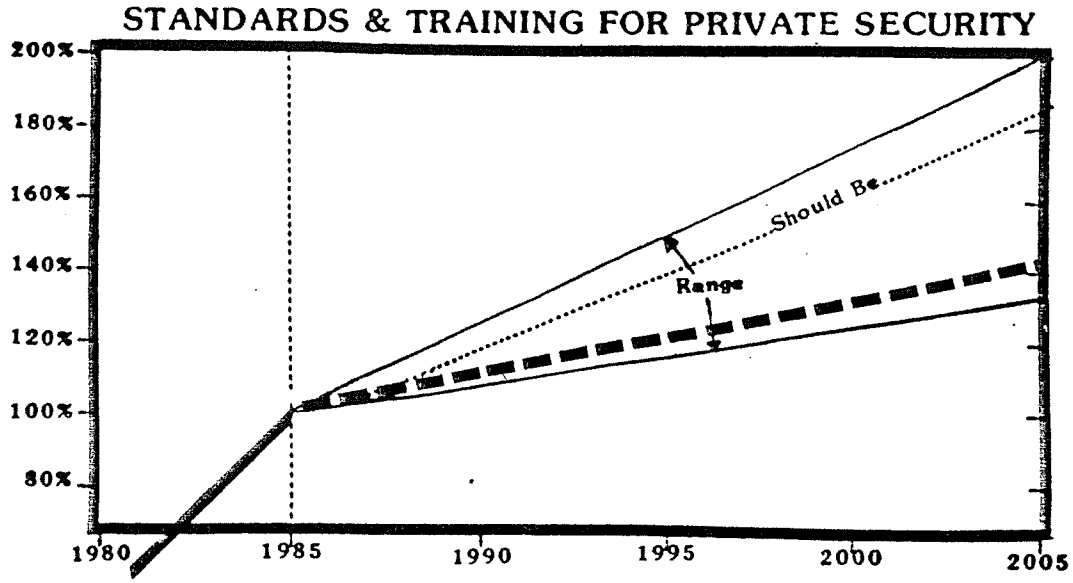


1. Government Deregulation: Currently our society not only wants less governmental regulation, they expect the government to cease regulating much of what they now do. In respect to the privatization of law enforcement this could lead to a lessening or elimination of licensing restrictions on private security companies.

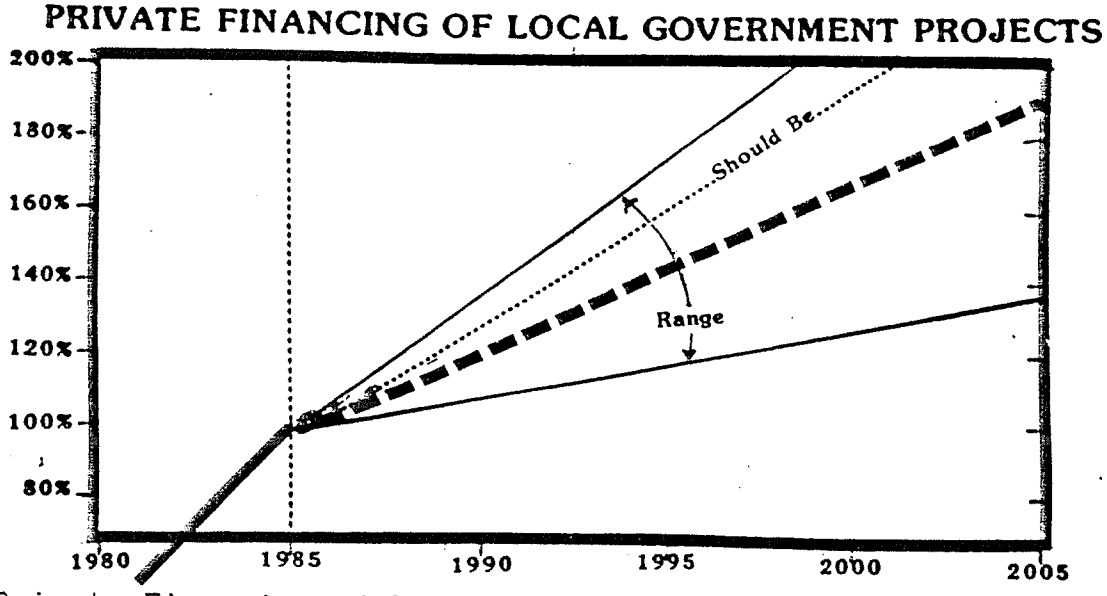


2. Local Governments Defaulting: As a result of taxing limitations imposed by voter initiatives more and more governments are defaulting and/or making massive service cuts to avoid bankruptcy. City officials and/or private citizen groups may seek to secure basic police services from private agencies and contract

for more limited types of more complex services from another public agency or reduce their police department to a small fraction of its original size to handle only the complex services.



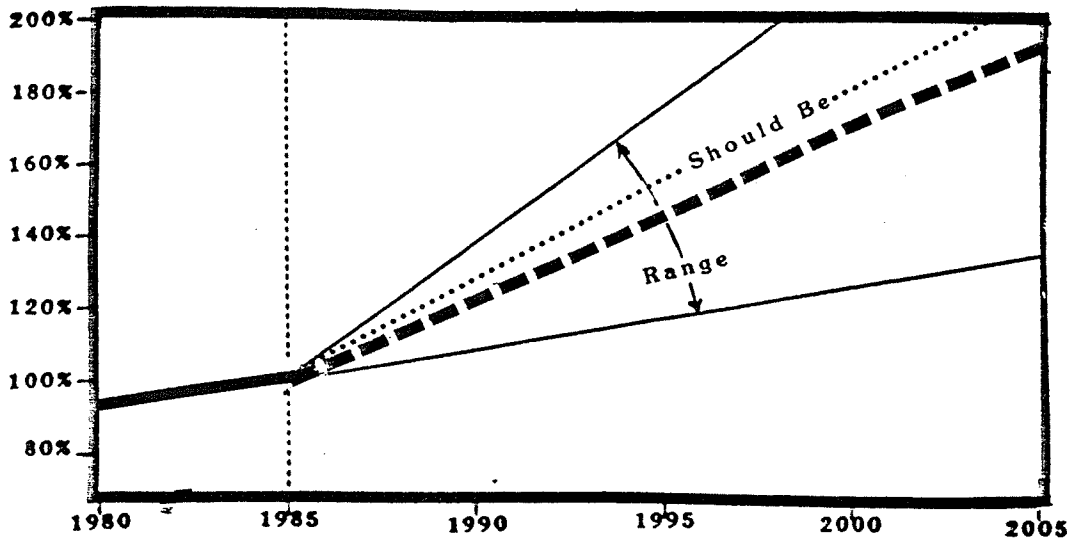
3. Standards and Training for Private Security: The antithesis of deregulation is more stringent hiring and training standards for private agents. This issue, strangely enough, is receiving support from all quarters. If and when equity is reached in the standards for public and private police, the citizenry may well be offerred a real choice in police service.



