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Report DELIVERABLE 19

INVENTORY AND EVALUATION OF PRIVATE SECURITY SECTOR CONTRIBUTIONS

Report lead contractor Ghent University
Report author/s Karen Verpoest and Maarten van Dijck

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Project coordinator Petrus C. van Duyne
Project lead contractor Tilburg University



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1 Purpose

The purpose of this report is to determine the actual and potential role of the private security sector in the four European Consortium Countries (i.e. Belgium, Germany, the Netherlands and the United Kingdom¹) in the assessment of organised crime. This survey includes the description of particularities in data collection and analysis and the identification of untapped potentials with regard to the assessment of organised crime in general. As a spin-off a closely related issue is summarily addressed, namely the (potential) role of the private security sector in the containment of organised crime. This second research questions is directed towards the identification of untapped data reserves. Hence, the underlying hypothesis of this runs as follows:

In the context of private security services firms active in this sector process data, which are relevant to the assessment of organised crime, but which, for a variety of reasons, are not utilised in the assessment of organised crime either by these firms or by other strategic analysts conducting assessments of organised crime

2 Methodology

The report is based on an inventory and study of the available literature, including media reports and other open sources, as identified in Deliverables 1, 2 and 11 to 18. This inventory also included (additional) search and browse strategies applied to the internet (World Wide Web) and several (electronic) library databases. This is the summary of four more extensive country-specific reports², in which each of the Consortium partners has addressed a set of commonly defined research question questions (see hereinafter).

In addition, some partners have conducted interviews with representatives of the private security sector. The firms interviewed were selected on basis of the assumption that they would most likely possess and process data, which might be relevant to the assessment of organised crime. For this purpose a questionnaire was drafted which functioned as a (common) guideline for the semi-structured interviews. The following companies were interviewed: the KPMG forensics Germany, the KPMG forensics Belgium, Institute for Forensic Auditors Belgium, members of the Confederation of European Security Services (CoEss), the Association of Tobacco Manufacturers in Germany, law enforcement agencies, members of UK security associations. The questionnaire, meant a guideline for the interviews, contained the following questions:³

1. How do the raw data look like? (presentation of the data: figures, text,...)

¹ The Estonian partner was not involved in this Work Package and Deliverable

² These reports were written by Maarten van Dijk (the Netherlands), Rob Hornsby (United Kingdom), Klaus von Lampe (Germany) and Karen Verpoest (Belgium)

³ These questions very much resemble the questions of the interviews reported in Deliverable 6.

2. Are the data collected on the basis on a definition of organised crime?
3. Which are the data sources and which information do these sources contain? Direct, law enforcement agencies, justice authorities, administrative authorities, customs, other public sources, etc.
4. Which crime phenomena are incorporated in the selection, aggregation and analysis, of organised crime data?
5. Do the data cover regional, national or international issues?
6. What is the aim of the data analysing phase? What is the result of the processing of the data? (situation report on crime, prevention, formulation of future scenario's etc.)

3 Definitions

The assessment of organised crime is defined according to the definition stipulated in Deliverable 7. This definition runs as follows:

“An organised crime assessment is an empirical investigation aimed at providing a comprehensive quantitative and/or qualitative judgment of the whole purported phenomenon in a determined time span.”

For the purpose of this study the definition of ‘private security sector’ as provided by the Confederation of European Security Services was adopted.⁴

“private security services encompass the entire set of activities consisting of prevention, tracing and tracking, information gathering, advising and control which are offered on payment by private persons on the free market to other private and public persons”

The two components of the phrase ‘private security’ denote its content. The component ‘private’ means that the firm providing the security services is non-governmental, and that it provides these services on a commercial basis. The component ‘security’ is to be understood as safety in a crime-related sense. This rules out, for example, safety related to calamities such as fires in buildings or health issues. This broad definition of the private security sector does not only encompass the ‘regular’ security firms that provide security personnel and equipment, but also consultancy that, either or not by way of a separate forensic consultancy division, somehow contribute to the improvement of the safety of companies as far as crime is concerned. The services provided by firms operating in the private security sectors range from the placement of anti-burglary alarm systems and the arrangement of security surveillances in day- and night time, to elaborate consultancy projects in which crime related risks for corporate clients are mapped and strategies to counter these risks are suggested. The private security business includes, among other activities, surveillance, night surveillance, electronic surveillance, manufacturing and reselling of security technology (such as surveillance camera's),

⁴ Confederation of European Security Services, Articles of Association: www.coess.org/statutes.htm.

manufacturing and reselling of increased safety items, such as bullet-proof and armed vehicles and window panes, VIP security, alarm centres, risk analysis, safety and security related consultancy, Situational Crime Prevention, intelligence and private detective services (either for private or corporate clients) and the training of personnel.

