

THE DEVELOPMENT OF THE NATIONAL FRAUD DATABASE

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The purpose of this paper is to outline the development of the National Fraud Database (NFDB) and comment on its impact of the investigation of art fraud in Australia

The Australian Bureau of Criminal Intelligence (ABCI) was established in 1981 with the primary function to facilitate the exchange of criminal intelligence between law enforcement agencies. As part of this process the ABCI is involved in intelligence collection, collation, analysis and dissemination functions. The ABCI comprises sworn members from all Australian police services and a number of civilian analysts and support staff. The ABCI responds to the directives of the Board of Control which comprises the Police Commissioners from each jurisdiction.

The ABCI has been tasked with developing the NFDB for the jurisdictional Fraud Squads and other law enforcement agencies. The purpose of this paper is to provide a progress report on the development of the NFDB.

Progression of the NFDB

At the Commissioners' Conference in May 1995, the Police Commissioners first discussed the perceived need for a national fraud database for the sharing of fraud intelligence. In April 1998, the Police Commissioners endorsed the strategy for the development of a national fraud capability managed at the ABCI by developing a database utilising the existing Australian Criminal Intelligence Database (ACID).

In July 1999 a financial analyst was appointed to the ABCI to facilitate the development and introduction of the NFDB.

In developing the concept of a NFDB a number of benefits were identified. These included:

- The ability to share relevant historical and current fraud information in a cost effective and efficient manner;
- The ability to access the totality of Australian fraud intelligence including Commonwealth data;
- The earlier detection of offenders from a tactical perspective;
- The earlier identification of emerging national fraud patterns with the ability to effect proactive rather than reactive action.

A proposed vehicle

Rather than just a database limited to fraud/offence details, the concept of the NFDB has been widened by also making the NFDB a repository for fraud reference material. With this component fraud investigators will be kept up to date on emerging fraud trends and techniques.

The project, named the National Fraud Desk, has therefore two components:

- Database component
- Fraud reference component.

Stage one of the project, the fraud reference component will be available from February 2000. The Desk, set up in a web based format, is available via the ABCI's secure Intranet. The Intranet service, known as the Australian Law Enforcement Intelligence Net (or ALEIN), utilises web browser technology and is linked to all Australian police services. It is also linked to the National Crime Authority, State Crime Commissions, the Australian Customs Service and a number of other agencies, on a restricted basis.

The information on the Desk will cover a number of areas relevant to the fraud investigator including:

- Plastic Card Fraud
- Identity Fraud
- E-Commerce
- Proceeds of Crime
- Money Laundering
- Art Fraud

In relation to the reference material on items such as Art Fraud , the user will be given access to:

- Overview on art fraud in Australia and overseas
- trends
- initiatives
- publications
- links to relevant web sites

Impact on the investigation of art fraud

The reference component has two main functions. Firstly as an educational tool .The National Fraud Desk will assist in educating fraud investigators on issues such as art fraud. Relevant newspaper articles, published papers and journals will be posted onto the Desk to provide a reference point for investigators.

Secondly the Desk will act as a repository for trends and techniques in art fraud. A focus for the ABCI is 'adding value' to the information that is collected. Information on trends and techniques will be analysed by the ABCI to provide trend reports to the law enforcement community. This will assist in creating a greater awareness to law enforcement of the problem of art fraud in Australia.

The Database

The second component of the concept, the fraud database will be available by the second half of 2000 and will comprise a subset of the extensive Australian Criminal Intelligence Database (ACID) maintained at the ABCI. This database is structured relationally to enable linking of information.

The National Fraud Desk will provide a link for the user into the database for Australia-wide searches on criteria such as offender, address, offence, etc. Tactically, the database will be of importance. Potentially searches will enable the user to determine whether a fraud suspect under current investigation has been previously investigated in another jurisdiction.

It is envisaged that current fraud intelligence on known art fraud suspects will form part of this information. The importance of the database is not just from a tactical perspective but also from a strategic perspective. By creating an ability to identify and analyse fraud trends on a national level the database will assist in determining the impact of art fraud in Australia.

Sources of information

As part of the process, a Working Party has been set up to assist in the development of the Desk. The Working Party comprises representatives from each jurisdiction, who act as conduits for inclusion of relevant information onto the Desk.

To provide a holistic approach towards fraud enforcement, the ABCI is keen in accessing trend type information on art fraud from the private sector. The National Fraud Desk will provide a means whereby communication and interaction between law enforcement and the private sector is enhanced.

Due to interest from the private sector, the ABCI is exploring the proposal that a 'mirror image' of the National Fraud Desk, excluding the database component and 'police protected' information, be made available to relevant private agencies via the Internet. The ABCI is cognisant of the fact that the greater the inclusion of the private sector in the process, the greater the quality and quantity of information supplied to the ABCI.

Conclusion

Recent reports have highlighted the growing problem of art theft and art counterfeits in Australia. According to the FBI Art Register, art theft is one of the world's fastest growing illicit industries, with millions of stolen works now in circulation. Worldwide, the figure is estimated to be approximately \$11.7 billion a year.

Both the fraud reference and database components of the National Fraud Desk will assist in identifying emerging trends in art crime in Australia. If these emerging trends are to be curtailed, significant emphasis will also be placed on the National Fraud Desk to assist law enforcement agencies in developing proactive enforcement strategies.