4. Private Financing of Local Government Projects: It has become very trendy for local government projects and programs to be financed through private institutions. Banks, investment firms and the like have become involved in government lease-backs, grant anticipation funds and other exotic private-public fi-

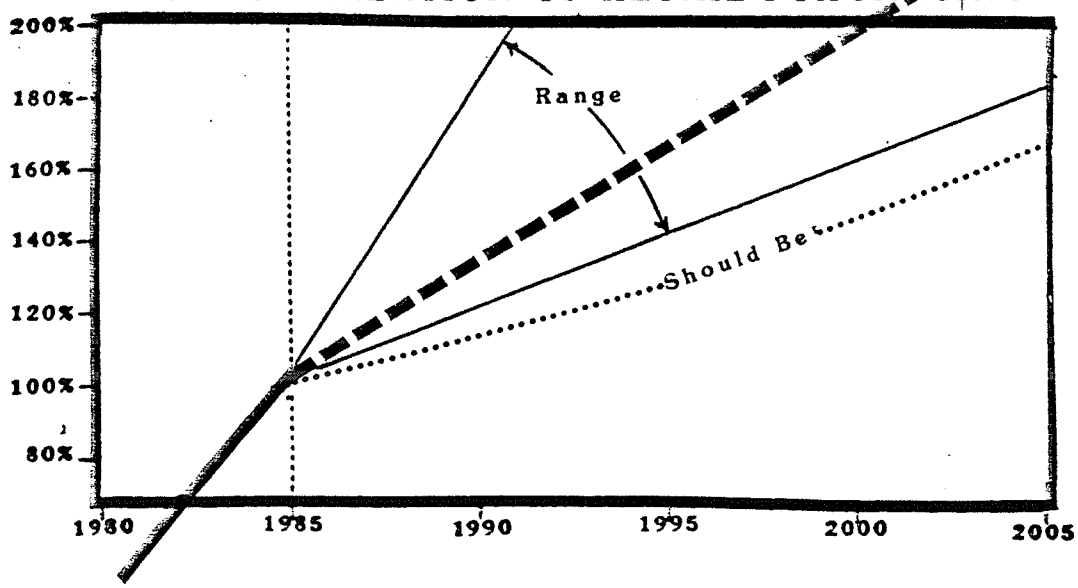
nancing arrangements. This may be viewed as a foot in the door. As this trend continues we may expect private financiers setting cost-saving prerequisites (privatization) to their money.

BANKING DISCLOSURE LEGISLATION



5. Banking Disclosure Legislation: Banks and other financial firms are widely regarded by the public as being quasi governmental institutions. Much of the openess that people demand of their governments is now being applied to banks; e.g., the "truth in lending" law. This trend could lead to the point where banks are required to disclose embezzlements, computer intrusions and other heretofor unreported offenses. Police then would be thrusted quickly into the icy waters of high-tech crime.

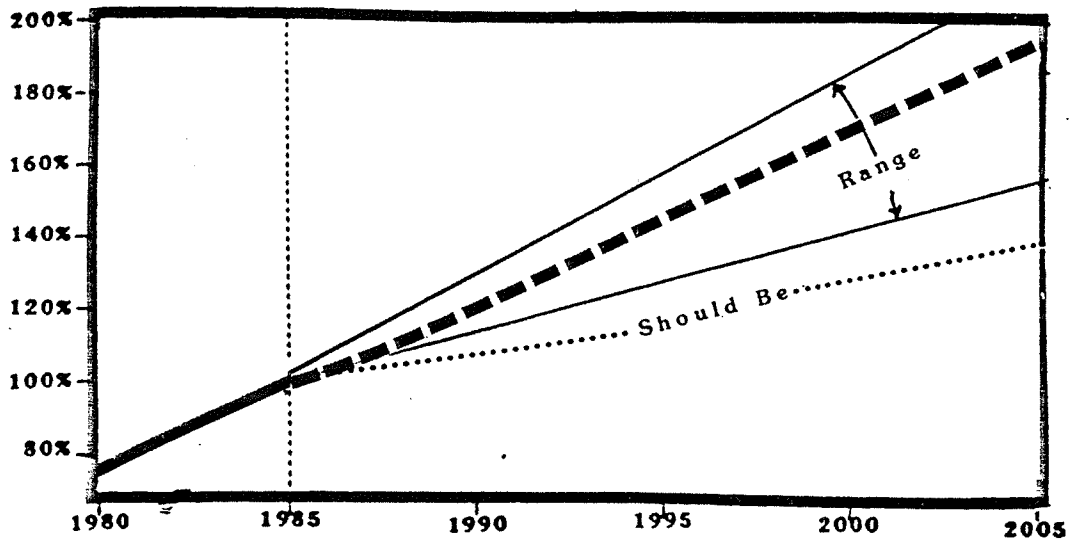
COMPUTERIZATION OF RETAIL PURCHASING



6. Computerization of Retail Purchasing: As the trend continues in the computerization of purchasing we may expect two logical after growths. First, there will be more computer links directly or indirectly to the consumer's depository (bank, etc.). Second-