4 Legal framework

The private security sector has been growing significantly in the European Union in the past 10 to 15 years. In the private sector private security firms provide increasingly for services previously dealt with by in-house security departments of the client firms. In macro-economic terms this means that the private security sector has grown as a result of specialisation and outsourcing of many security tasks by corporations. Outsourcing and specialisation were expected to result in greater efficacy and efficiency. A similar trend was discernible in the public sector. The private security sector has not only grown in a quantitative way, i.e. in terms of yearly turnover, but also in qualitative perspective:

“Private security firms are playing an increasing role on the market of security and surveillance. These firms are presented as ‘junior partners’ of the state: they would merely take over simple police tasks. In reality their market share is much bigger. They do not only protect private property and premises, but even surpass the state authorities in the containment of economic crime and fraud.” (Oling and Timmerman, 2001-2002)

This might be a little bit exaggerated, but is nevertheless indicative for the growth of the private security business.

The sector as a whole has become more complex and the organisation and execution of the tasks more sophisticated, while simultaneously and related to this development, quality demands have been increased as well. Regulation, and in particular, regulation by legislation, have become increasingly important to ensure a steady growth and channel trends towards further professionalism. In Europe regulation has been put into place on (member) state level. Two major issues can be discerned: (1) the overall registration and regulation (e.g. by certificates) of those companies active in private security, and (2) regulation with regard to the protection of (personal) data, in particular concerning the storage and subsequent processing of electronic data. The following paragraphs contain a sketchy outline of legislation relevant to the private security sector in the four investigated countries. It should be noted that in some countries the wording ‘private security sector’ is used in relation to the legal framework. This scope and meaning of this term is not necessarily similar to the definition underlying this report (see hereinabove).

4.1 The United Kingdom

The United Kingdom has traditionally been a country with very limited regulations of the private security industry, although until the current legal framework came into force a wide

range of standards and inspectorates have supervised the private security industry in the UK. The Private Security Industry Act 2001 came into force on May 11th 2001, but many of its provisions are subject to a phased implementation, particularly to take account of the requirements to establish a new Security Industry Authority. The new legislation covers all guarding of private and public property, guarding of life, cash in transit operations, door supervisors, wheel clampers, security advisors and private investigators.

Under the new legislation, there is no requirement for companies themselves to be licensed, although all employees will require such a licence. All operational staff will have to undergo a criminal background check carried out by either the Security Industry Authority or the local authority in order to obtain a licence prior to being employed. However, at the present time many of the security sectors remain unlicensed. In-house security officers are even exempt from this licensing regime.

4.2 The Netherlands

The Netherlands have what might be considered a median level of legislation covering the activities of private security sector companies. Since April 1999 private security firms in the Netherlands are subject to the regime of the Act on private security firms and detective agencies (*Wet particuliere beveiligingsorganisaties en recherchebureaus*, henceforth referred to as the Private Security Act) and the Regulation private security firms and detective agencies (*Regeling Wet particuliere beveiligingsorganisaties en recherchebureaus*, henceforth referred to as the Private Security Regulation). The Private Security Act regulates ‘security activities’ of the private security firms and private detective agencies and encompasses all activities concerning the protection of the safety of persons and goods or the protection against disturbance of the ‘order and piece’ on premises and within buildings. Each private security firm or detective agency must be registered and must have a license to perform services in the field of private security. This license requires an investigation into backgrounds of the firm’s executives and the firm’s history. In addition, supervision is exerted by way of a certification system, the execution of which is in hands of a non-governmental agency.

In the Netherlands (much like in many other countries) acquisition and processing of personal data are regulated by the Act on the Protection of Personal Data (*Wet Bescherming Persoonsgegevens*). Among many other things the Personal Data protection Act requires the reporting and analysis of computerised processing of personal data before this process is started. In this context the Act on the protection of personal data is primarily important for consultancy firms providing advice to their (corporate) clients. For the private security sector (in the strict legal sense) this Act has been further refined in the Privacy Behaviour Code for private investigation agencies, prescribing the compliance to the civil rights of people who are investigated, how to deal with personal data, which methods of investigations are allowed and to what extent. In addition to these regulations, several specific laws may be applicable to private security service providers, such as the Harbour Security. The actual scope of the activities and issues such as legal liability are governed by civil law, in particular contract law. In

the Dutch legal system contract law is mostly supplementary law, leaving much of the contents of the agreement to the contracting parties.

4.3 Germany

Also in Germany there has been a significant evolution of private security companies particularly over the last 20 years as a result of the outsourcing of previously publicly provided services, the establishment of new areas of activities and the rapid developments in security technology. Today private security companies provide a wide range of services including the guarding of buildings and industrial and military installations, security at public events, the guarding of persons and the transport of cash and valuables. Germany is generally classified as one of the countries with relatively limited legal intervention in the establishment and operation of private security companies. There is currently no sector specific legislation governing the establishment and operation of private security companies. This is regulated by general commercial law (*Gewerbeordnung*) dating back to 7th February 1927 and the regulation on private security undertakings (*Verordnung über das Bewachungsgewerbe*) of 14th December 1995. The establishment of a new company in the sector is regulated by §34(a) of the *Gewerbeordnung*. This stipulates that the German supervisory chambers of commerce are responsible for assessing the viability and reputable nature of an undertaking. Otherwise, the private security industry is treated like any other business and much of what security firms do is specified only in the civil law contracts they enter into with their clients.

4.4 Belgium

The establishment of the first private security undertakings in *Belgium* dates back to 1905. The industry in Belgium has developed over the years in the context of strict legislation aimed at protecting private citizens from any abuse of power by private security undertakings. Today companies in the sector primarily provide services in relation to the protection of goods, cash in transit and the transport of valuables, the guarding of persons, security at public events, access control and the planning, installation and maintenance of alarm systems. Belgium is one of the countries with the most stringent legislative and regulatory framework covering the private security industry. The industry is governed by the law on private and special security of the 10th April, 1990 last modified on 7th May 2004. The three main business groups regulated by this law are private security companies, companies with internal security providers and security advice services. According to the law, the establishment of a private security undertaking requires a licence from the Ministry of Interior. Precise exclusion criteria are set down in respect to the background of owners and managers as well as staff of private security companies.

4.5 Legal restrictions to the assessment of organised crime

From the short descriptions of the legislation regulating the private security sector in the different countries under study, it can be concluded that the legal framework in these countries imposes no restrictions on the assessment of organised crime, other than with regard to protection of personal data {er zit een dubbele ontkenning in de zin}. Within these constraints no other legal restrictions or authorizations with regard to data collection and data processing apply. These restrictions, however, are of minor significance, given the fact that the assessment of organised crime normally involves strategic, no operational or tactical analysis. Strategic analysis does not require data identifiable with certain individuals (e.g. suspects or perpetrators) and can be carried out with anonymised data. In most countries the mere systematic gathering and storage of data is bound by law, but it is not very difficult for firms and institutions to obtain the required formal permits.

5 Current contribution to the assessment of organised crime

As pointed out in the introduction, no contributions by the private security services to the assessment of organised crime as such could be identified in the reviewed literature (see Deliverables 1-2 and 11-14). However, the private sector and perhaps even more so the private security sector, for obvious reasons, is not always very keen on making public the knowledge and information obtained within the context of its assignments (which in most cases are based on private agreements with corporate clients). Hence, it would be incorrect to conclude from the above observation that knowledge and data relevant to the assessment of organised crime does not exist at all with private security firms. On the other hand, even if such knowledge exists, this will by definition not result in a *contribution* to the assessment of organised crime, unless it is an assessment performed by the sector itself or requested by a client. This leads us to the distinction between three ways of ‘contributing’ to organised crime assessments. In general terms: a private security firm either does perform such an assessment entirely by itself, or it does contribute to such an assessment in close cooperation with other ‘assessors’, or it provides data which subsequently is analysed and used in an assessment of organised crime performed by another party. In addition – and again in general terms – a firm may contribute to the assessment of organised crime, without being aware that it does. These four ways of contributing to the assessment of organised crime will be briefly discussed in the following paragraphs.

5.1 Purposive organised crime assessment by the private security sector

The hypothesis was that firms active in the private security sector do not engage in organised crime assessment as such. To some extent this is inherent to the definition of assessment adhered to in this study: it would mean that private companies who work on a commercial basis would not attempt to create a comprehensive picture of organised crime at a given moment.

The sector as such and the firms in it do have no particular interest in organised crime as such, neither in the study of it. Private firms, as in any sector, must get paid for executing their client's requests. In case of the consultancy sector, the primary focus is on vulnerabilities of clients who might become victim of *crime*, regardless what type of crime might cause the inflicted harm or who might be the offender. If there would be an interest in organised crime, then this would only arise because of a highly selective interest in those aspects of organised crime that might be relevant in the context of security advisory.