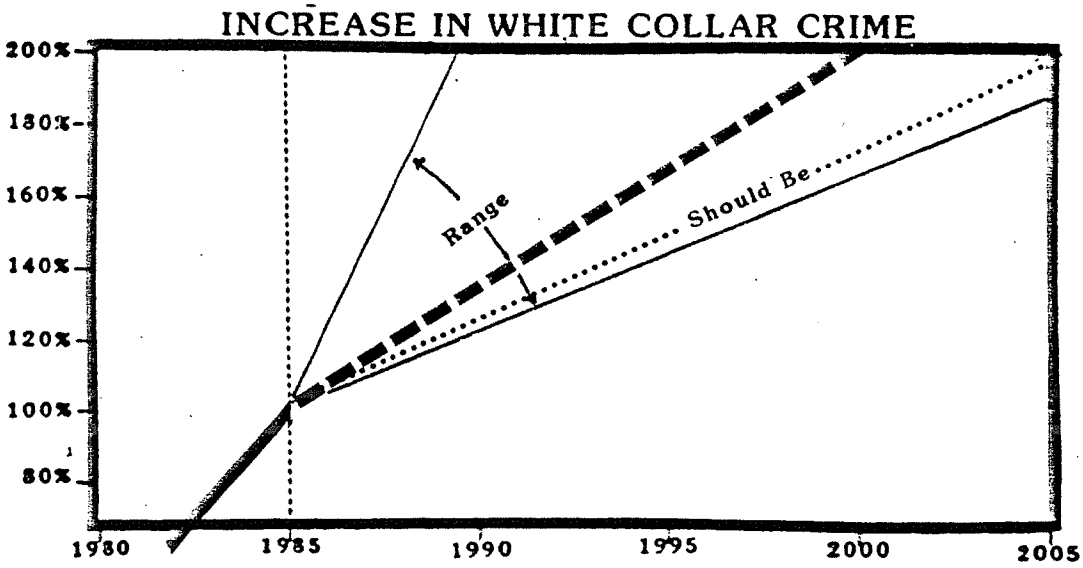
ly, there may be a strong push for an all-purpose/universal financial transaction card. Both of these circumstances will present opportunities for crooks and problems for police.

DECLINE IN PERSONAL OWNERSHIP OF REAL PROPERTY



7. Decline in Personal Ownership of Real Property: Trends indicate that real property, be it commercial, agricultural or residential, is becoming more cooperatively owned as opposed to being owned by a single person or family. If this trend continues we may expect that local governments may require, in the planning/land use process, that private police provide basic enforcement services for this property.

INCREASE IN WHITE COLLAR CRIME



8. Increase in "White Collar" Crime: Lacking both time and expertise government may choose to deal with ever-increasing white-collar crime by decriminalizing it and transferring it to the realm of civil law. Notwithstanding the logic of this approach, this could further clog the court system with complex time-

consuming civil cases and compromise the current priority for criminal cases.

Critical Events

There are several critical events which, if they occur, would significantly impact the evolution of privatization and high-tech crime investigation in law enforcement. These events were identified and rated as to probability and interrelationships by a panel of people utilizing the Delphi method. The following tables explain these events and their relationship to the issue.

EVENT	2005 PROBABILITY
1. FULL POLICE POWERS GRANTED TO PRIVATE AGENTS - - Pressured by a strong lobby, the State Legistative recognizes that standards for private agents have reached parity with public police. The Penal Code is amended granting full police arrest powers to private agents.	53%
2. TAX CREDITS FOR ENGAGING PRIVATE AGENTS - - Recognizing that public law enforcement agencies lack expertise to investigate high-tech crimes, the State and Federal governments allow tax credits for individuals and businesses who expend money for private investigations.	31%
3. REGIONAL POLICING - - To offset the impact of decreasing revenues for local governments and a growing divergence of protection services, the State Legislature passes sweeping reforms which allow and encourage the establishment of regional police agencies.	57%
4. SERVICE CONTRACTING ACT ABOLISHED - - This act, which controls wages that must be paid by private companies under federal contract, is viewed by Congress as restricting privatization. Congress abolishes the Act.	72%
5. PUBLIC EMPLOYEE UNIONS GUARANTEED REPRESENTATION RIGHTS - - In a last ditch effort to salvage dying unions, liberals in the State Legislature manage to pass a compromise bill which provides that private employees who displace public workers will be represented by the same union which formerly bargained for the public employees.	16%
6. GENETIC RESEARCH RESTRICTED - - Prompted by several horrible mishaps, Congress severely restricts further experimentation with human genes.	21%

CROSS IMPACT ANALYSIS

IF private agents are granted full police powers . . .

THE PROBABILITY OF

* Private Agent Tax Credit	(31%)	INCREASES to 67%
* Regional Police	(57%)	DECREASES to 32%
* Abolition of Contract Act	(72%)	UNCHANGED at 72%
* Employee Union Guarantee	(16%)	INCREASES to 47%
* Restricted Genetic Research	(21%)	DECREASES to 14%

IF tax credits are allowed for engaging private agents . . .

THE PROBABILITY OF

* Private Police Powers	(53%)	INCREASES to 81%
* Regional Police	(57%)	DECREASES to 28%
* Abolition of Contract Act	(72%)	INCREASES to 79%
* Employee Union Guarantee	(16%)	INCREASES to 36%
* Restricted Genetic Research	(21%)	DECREASES to 12%

IF regionalized police service is allowed and encouraged . . .

THE PROBABILITY OF

* Private Police Powers	(53%)	DECREASES to 21%
* Private Agent Tax Credit	(31%)	DECREASES to 19%
* Abolition of Contract Act	(72%)	INCREASES to 74%
* Employee Union Guarantee	(16%)	DECREASES to 10%
* Restricted Genetic Research	(21%)	UNCHANGED at 21%

IF the Service Contracting Act is abolished . . .

THE PROBABILITY OF

* Private Police Powers	(53%)	INCREASES to 74%
* Private Agent Tax Credit	(31%)	INCREASES to 60%
* Regional Police	(57%)	DECREASES to 35%
* Employee Union Guarantee	(16%)	INCREASES to 51%
* Restricted Genetic Research	(21%)	DECREASES to 8%

IF public employee unions are guaranteed rights to represent private displacers . . .

THE PROBABILITY OF

* Private Police Powers	(53%)	INCREASES to 69%
* Private Agent Tax Credit	(31%)	INCREASES to 42%
* Regional Police	(57%)	DECREASES to 38%
* Abolition of Contract Act	(72%)	INCREASES to 92%
* Restricted Genetic Research	(21%)	UNCHANGED at 21%

IF genetic research is extremely restricted . . .

THE PROBABILITY OF

* Private Police Powers	(53%)	DECREASES to 50%
* Private Agent Tax Credit	(31%)	DECREASES to 29%
* Regional Police	(57%)	INCREASES to 63%
* Abolition of Contract Act	(72%)	DECREASES to 45%
* Employee Union Guarantee	(16%)	DECREASES to 12%

Evaluation of Trend / Event Research

The advent of high technology to aid and abet criminal behavior is a growing and lasting trend. Although illicit use of technology does not appear to be advancing as rapidly and dynamically as legitimate use, its growth is apparent and deserves the close attention of law enforcement. It is equally apparent that private protection forces are currently being utilized more than public police for the investigation of these crimes. Ironically, the police community has indirectly pushed the future into private hands by shunning the existence of high-tech crime and insisting on higher standards for private agents. Police executives must rise to the challenge and prepare to respond to the changing needs of a much different society.

PART II - DEFINING THE FUTURE

Interassociation

Trend analysis demonstrates that there is a collateral relationship between privatization and high-tech crime. Much of what is happening in the way of high-tech crime is purposely unreported. Financial institutions, vigorously guarding their corporate integrity, are not anxious to tell the world that thousands or millions of dollars have been filched by some genius with a modem. The corporation hires private investigators or has their own staff find out who did what when and how. Police are notified on only the most extreme cases and, even then, most of the investigation is complete by the time of the report.

This will not be the case for long. Pressures are being brought to bear on all of industry, including financial firms, to disclose these crimes. As monetary losses continue to increase enormously, society will question where their money is going and demand action from government. This brings local police agencies smack dab in the middle of the picture. How will the police respond? Consider the following scenarios:

SCENARIOS

The year is 2005. California law enforcement has adjusted to an evolutionary change in unlawful conduct. Highly technological crime has become commonplace. In fact, technological crime has become the state's number one crime problem in terms of economic impact. Financial loss isn't the only product of this technological revolution. Violent offenses, involving the use of electronic devices, chemistry, lasers and other technologies are becoming more prevalent.

Three medium-sized (200 sworn) California police agencies have taken different approaches to this merger between evil and science.

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Police Department A recognized that the private sector had a considerable headstart in the investigation of high-tech crime. The City took the approach that any property loss crime involving high technology would be referred to the private firm which produced the technology or to a private investigative agency. In addition, five years ago the police began referring crimes against persons, which involved sophisticated scientific methods or means, to private agencies. Because traditional crimes have decreased, the police department has more time to focus on traffic enforcement, conflict resolution and regulatory functions.

Police Department B responded to the wave of high-tech crime by securing contracts with private technicians and experts. Physi-

cists, biologists, chemists, computer designers and a host of other professionals are available to assist the police investigators in gathering evidence and solving crimes. Police detectives retain responsibility for the quality of the investigation for all reported crimes. They manage the contracted experts just as they manage other investigative resources.

Police Department C realized the phenomenal growth of high-tech crime and moved to assume full control of the situation. The department began hiring civilian workers to staff a high-tech crime unit. This unit includes a few specially trained police officers to coordinate arrest tactics, however, the bureau is comprised mostly of technicians and scientists. All high-tech crimes, representing about 65% of the investigative workload, are handled by this unit. Larger private companies, with their own security forces, continue to deal with their own high-tech crime problems directly, however, smaller outfits rely on the police department to solve their cases.

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These scenarios were reviewed by a select group of California police executives. Members of the group were asked to rank each approach to high-tech crime investigation according to several criteria. The results of this survey follows:

Criterion	Ranking 1st	2nd	3rd
- The most probable approach	B	C	A
- The most effective approach against crime	B	C	A
- The most acceptable approach	B	C	A
- Which approach most benefits society?	B	C	A
- Which approach best utilizes resources?	B	A	C

What may be termed as the middle approach was deemed the most desirable future to these police executives. Our profession is obviously not willing to transfer the responsibility of criminal investigation (in whatever form) to the private sector. Although we may not be totally knowledgeable about high-tech crime, we are intrigued enough and sufficiently proprietary to keep it within our jurisdiction.

It is equally interesting to note that these executives collectively acknowledged that the spectrum of high-tech crime is vast and diverse. It would be almost prohibitive for a meduim-sized agency to employ, on a full time basis, all of the technical experts necessary to investigate these crimes.

Personnel Analysis

In relation to the investigation of high-tech crime the future most desired by police executives is one which utilizes contracted technological experts working under the direction of police investigators. Surely the job design of investigators in

2005 will be something different than it is today. Exactly what can we expect of detectives and how does this relate to the role of the technical experts? This requires a close look at the knowledges and skills which will be required of future investigators of high-tech crimes.

For our study a list of knowledges, skills and other job characteristics for the future was prepared. This list was compared to those lists which currently exist for criminal investigators. Current job dimensions were subtracted from the future list, leaving only those skills and knowledges which will be required in the future.

It must be recognized that if we assume the average age of detectives is 32, those who will be investigators in 2005 are presently in junior high school. They have already been exposed to several years of computer technology and by the time they graduate from high school they will be considerably more comfortable with the world of automation than our current officers. Hence, familiarity with computers may well be a "given" as far as minimum qualifications in 2005.