5.2 'Accidental' organised crime assessment by the private security sector

When private security firms *do* contribute to the assessment of organised crime, then this is merely a spin off from their core business activities. Sometimes the firms and the people involved in assessment-like activities might even not be aware of the organised-crime-assessment aspects of their work. For example, some crime types more or less systematically addressed in certain reports may involve *organised* crime, but this might be totally irrelevant to both the issuer and the user of such a report. For example, the 'Monitor Criminality Business Sector', a report from the Dutch consultancy firm TNS-NIPO, contains a mixture of quantitative and qualitative data about crime and crime-related issues relevant to the retail sector. The report has a rather general focus and scope and does not particularly focus on organised crime, however, some of the information might relate to organised crime, although this is impossible to determine from the report itself.

Some reports are like assessments of criminal area's, which generally fall within the category of organised crime, such as drugs trafficking and contraband cigarette trafficking. Interviews with the Association of Tobacco Manufacturers in the UK produced evidence of the tobacco industry employing 'in-house security' and private security firms to assess the cigarette black market and also to provide data to the tobacco industry on the levels of contraband and counterfeit cigarettes currently consumed within the UK, without them being consciously assessing organised crime. A survey conducted by KMPG in different countries among national companies on the prevalence and prevention of business crime, may very well be considered as relevant to the assessment of organised crime, depending on what definition of organised crime may be applied.

On European level some institutions, mostly umbrella organisations for national private security organisations, are regularly reporting on crime types related to the markets the organisations are involved in. Sometimes these reports encompass organised crime data. For example, the reports provided by Eurowatch and The European Security Transport Association (Esta) do contain information involving organised crime, even when there is no explicit intention to focus on organised crime as such. One of the few reports which is explicitly addressing organised crime (and publicly available) is the report of The International Federation of Actors on the 'Contraband, Organised Crime and the Threat to the Transportation and Supply Chain Function'. Also large multi-nationals, for example Shell, have in-house security

personnel who are knowledgeable about international organised crime and even share data and intelligence on a regular basis with law enforcement agencies.

5.3 Transfer of data relevant to the assessment of organised crime

Another way of ‘contributing’ to the assessment of organised crime is when data or intelligence is shared with the strategic analysis units of law enforcement authorities, while it is not the private firm, but these units who perform the assessment. One can imagine the strategic analysis units making specific requests or, more likely, performing interviews with representatives of the private security sector. This could result in extra substantiation of the research findings from these assessments. As it appears, strategic analysts have no particular interest in what they might learn from the private security sector, at least it does not show in many annual country reports on organised crime (see also Deliverable 7) {So why interviewing them?}. Summarising: the private security sector did provide virtually no information or data and it was not asked to do so neither. Only in one of the Dutch reports on organised crime some reference is made to interviews with executives of consultancy firms and other representatives from diverse private security organisations. Concluding: here too no direct proof is found of the private security sector being involved in the assessment of organised crime.

5.4 Public-private partnerships

Public-private partnerships between, on the one hand, governments and public bodies and, on the other hand, firms active in the private security sector, can be found at four different levels: at the local level, at the regional level, at the national level and at the European level. In these partnerships the containment and assessment of organised crime sometimes is explicitly identified as the objective of the partnership. In some other case this objective is more implicit. The following paragraphs will focus on partnerships on the national and European level.

The idea that combating organised crime can be effectively supported through public-private partnerships can be considered well-established at national and European level. Recently, these partnerships in the fight against organised crime were fanned by the adoption of the Dublin Declaration at a high-level conference, titled ‘Tackling Organised Crime in Partnership’. This conference, held in November 2003, was the first European Congress on developing partnerships with the aim of identifying, measuring and preventing harm from organised crime. Among other things, it was recommended by the Declaration to create active partnerships between the private and public sectors; to develop a Protocol on partnerships between the public and private sector at national level alongside an Action Plan at EU level and to review the criminal intelligence systems and procedures with a view to rendering them mutually compatible with common minimum standards.

The Dublin Declaration has been endorsed by the Council ‘Justice and Home Affairs’ at the beginning of 2004 and some of the recommendations included in the Declaration have already been implemented. For example, the Council has adopted, in April 2004, a Model

Protocol⁵ for the establishment in Member States of partnerships between the public and private sectors to reduce the harm from organised crime. The private and public sectors share a common interest in the (joint) development of ways to identify and prevent the incidence of harm caused by organised crime. Partnerships arrangements in the fight against organised crime are already in place or underway in different ways in some Member States and, so far, have yielded positive results. These arrangements include partnerships between the public and private sectors, which operate successfully on an informal basis. The Model Protocol provides a National Platform Membership and the establishment of expert subgroups. The issues debated at the Dublin Conference have also been taken forward at a conference in London, which produced recommendations, which support and strengthen those contained in the Dublin Declaration. At the highest political level, the *The Hague Programme* also deals with public-private partnerships in this area, stating in paragraph 2.6 that

“[i]t is important to protect public organisations and private companies from organised crime through administrative and other measures. Private/public partnership is an essential tool. The Commission is invited to present proposals to this effect in 2006”.

The next step intended by the Commission, is to present an EU Action Plan on Public-Private Partnership in 2006.

Eurowatch is an example of a partnership between public authorities and the private security sector on a European level in the area of the transport sector. The aim of this partnership is to combat crime in general and in particular crimes committed by organised crime groups, such as the theft of vehicles. The private sector helps the public police authorities by tracing and tracking the stolen vehicles and, if possible, offenders as well. Due to the international character of the private organisations, cross-national crime can be far more easily dealt with.

Besides the partnerships on European level, many examples public-private partnerships can be identified on national level. In the United Kingdom, for example, the government is currently championing data exchange within public-private partnerships and its analytical cycle in combating organised criminal activities. The exchange of data and its analysis is intended to provide detailed information about particular activities with an aim of targeting appropriate interventions. It has become an integral aspect of cross-boundary policing, focusing on ‘problem-orientated’ and ‘intelligence-led’ approaches in law enforcement. However, apart from the chemical precursor legislation, the role of public-private partnerships in security arrangements, in particular those focusing on combating serious criminal activities, remains fragmented and of an *ad hoc* nature. As concerns the chemical precursor legislation, the measures are directed to encourage operators to notify law enforcement authorities of suspect transactions. From August 2005, the chemical industry and those distributing chemical precursors in the UK are placed under a regulation, which instructs (in article 8.1. in the case of the regulation 273/2004 (internal) and 9(1) of the external regulation) manufacturers and distributors of chemical precursors to report to the authorities any transactions that seem suspi-

⁵ COUNCIL RESOLUTION of 29 April 2004 on a Model Protocol for the establishment in Member States of partnerships between the public and private sectors to reduce the harm from organised crime, *Official Journal*, 30/04/2004, p. 0020-0022.

rious. European member states will be free to choose most of the dissuasive penalties available under their national legislation to deal with non-compliance to this legislation. In this example, there is clear evidence of direct public-private partnership in the exchange of data aimed at combating organised criminal activity within cross-boundary drugs trafficking.

In the Netherlands, banks decided to embark on public-private partnerships in reaction to the increasing number of bank robberies. A committee comprising members from the Justice Authorities, the police and the banks was set up on the banks' recommendation. The committee's advice included registering and analysing the incidence of bank robberies, developing a comprehensive package of effective preventive measures and finally ensuring the Justice authorities followed up on crime.

In Belgium the government has provided room in its 'Security and Detention Plan' for public-private partnerships in, among other areas, organised and white collar crime. The Belgian authorities are convinced that the fight against these types of crime needs a close partnership with the private business sector. Based on this Action Plan, the discipline of forensic accountancy got the (somewhat ironic) opportunity to do a self-reflective study. Besides these initiatives, some other public-private partnerships can be mentioned, which are not specifically oriented to preventing and combating organised crime but also implicitly deal with organised crime, such as the Permanent consultation platform 'Business Security', the Consultation platform Security of the Self employed', and the partnership 'Swindle of vehicles'.

5.5 Reporting of unusual transactions

There is one specific area in which private companies are obliged under law to gather data on activities that are associated (at least on international level) with organised crime: the area of anti money laundering regulation. Though initiated as one of the instruments in the fight against illicit drugs trafficking at first and, later, organised crime, anti money regulation and policy has gained momentum of its own and is now an autonomous area of law enforcement. Anti money laundering (AML) legislation is pretty much harmonised throughout the world, mostly as a result of the activities of the energetic FATF, the international non-governmental authority on anti money laundering policy. Basically the legal framework consist of two pillars: the criminalisation of money laundering activities and the establishment of a reporting system in which financial and other institutions and professions are compelled to implement customer identification measures and to report unusual transaction to the proper authority, the national Financial Intelligence Service. By now, most European countries (including countries like Switzerland and Liechtenstein) have implemented a reporting system and established a reporting office for unusual transactions in the form of an Financial Intelligence Unit (FIA). Due to the initial link between anti money laundering regulation and the fight against drug trafficking and later, organised crime, and because still most of the suspected money laundering is allegedly related to forms of organised crime, the reporting system generates data relevant to the assessment of organised crime. At least, potentially, because, as things are now, a much information that could be useful to the assessment of organised crime is 'lost' for

proper scientific and strategic analysis. This has two reasons: lack of (empirical) research on the actual link between (organised) crime and money laundering and lack of (empirical) research about the amounts of money being laundered and the methods used for this. The consequence is an insufficient knowledge basis, which diminishes the possibility to draw conclusions from the data generated within the reporting system.