With this in mind we eliminated those job demensions which could easily be included in the minimum entry qualifications for police officers or which could be conveyed in training sessions of forty hours or less. What remains is the following list of skills and knowledges necessary to investigate high-tech crime in 2005:

- knowledge of integrated circuit design
- knowledge of computer security devices
- knowledge of computer manufacturing process
- knowledge of component marketing practices
- knowledge of computer operating systems
- knowledge of laser technology and uses
- knowledge of digital bank card mechanisms
- knowledge of financial accounting systems
- knowledge of securities & insurance regulations & practices
- knowledge of chemistry and physical science
- knowledge of bio-chemical research
- knowledge of automated financial distribution systems
- knowledge of real estate law and practices
- knowledge of motor vehicle technology
- knowledge of higher mathematics
- knowledge of robotics technology
- knowledge of trademark regulations and practices
- skill to locate computer circuitry intrusions
- skill to trace diverted data
- skill to identify illegal marketing schemes
- skill to perform sophisticated paper trail accounting
- skill to identify laser beam peculiarities
- skill to trace false securities and insurance processes
- skill to identify chemical elements
- skill to apply higher mathematic formulas
- skill to conduct bio-chemical analysis

This list of abilities required for high-tech investigation in 2005 is not suggested as an exhaustive inventory. However, the complexity and variety of these atributes does suggest that more than a few persons would need to be retained to get the job done.

A review of college and university registration data indicates that an ample supply of persons with one or more of these skills will be in the workforce in 2005. The question is, will these technicians be available for police assignments or will they be otherwise engaged? If we assume validity to one of John Naisbitt's Megatrends, smaller, more independant businesses are the wave of the future. This trend, if acted out to 2005, should provide all of the resources for police agencies. Even if these smaller, high-tech firms are not forthcoming it seems a public-private partnership could easily develop. American business is a major stakeholder in this trend and there should be a strong willingness on the part of the corporate world to provide technical assistance to law enforcement on a contract basis.

PART III - PLANNING FOR THE FUTURE

Policy Setting

Based on this research law enforcement executives favor a future which insures public agency control over the investigation of high-tech crime. Police officials also would choose to contract for technical assistance as opposed to hiring a host of experts on a permanent basis. Once we as executives recognize and accept the emerging trends in our society, and once we truly fathom the changing service demands of our clients we can set policies which will help bring about the future we desire. The following policies were developed to do just that.

1. **Bolster traditional basic services:**
   * Streamline and lower costs of patrol.
   * Increase training in patrol procedures.
   * Develop innovations for improved home and business security.
2. **Become more sensitive to the changing demands of our constituency:**
   * Review procedures on missing juveniles and augment services.
   * Involve private individuals more in the planning process of the department.
   * Strenghten links with senior members of the community.
3. **Prepare for the impact of high-tech crime:**
   * Establish or reinforce links with the business community, particularly the financial sector.
   * Seek to participate in corporate training programs.
   * Increase training in high-tech crime investigation.
   * Seek temporary placement in financial institutions.
   * Obtain technical assistance from experts on crimes, first voluntarily followed by contract agreements.
   * Review minimum qualifications for peace officer positions annually with a high-tech future in mind.
4. **Make ready to be competitive with the private sector:**
   * Review and track legislation relative to this issue.
   * Establish stronger ties with private police operators.
   * Build of improve costing models for specific services.
   * Support and monitor legistation which allows more workable special tax districts for enhanced or supplemental services.

If the documented trends are a forewarning of the inability of public police agencies to deal with high-tech crime, these policies will help shift the trends and bring about the desired future.

STRATEGIC PLAN

As clearly indicated by the trend analysis, the private sector has a considerable headstart in the investigation of high-tech

crime. Public police agencies have some catchin' up to do if this growing crime problem is to end up in the public domain.

To better understand our challenge we can enumerate law enforcement services and sort them into three groups:

Group A	Group B	Group C
Uniform Patrol	Violent Crime Investigation	Missing Persons
Crowd Control	Traffic Enforcement	"White Collar" Crime
Residential Security	Domestic Conflict	Hi-Tech Crime
Commercial Security	"Victimless" Crimes	Crime Prevention
		Public Awareness
		Detention
		Emergency Communication

Group A represents those services which have traditionally been provided by both public and private agencies. Private enterprise, in fact, supplied these services before public agencies even existed. Currently, private patrol businesses are asserting themselves to regain majority interest in this group of services. Lobbyists, representing private operators, are busy in the state capitol, working for legistation which will enable private agencies to expand their businesses. Operators are also challenging the presence of public officers at events they believe should be handled by the private sector.

Group C are the more sophicticated, technical and profitable services which are gradually being inched away from public agencies and turned over to private operators. Most of these services represent the wave of the future. They are challenging, interesting and downright fun!

Group B, the middle of the road category, is a list of services which have not attracted private operators. Although these services are a little less mundane than those in Group A, they are less attractive for two reasons. First, no one has figured a reliable profit scheme for these, and secondly, they are all steeped in negative contacts and depressing "vibes".

The steady inroads being made by private police operators into the Group A and Group C services could quite possibly result in a full takeover of those services by the private sector. Should this occur, private agents will control the heroic, protectionist services of Group A and the exciting, high-grade services of Group C. Public police departments will be left with the sweepings of Group B.

This scenario is a replay of one which has occurred in the medical industry over the past two decades. Private medical facilities have garnered the wheat, public facilities the chaff.

Resources:

Of the five common categories of resources the private sector holds the edge in four.

MONEY: Money must be chalked up to the private side. The mood of the entire country has switched to less government and more opportunity for business. Less equals less money and more unstable public financing. Corporate dollars, meanwhile, are being poured into the protection/security industry.

MANPOWER: The second resource, also tips toward the private side. Hiring standards, although improving, are faint alongside those of public agencies. Moreover, private industry is immeasurably less restricted in every aspect of personnel administration.

MATERIALS AND MACHINES: Are both in the private column. Private firms are simply less encumbered by time-consuming, bureaucratic procurement procedures. If they want something, they buy it, on credit if necessary.

METHODS: Are the only resource that can be credited to the public domain. Public police are better trained. They have more knowledge and skill. They have a stronger, more confident attitude and their techniques are more finely honed.

Stakeholders: The main stakeholders in this scenario are: the police; the private operators; the business and financial community; local elected officials; labor unions and the public. The demands of the public create the desire for these services, whether public or private.

The demands of the public are symptomatic of the American society and, thus, predictable. The public wants more, better, faster and cheaper. Once again, all but one of these demands, (better), favor private enterprise. Just like McDonalds and Burger King, private patrol agencies have the flexibility and wherewithall to deliver more services quicker and for less. Public agencies still have the expertise to deliver better quality.

The reactions of the other stakeholders are worthy of consideration. Obviously private operators would express formidable resistance to any efforts to throttle the current growth of their industry. Private operators have established and expanding legislative lobby in Sacramento. This lobby will be on full steam should the public sector attempt to legislate a monopoly for public law enforcement agencies. The business and financial community presently controls which crimes will be handled solely by their own security forces and which will be turned over for prosecution. There will be moderate reluctance to surrender this contol. We may also expect some strong reactions from public employees and employee groups, (unions). However, their reactions are not as predictable as other stakeholders.

The police actually support two opposing philosophies relative to this issue. On one hand, they eschew what they consider to be menial, guard-type tasks as being counter-professional. They would gladly surrender these tasks to private agents. On the other hand, they sense the intrusion of private "pirates" on their turf and protect their status with the fervor of trapped animals.

Local elected public officials have recently dermonstrated a willingness to contract more with the private sector to provide public services. We may expect a natural bias on their part to continue this trend.

The demands of these other stakeholders are important, however each much bow to the overwhelming priority of the public at large.

MISSION

On the questions of privatization the appropriate mission for law enforcement in general is simple and succinct. Our mission is to curtail the advance of private enterprise into the investigation of high-tech crime by creating in the population a demand that public agencies take primary responsibility for the enforcement of law in this area. Essential to this mission in the absolute necessity to convince the public that criminal investigation, unlike health care and other governmental services, must ethically be retained in the public sector.

EXECUTION

Three approaches might be considered to accomplish this mission:

1. The first approach is a "do-nothing" strategy. We simply sit back and watch the trends either continue or change. As the American Free Enterprise System butts heads with the "Thin Blue Line", we sit back as spectators and resolve to pick up the pieces when all is over and done. This approach cannot be overlooked for, indeed, an overwhelming majority of public agencies may practice this passive strategy.

2. The second approach would be more proactive. It would involve selecting one of the three service groupings and designating this group of services as the most desirable area for the future of public law enforcement. An all out effort will be made to monopolize this group of services by acquiring the equipment, materials and expertise to outshine and outperform the private sector.

3. The third method is a two-pronged approach aimed at the Group A and the Group C services. A back-to-basics theme will be engendered to gain improved results in Group A. The

brainstorming and formulation of techniques and tactics will be done by patrol officers. Standards and objectives will be established. Group C, the high-tech and more sophisticated services, will be improved through specialized training and cooperative ventures with the business community. By improving results on both ends of the spectrum, the perimeter of our province will be guarded from instrusion by private operators.

Of the three alternatives, I will recommend the third, (No. 3), for several reasons:

a. Approach 1 defeats the purpose of a plan. It takes no plan at all to sit back and wait for something to happen.

b. Approach 2 would require more than minor manipulation of the trends. Indeed, it would involve almost total control of a very large segment of the environment. Moreover, concentration on one grouping of services would likely result in neglect on the other two areas. This could lead to a loss of public trust and the eventual demise of the whole farm.

c. Approach 3 is action-oriented. Change can begin almost immediately and improved results expected soon. The action is both defensive, (protecting what we have), and offensive, (action toward quaility growth), in nature.

d. Approach 3 takes maximum advantage of our trump card - <u>better methods</u>. Whereas private industry may have the upper hand in the four other resources, (money, manpower, machines and materials), we have an overwhelming supremacy in the area of methods. The fact that we presently do these services better than private firms is our salvation. We must accustom the public to the quality of our services to the point that lesser quality will be unacceptable. Furthermore for private operators to reach this high level of quality will require expenditures that drastically shrink the margin of profit.

ADMINISTRATION & LOGISTICS

To accomplish our mission the following task assignments are suggested:

<u>Supervisor - Crime Analysis Unit</u>: Extract data and prepare a report presenting the average time per shift spent by a patrol deputy on preventive patrol. The report should display average preventive patrol time for each shift. This data will be used to devlop preventive patrol objectives for each beat.

Supervisor - Training Unit: Contract the Coordinators at Community Colleges and request they work jointly on an Advanced Officer's, (A.O.), course which emphasizes strong basic patrol techniques. A significant portion, (8 hours), of the course must be devoted to group exercises where patrol officers share techniques for:

a. general beat patrol
b. interception patrol
c. crowd control
d. special event coverage
e. residential security procedures
f. commercial security procedures
g. other basic patrol duties

We would like a transcript of these sessions.

Manager - Property Crimes Unit: Write specifications for a group of investigators who may eventually become a high-tech crime squad. Include the preferable knowledges and skills for the supervisor and the investigators. Suggest the names of those officers who possess these skills and knowledges.

Manager - Training Unit: Locate and submit a report listing available training courses in high-tech crime, including; computer fraud, insurance fraud, mail fraud, credit card thefts, bank machine thefts, embezzlement and bunco fraud.

Manager - Administration: Create a data bank of technical experts who would be willing to assist the department either voluntarily or contracturally on the investigation of high-tech crime.

Supervisors - Research/Juvenile: Work together to review current procedures on missing juvenile cases. Submit a report presenting available options to; (1) accelerate the processing of thes cases, (2) increase awareness of these cases among field officers, and (3) communicate our procedures in the community.

Supervisors - Crime Prevention Unit: Review all current and available crime prevention programs aimed at the senior community. Submit a report detailing alternative methods to increase our efforts to service the special needs of this group. Include cost data for each alternative.

Commander - Administration: Develop ways and means of supplementing the budget to (1) lower costs of patrol and investigative services, and (2) finance a new high-tech unit. Suggested means include; service charges; contraband forfeiture; private donations; special tax districts; lincensing fees etc. Also create costing models similar to those used for contracting services for use in developing a financial structure for service charges or special tax dis-

tricts.

Commander - Investigations: Establish contacts with selected businesspersons of the financial sector, (bankers, brokers, accountants, insurance agents, etc.). Explore the possibility of one of our investigators attending their security training sessions and/or being temporarily placed in the business setting for the purpose of learning basic system concepts and procedures. Submit a report of your findings.