However, this is not due to lack of good will and collaboration on the side of the private institutions obliged to report under the reporting regulations. One could argue that financial institutions and many other firms addressed by anti-money laundering regulations are not part of the private *security* sector. However, this activity does fall within the broad definition as presented above and many activities within this regulatory framework, such as the Know-Your-Customer-Policy used by banks and other institutions, are indeed a matter of (private) security, for these activities also protect the interests of the firm (bank, credit card company, etc.) involved. Hence, we would argue that the compliance with AML regulation does provide an example of the contribution of the private sector to the assessment of organised crime, or at least could be.

6 Particularities and untapped resources

As mentioned in the section above, written contributions by the private security sector to the assessment of organised crime are relatively scarce or at least not publicly available. Interviews with private security representatives were held for a twofold purpose: to see what are the particularities about data collection and analysis within this sector and to see what untapped data resources might be there. The representatives were asked to answer questions about the nature of the (raw) data processed by the firms, what kind of sources these data stem from, et cetera (for the question in detail, see the paragraph on methodology above.) Some of the conclusions drawn from these interviews are here presented.

The way *the raw data look like* is not that different from the data collected and analysed by the police authorities. Depending on the purpose of the report and the specific needs of a particular client, the presentation of the raw material can vary from statistical figures to textual exposés. However, probably most of the reports will consist of (open) texts due to the aim of the reports. Moreover, the few texts we were able to analyse in the context of this WP consist of qualitative data represented in an exposé.

As much information and data is not collected for the purpose of assessing organised crime as such, there will logically be few reports, which state on what *definition of organised crime* the data are based. The only report, which explicitly deals with organised crime and in which an entire chapter is devoted to the definition of organised crime and the academic discussion about this definition and concept was issued by FIA International Research Ltd.

The *data sources* on which the information is based are of a very diverse nature, but very often data from law enforcement authorities are used. General reports published by consultancy and other security firms addressing a certain crime sector, make reference to the national and international crime reports, whereas (as mentioned hereinabove) the national an-

nual reports on organised crime almost never mention data and information coming from the private (security) sector. Hence, data and information exchange between the private security sector and the strategic analysts performing the periodical organised crime assessments is a one-way information stream.

In comparison with law enforcement agencies, the private firms, however, have the capability to use personal, expertise and technological resources from various areas, when for example auditors, lawyers, former police investigators and prosecutors, and IT-specialists are brought together to collaborate in one investigation. Reports issued by umbrella organisations, such as Eurowatch or Esta, are mainly based on information from multi-disciplinary teams of (national) experts in the field of the respective markets.

As the reports of the private security sector mostly do not include any comprehensive assessment of the organised crime situation in a territory or market, the question about which *crime phenomena* are incorporated in the organised crime data is rather unanswerable. The selected crime phenomena are not selected on their (supposed) link to organised crime. Moreover, the data are collected and processed with the specific needs of a particular client in mind, which will consequently also determine the choice for the related crime type.

Also the answer to the question about the geographical scope of the data is related to the fact that the data are collected on the demand of a particular client. The *geographical scope* of the data will thus vary from the regional level, over the national level, to the international level. More than the data used by police authorities, the information will have an international geographical scope. Especially the reports of the umbrella organisations contain cross-national data (as expected from supra-national *umbrella-organisations*), but also other private institutions such as private forensic auditors have indicated that they make frequently use of cross-border information.

Especially concerning the *aim of the assessment of organised crime data* the differences with the public law enforcement authorities and thus the particularities in the data collection and analysis can be distinguished. As mentioned before, information on (organised) crime is collected and processed with the specific needs of a particular client in mind. As private security is a free market, the activities and services supplied on these markets depend on the demand of their clients. As a consequence of this, the reports written by the consultancy firms will mostly not have a descriptive aim but rather have the specific purpose of prevention or formulation of future scenarios. For example, if a client plans to make an investment, then it is common that security consultants conduct background checks of potential business partners. In other cases, if a client has detected criminal behaviour within his company he will turn to the consultancy firm to set up future scenarios to combat this behaviour. In reports performed by police authorities, the focus lies much more on the description of the situation, especially in the annual situation reports on organised crime.