All reports are to be on the department head's desk in 30 days. Following review of all materials a staff meeting will be held wherein a tactical plan will be drawn.

NEGOTIATION STRATEGY

As essentially an internal plan, we might be deceived into thinking that any resistance to the plan might come only from people within the department. The fact is the plan will impact our outside environment and outside resistance to varying degrees will occur. However, before we get onto external obstacles, let's consider predictable internal problems.

Department Employees: Resistance to the plan will come from two separate and contrasting factions. Senior operational staff in the department are all counting the days until retirement. Few, in any, are willing to undertake a major directional change in the winter of their careers. This is particularly true of the high-tech crime element of the plan.

Younger officers, on the other hand, support the ideas of getting involved in the gradiose high-tech field and are not excited about the basic, (Group A), services. They would probably express apathy toward the notion of improving Basic services.

STRATEGY: Senior staff must be convinced of one of both of the following benefits:
(1) this new challenge will make the time until retirement go by faster, and/or (2) this new knowledge will be helpful in their post-retirement endeavors. Younger officers must be given a substantial participatory role in the reconstruction of basic patrol services.

As soon as the word gets out on this plan we may expect reactions from at least two outside sources; private operators and members on the City Council or Board of Supervisors.

Private Operators: Learning of our plan and perhaps sensing

an effort to cut in on their livelihood, we may expect strong resistance from private operators. Resistance will most likely come on the form of their mustering support from the business community in opposition to this alleged government monopoly. Local elected officials will be lobbied to intervene.

STRATEGY: Chief on Sheriff will meet, one-on-one with each private operator and pledge his support in the following areas:

(1) less, leading to the eventual elimination of public officers working sporting events and other public gatherings.

(2) increased knowledge and awareness of private security among sworn staff.

(3) expanding interaction between private firms and the sworn staff.

(4) discuss the exploration of sharing some training experiences.

Local Politicos: Having had their ears bent by panicky business persons or generally inclined to give away the store one shelf at a time, local politicians are not keen to our plan to maintain services which might be more economically handled by private operators.

STRATEGY: Board or Council members must be convinced that law enforcement is a fundamental service of government and that abrogation of this responsibility, in essence, violates a public trust. They must also be assured of the aforementioned pledge by the Chief or Sheriff to private operators that those services which properly belong in the private sector will be.

PART IV - MANAGING THE CHANGE

Instituting the strategic plan and moving the organization to a point where it can take full responsibility for the investigation of high-tech crime will require close management of the transition.

Critical Mass

The first step in this process is to identify the "Critical Mass." To do this requires examining all of the stakeholders and selecting one or two persons who are the most influential within their respective stakeholder groups. An example of a stakeholder assessment follows. The names and circumstances are fictitious, however the reader should be able to better understand the process.

The chart below assesses the current level of commitment each of the critical mass players have toward the plan to counteract privatization. The chart also indicates the desired commitment for each player, necessary to allow the plan to work.

COMMITMENT ANALYSIS

Critical Mass Players	BLOCK the change	LET Change Happen	HELP Change Happen	MAKE Change Happen
WAYNE			⊠	
PERKINS	X ->	-> O		
BRAVE		X ->	-> O	
OWNIT	X ->	-> O		
SAMPSON		X ->	-> O	
SMART				⊠
HALL		O <-	<- <- <-	<- X

X = Present Position O = Desired Position

Narrative Assessment

WAYNE: Clint Wayne is a four-term sheriff presently going for his fifth term. He has been described by many as the strongest political figure in the county. He is a day-to-day administrator with a vision of the future. One of his strongest desires is to leave his department in a strong, efficient condition. Therefore, he favors this plan and will help the change occur through frequent inquiries and his instinctive skill to persuade dissenters. The sheriff's position should remain in the"HELP" column.

PERKINS: Donna Perkins represents a district which is almost entirely urban. This differs sharply from the four other members of the Board of Supervisors who are greatly influenced by the agricultural dominance in their districts. Perkins identifies with the business community. She fancies herself an administrator rather than a legislator and thus she is often caught with her nose in the day-to-day operations of County departments. From the get-go, Perkins opposes this plan because it appears to be encroaching on a business specialty which has grown 40% in the local region over the past three years. Perkins opposition can effectively block the plan. Her commitment must be neutralized, i.e. moved to the "LET HAPPEN" column. It will take private security operators, who have gained positive vibes about the plan, to convince Perkins that this plan has sufficient pro-business benefits to warrant its existence.

BRAVE: Brad Brave is the newly elected president of the Deputy Sheriff's Association. He has courage and some communications skills. Younger officers are somewhat captivated by Brave's big city style and attitude. Brave has enough political savvy to LET this change happen. By convincing him that the future concequences of growing privatization will be lower benefits and fewer jobs for public police, Brave can be easily convinced to HELP this plan work.

OWNIT: Harry Ownit has been involved in a number of local businesses over the past forty years. He hit paydirt about eight years ago when he took over a struggling private security firm. Ownit is a natural leader. He is the most articulate of all the local private operators and he has been their unofficial spokesman on several occasions recently. Ownit has a strong ego and he (and his profession as a whole) is starved for recognition. Although initially he will oppose the plan, he can readily be convinced to LET this change happen. Sheriff Wayne must give Ownit some minor consessions and a large quantity of recognition. Ownit will respond with convincing, albeit tacit, support.

SAMPSON: As a scrounger par excellence, Eddie Sampson's unofficial role in the department often outshadows his official assignment. In most every major change in the department, Sampson can be found right in the middle of the logistics. He is not one to either openly block or ardently support change. Nonetheless, Sampson's degree of enthusiasm in gathering supplies or arranging social events can make or break a project. Sampson needs to be enthused about this plan. He needs to HELP this change happen. To do this, Sampson simply must be included on the ground floor of the project.

SMART: Jim Smart is the intelligent and cagey commander of the Administration Bureau. He manipulates information wisely. Although he may be untactful at times, he's an adept debater and a very strong influence at all levels in the department. He will MAKE this change happen. Since he has influence throughout County government, as well as in the department, he is the proper leader for this plan.

HALL: The Granddaddy of the department, Captain Ralph Hall pulls heavy influence with the rank and file. He is highly respected. His nod of approval will have scores scrambling to help. He has a love for his profession and hates to see it being eaten away by what he perceives as incompetent private police. He wants to MAKE this change happen. Unfortunately, the success of this program also depends on strong support of two other captains. Jealous of Hall's popularity, they are likely to counter Hall's support with opposition or calculated delays. Hall's strong interest must be diluted to the point where he simply LETS the change happen. He will do this at the Sheriff's request.

MANAGEMENT STRUCTURES

The transition toward this major change wil be managed by a team composed of a ***diagonal slice throughout the organization.*** The generic name for this structure, a "task force", will be used.

This plan involves attention to and improvements in several, seemingly unrelated, components. These components are bi-directional. They span both divisional and rank-structure lines. The inherent looseness of the task force structure garners a quality representative sample from throughout the department. It encourages participation, thus generating ideas and resources. A more formal structure, such as a "kitchen cabinet" or the hierarchy itself, may stifle the thinking process and increase the resistence to change.

Because this plan involves bi-directional change throughout the department, there is a need to protect against the restrictions of group thinking. In other words, we don't need detectives who are interested in preserving the image of their clan or lieutenants who are unwilling to listen to the ideas of bright young jail officers. Rather, we need individual thinkers who have a grasp of the fundamental values and goals of the agency. The *diagonal slice through the department* structure lends itself to this style of management.

The sheriff or chief will appoint members of the task force. The group will include both sworn and non-sworn employees and representatives of most divisions and bureaus.

Although this is basically a leaderless format, some cohesive agent is required to keep this group on track. This agent will be the sheriff or chief as the ***chief executive acting as the project manager***. However, this will not be the traditional project manager format. Most chiefs and sheriffs are unusually adept at popping in and out of activities, stimutating activity and drawing out cooperative thinking. In this plan he will act as manager only to the point of maintaining momentum and mustering the activities of the task force.

Technologies will be used to assign individual responsibilities to members of the task force, however the glue that holds them together will be the chief or sheriff and his unique skill to manage these types of structures informally, yet effectively.

SUPPORTING TECHNOLOGIES

Three exercises will be conducted to support and facilitate the transition.

Team Building Workshop - Session One

A one-day team building workshop will be conducted with task force members. An outside facilitator with expertise in the human relations field will be utilized to prepare the members for the tasks which lie ahead of them. This first of two sessions will have three general purposes:

1. Members will participate in exercises designed to identify personal biases and blind territorial priorities. Awareness of these features, which are regarded as hindrances to this process, will help mitigate them as problems. Members will learn to grasp the "big picture" and to sacrifice personal preferences for the good of the company.

2. Members will spend some time describing the desired future. They will fine-tune the focus and scope of the strategic plan - reducing the objectives to the least common denominator.

3. Members will establish agendas, schedules and assign task force members to lead intergroup meetings. Two members of the task force will be assigned to co-lead these meetings. Separate two-person teams will be assigned to each meeting.

Intergroup Meetings

Following the first team building session, meetings of 15-20 people, both inside and outside of the organization, will be

conducted. Four to six of these intergroup meetings should suffice to circulate information among the vast majority of the stakeholders identified in the plan. These meetings will be co-led by two members of the task force. Groups will be thoroughly mixed as to assignment, workplace, etc. The purposes of these meetings will be as follows:

1. Particpants will learn that a major change is about to happen. They will be given information as to why the change is necessary and some indication of how the change might come to form.

2. Task force members will receive feedback from these meetings in relation to the plan's methods and objectives.

3. These meetings will be used to inspire organizational pride and to muster support for this strategic plan.

4. Task force members will be alert in these meetings to identify additional ideas and resources helpful to whis project. The scope of this plan is such that we will be open for every available thought, method and resource.

<u>Team Building Workshop - Session Two</u>

Task force members will gather again after the intergroup meetings for a second team building session. This exercise will be two days in length and will employ a facilitator with an expertise in organizational behavior. The purposes of this session are as follows:

1. Members will share their experiences in the intergroup meetings. They will, more specifically, identify any and all external or internal resources discovered during these meetings.

2. The task force will establish procedures and a timetable for executing the strategic plan.

3. They will brainstorm all possible roadblocks and potential conflicts which might hamper completion of the plan. Through a group filtering system these conflicts will be prioritized, described in detail and a resolution method will be identified for any conflict or roadblock deemed serious enough to harm the plan.

4. The task force will clarify the roles of its members and the roles of other important players in the execution of the plan. To accomplish this, the group will go through the process of responsibility charting each important decision or action in the plan. A **Responsibility Chart,** (RASI), will be drawn <u>after</u> the roles of each of the players have been determined.

5. The task force will review all procedures, methods and roles to assure that the action plan is still consistent with the desired future or with the objectives which will bring about that desired future.

6. As a final task, the group will establish a review and evaluation procedure. This is to provide a vehicle for monitoring the plan for a scheduled period of time. Procedures will include a means to assure the sheriff or chief that required actions are being accomplished and to inform him regarding the results of these actions.

Wrap-Up

Following these three exercises, members of the task force and other key players, if any, will be well equipped to to execute the plan. Each will have a thorough understanding of the plan's objectives. They will know what part they play in the plan and how that part inter-relates with others.

They will be prepared for pitfalls and conflicts and will have resolutions to problems before they arise. Most importantly, each and every person participating in the execution of this plan will operate with the confidence and pride that what they are doing is important. Their actions and performance will impact the organization greatly for years to come.

CONCLUSION AND ACKNOWLEDGEMENTS

High-tech crime in the 21st Century is so certain we can and should begin to prepare for it today. Our preparation, quite obviously, must include the effective and efficient use of private sector resources. This project has attempted to offer one viable method of accomplishing this goal. I'm appreciative of those people who donated their time to assist me with this project. The process necessarily requires the participation of many. All were interested in the concept and cooperative in the effort.

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