7 Potential contribution to the assessment of organised crime: untapped reserves?

As noticed before, the private security sector is, except from some public-private partnerships, not really involved in the field of assessing and combating organised crime. But that does not necessarily mean they cannot play a more important role. In the following paragraph the question will be addressed to what extent the private security sector could contribute more significantly to the assessment of organised crime and what might be the impediments.

7.1 A privileged information position

There are at least some characteristics of the private security sectors, which should give it a surplus value in the assessment, prevention and combat of organised crime. One of the aspects is that private security firms typically gain access to information pertaining to their clients that may be unavailable to law enforcement. For private security firms it is not at all self-evident to share knowledge with police in concrete police investigation. As service providers these firms have to heed the interests and wishes of their clients first, which might result in refraining from sharing knowledge. Indeed, many corporate entities are hesitant to bring it in the open when they are victimized or when their services have been abused by criminals. Hence, there is, or at least might be, an information surplus, i.e. an untapped reserve which can be valuable to the assessment of organised crime. When made anonymous, so that the information cannot be traced back to the affected company, the initial reasons for not sharing the data might be overcome.

Another aspect pertains to the better investigative capacities of large consulting firms. By combining the expertise of investigators from various professional backgrounds, it seems plausible to assume that more information can be collected and more insights can be gained than by a law enforcement agency. In comparison with law enforcement agencies, the private firms have the capability to use personal and technological resources from various areas. A good example is financial data. Proper in-depth analysis of financial and economic data requires a relatively high degree of expertise. Strategic analysis units often do not have that kind of expertise and could benefit well from what help can be offered, e.g. from consultancy firms. Moreover, these private security firms are focussed on the demand of a client, and thus on a specific market, target group, country, etc. It seems plausible that for this reason much more detailed information can be obtained. In addition (and as mentioned before) these firms and especially the umbrella organisations of companies involved in private security often operate on a far more cross-national level than law enforcement authorities, which definitely is a surplus value in the field of assessing, preventing and combating organised crime. Furthermore, some authors state that the increasing emphasis on public-private partnerships data exchange is predicted to improve statistical work and the collection of information on the devel-

opment of crime and public perceptions of the level of security, which definitely can serve to combat organised crime.

7.2 Operationalisation of the data transfer

In what ways can the potential contributions of the private security sector to assessing (and combating) organised crime be operationalised? At first sight, there seems to be several ways. Private security firms may perform organised crime assessments either as part of an assignment of a client or on their own behalf. Based on the discussion here above, this first way of contribution will probably be far more feasible in theory than in practice. Practically it would boil down to it that the governments or public bodies have to hire these firms in order to do (parts) of the assessment.

As some private security firms and consultancy corporations do have privileged access to information and data that is relatively hard to get for ‘outsiders’, the second possibility for the private security sector to contribute to the assessment of organised crime is to provide data to the researchers preparing an assessment. For a part this is already done in many countries, by way of compliance of financial institutions and other institutions and professions within the anti-money laundering regulatory framework. Banks and other (financial) institutions pass on information concerning unusual transactions on a regularly basis, obliged to do so under law.

A third and less drastic way to profit from the knowledge and know how of the consultancy firms is to assign them with the task to gather (new) data from scratch. In this case no data will be used that is acquired in the consultancy firm’s dealings with other customers, but new data is gathered, e.g. by a series of (voluntary) interviews with representatives of the clients. This would generate a different dataset but it will circumvent possible drawbacks inherent to compulsory data transfer as will be described hereafter. But this also would require either a private agreement on a repetitive basis or some kind of legal framework in which firms are compelled to answer requests from strategic analysis units to hand over certain data.

A fourth option is to give private security firms the opportunity to comment on the findings of law enforcement agencies from their specific point of view. This can be cast into different forms, the most likely of which would be to held interviews on a regularly basis and to request for comments on preliminary and provisional versions of assessment reports.

Depending on the quality and quantity of information it could be valuable to either integrate private security firms into a more comprehensive information gathering system, at least pertaining to certain areas of (organised) crime. It should be relatively easy to design a format in which these data are systematically analysed and used in the assessments. Because an assessment is essentially a strategic research routine, information can be passed on in an aggregated format, or at least detached from any information that might link specific data to specific natural or legal persons. Anonymity will thus be guaranteed and the possible infringements on the Protection of Personal Data Act will be evaded, and it might as well serve to overcome initial reluctance of the consultancy firms to provide these data.

As easy as the designing of the format could be, as difficult the implementation will be. Especially within the first three options, resistance could be expected from both sides of the spectrum. Some essential sector distinctions between public and private policing, in terms of the state versus the market, may not be forgotten and still be in the way. Being profit driven, the private sector will rarely voluntarily take on activities that will not enhance their own profit driven agendas. While also being expected to produce data for law enforcement authorities for monitoring procedures there will be pressure to harmonize potential flows of data exchange which may not be of any commercial use to those sectors of industry expected to cooperate with such monitoring protocols. Also on the side of the law enforcement authorities there are duly concerns – even within the framework of the public-private partnership, one could be faced with the ‘prospect of having non-governmental and non-security cleared staff processing some of the most sensitive criminal and intelligence information.’ The exchange of intelligence data between private and public sectors will therefore be no easy process. Such processes will need to include a range of positive enticements in order for such systematic exchanges of data to occur. Such a systematic transfer of data can only be effectively realised if a legal basis for this transfer is established. Much the way the international and national legal framework concerning anti-money laundering policy has overcome – or overruled – initial objections by the financial sector, a legislative basis may help overcome possible problems concerning to the willingness of firms to cooperate.

8 Conclusion

The initial scope of this report was rather wide, given the broad conception of what ‘private security services’ entail. Notwithstanding, the focus was primarily on the operation of the companies specialised in (private security) *consultancy*. This has an obvious reason: as the assessment of organised crime is primarily about collecting and analysing data (rather than intelligence or other forms of unconnected information), these type of companies are to be expected to yield the most fruitful results in terms of handing over data. On the one hand, the notion that combating (and assessing) organised crime can be effectively supported through public-private partnerships can be considered to be well-established. Different partnerships explicitly related to organised crime are already set up on European and national level. However, these partnerships are the most extreme form of the involvement of private security sectors in combating, preventing and assessing organised crime nowadays. On the other hand, these public private partnerships aside, the private security sector currently seems have no significant role in the assessment of organised crime. This remark runs as a leading thread through the different country reports underlying this report. The main cause for this conclusion is, most probably, the fact that the sector is not particularly interested in the concept ‘organised crime’ but primarily responds within the commercial, profit driven framework of demand and supply. If there are no demands related to organised crime, no assessment of organised crime will be performed.

From the reviewed literature and interviews it appears that the primary focus of the private consultancy firms lies on the vulnerabilities of their clients to become victims of crime, regardless what types of crime might cause the inflicted harm or who might be the offender. As some of the reported crime types can be looked at as organised crime types, any contribution to the assessment of organised crime (in the sense of accumulating knowledge) should be considered coincidental, not as a purposive contribution. This is probably also the main explanation for the differences in data collection and analysis between the public police authorities and the private sector.

However, when questioning the potential role of the private security sector in the assessment of organised crime, some untapped reserves might be there for 'excavation'. One important factor is the 'privileged' information position of some firms active in private security. These firms may be able to collect and analyse data coming from data sources not available for public police authorities. In addition, their wider focus on (and access to) cross-national data and the availability of more detailed information are also helpful factors. One great advantage of the private security sector is, that it encompasses a great variety of expertise in numerous areas. Taking all these aspects into consideration, the private security sector could in future play a more important role, even become a partner on a regularly basis, in assessing, combating and preventing organised crime.

The legal framework to which the private security sector is subjected, do not stand in the way of performing assessments of organised crime either. Although the different national regulations vary in rigour and application field (e.g. Belgium seems to have both the most rigorous and broad application of regulations), the regulation contains in no country restrictions for assessments of organised crime.

There seem to be various ways in which the potential role and contribution to the assessment, preventing and combating of organised crime, could be operationalised. Some impediments might arise from both sides of the public-private spectrum: the public-private relationship always has been one of mixed emotions. Being profit driven, the private sector is not likely to engage voluntarily in activities that will not enhance their own profit driven agendas. On the side of the law enforcement authorities there are duly concerns; one could be faced with the 'prospect of having non-governmental and non-security cleared staff processing some of the most sensitive criminal and intelligence information.' Therefore, a range of positive inducements will be needed in order for such systematic exchanges of data to occur. Either on basis of public-private agreements or forced by legal regulation, initial impediments might be overcome. The question that remains is, whether there is sufficient political support to take one of these courses of action.

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