

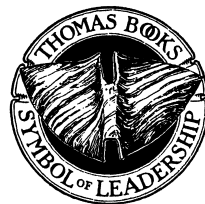
ADVANCED PRIVATE INVESTIGATION

ADVANCED PRIVATE INVESTIGATION

**A Manual of Advanced Investigative
Skills for the Private Investigator**

Edited by

WILLIAM F. BLAKE, MS, CPP, CFE



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PREFACE

Today's private investigator comes from two primary sources: (1) law enforcement agencies and (2) from academic environments. As a result, the experience gap varies widely. Those coming from law enforcement normally are retirees with an average of 20–25 years of experience as a law enforcement officer. Their experience as an investigator is frequently much less and what experience they do have may have been restricted to a particular investigative area, such as narcotics, robbery, etc. The investigations they will conduct in the business environment will be significantly different. Those coming from the academic world have the advantage of exposure to the latest in investigative techniques and legal knowledge but lack practical experience in applying the information that they have learned. The academic's investigative knowledge is normally restricted to an introductory course where only the most basic of investigative skills are discussed. Each group comes with a different outlook, perspective and set of values. To be successful as a private investigator, they must learn the more complicated skills required in the world of corporate investigations.

The purpose of this book is to provide a basic understanding of some of the more complex matters faced by the private investigator. Real expertise in the advanced level of private investigations comes from expanding this basic information into a more comprehensive working knowledge of the issues. Each area discussed in this book could easily be expanded into a single subject book. This expanded knowledge can result in expertise in a niche business model with considerable personal and business success. It is not our purpose to make an individual a highly skilled private investigator in every conceivable investigative arena. Our intent is to whet the interest in areas not normally encountered in law enforcement or the academic environments. A general minimum knowledge in these areas will be valuable when it is necessary to employ an especially skilled subcontractor to support the primary investigative matter.

The authors of this book are a very unique group of professionals. Each author has a minimum of ten years of investigative experience and many

have at least 35 years of experience. The majority of the authors have investigative experience with large law enforcement agencies, in military service, or at all levels of government. The professional certifications earned by the authors demonstrate their quest for professionalism and current knowledge due to the requirements for continuing professional education. Many of the authors have advanced academic degrees such as PhD, Juris Doctor, MBA, and similar degrees.

The following chapters outline some of the specialized areas in which the experienced private investigator may be involved. Each author has written about his or her specialized area based on personal experiences. This tactic eliminates the inconsequential and concentrates on primary issues.

Success as a private investigator is influenced by two different business options. An individual may pursue his activities from a business perspective and provide investigative services for all possible clients through the use of his own skills, augmented by the investigative resources of qualified associates. Second, an individual may rely strictly on current skills and operate within a limited scope of activities which will impact business income and success.

William F. Blake

INTRODUCTION

The world of the private investigator has evolved from a very simple to a very complex business. In our early history, the private investigator primarily operated in a law enforcement officer mode but was employed by an individual or corporate entity. The basic qualifications of the early private investigator were being able to find people who may or may not have committed a crime, and when the circumstances required, be able to shoot first and accurately. There were very few legal restrictions on the activities of investigators and in some cases, their activities were clearly criminal violations of law. There was no public outcry for restrictions on their activities as there was a general public opinion that the perpetrators probably deserved what happened to them. There was also a common opinion that a person had a right to protect his personal reputation and business interests by any means possible. This attitude was portrayed in the early western movies where John Wayne, Hopalong Cassidy, and Gene Autry portrayed the white hat savior of the common person being persecuted by the black hat bad guys.

The expertise of the early private investigators was primarily derived from the survival skills they learned as a hunter and trapper. Tracking a prey and accurate shooting was a necessity for the majority of the early settlers. The so-called private investigator honed these skills to a finer degree if he or she wished to be successful. Only history knows how many of these individuals were literate enough to document their activities.

Over time, business enterprises were organized to provide more comprehensive investigative services over a larger geographical area. One of the more prominent companies was the Pinkerton National Detective Agency, which is still a prominent international investigative service to this day. At the company's zenith, it employed more private investigators than there were members of the United States military services. Intimidated by their size, the State of Ohio outlawed the agency due to fears it could be hired out as a private army or militia. Some of their earlier activities would be illegal under current laws.

As customer needs evolved, similar businesses were organized and engaged in the apprehension of wanted persons, strikebreaking, and protection of dignitaries, as well as protection of valuable shipments of gold, silver, and other valuable commodities. Many private investigative companies were held in contempt and disrepute by the general public because of their questionable activities.

The activities of the private investigator have changed considerably over the last 100 years. The successes as well as the problems of earlier private investigators have had a great influence on the modern-day private investigator. Most state governments have instituted legal requirements for private investigators, among which are minimum experience, insurance, and educational requirements. These actions were taken to protect members of the public. Current and pending legislation at all levels of government also impact what can be accomplished by the private investigator. These restrictions have been a result of an outcry for personal privacy and the inappropriate and highly publicized criminal activities of a small minority of private investigators.

The role of the current-day private investigator primarily encompasses those areas which are not criminal in nature or of sole interest to the business community, such as internal matters and civil litigation. There are also situations where the private investigator may become involved in criminal matters because of jurisdictional problems and financial and manpower limitations of public law enforcement. This has created a wide variety of business opportunities for the qualified private investigator with knowledge and experience with more sophisticated investigative matters.

Because of the ever-increasing public outcry and governmental legislation, the private investigator must develop a recession and legislative proof of business niche to remain a viable business entity. This will require exploring investigative matters not normally encountered by law enforcement agencies. One example is the current and pending limitations on obtaining personal information from public records. The private investigator whose business is primarily based on obtaining personal information will find every increasing difficulty in obtaining the desired information. Now is the time to reevaluate business opportunities and identify goals for the future. At this point, the individual is no longer just a private investigator but a business person who provides investigative services. The emphasis for survival is on "business."

ACKNOWLEDGMENTS

I want to express my sincere thanks and appreciation to all of the authors who took valuable time out of their work day to assist with this project. Each author is a member of Intellenet and an experienced professional. This project was undertaken following numerous comments and discussions, and in some cases, complaints, about the problems encountered in transitioning from positions as investigators in various agencies where there was no need to be concerned with marketing, developing clients, and other business activities. We never worried about these issues—work always came to us, sometimes in far greater quantities than we could control.

The business world is in a constant state of fluctuation, causing some traditional concepts to be unworkable, requiring many changes to remain solvent as a business. Technology, especially the computer and the Internet, turned our business world upside-down. As an example, the increased access to information caused computer forensics to be a very necessary resource. This became a very lucrative business niche for some who were able to sell their services to other investigators and the public as a whole.

Other investigative areas became more complicated through the advances in computers and the ease of obtaining information through the Internet. Legislative actions by state and federal authorities also complicated our business strategies. Currently, the need to develop a unique business investigative niche requires many hours of effort to understand the nuances of legislation and more complex investigations.

The authors have all found a unique business niche where they can provide expert services to others. It is incumbent on all private investigators to identify and become experts in a particular area. The days of the “one size fits all” general investigator is heading to oblivion and will be relegated to history.

William F. Blake

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ADVANCED PRIVATE INVESTIGATION

Chapter 1

ASSET SEARCH AND RECOVERY

ALPHONSE V. RISTUCCIA

There are many, many facets of the private investigation's profession. A "newly minted" private investigator will certainly start out as a generalist; that is, doing everything and anything that comes in the door. After all, it's human nature to not want to turn away business and not want to refer business to some other firm, particularly when one is first starting out. It's human nature to want to begin to build a solid book of business as soon as possible. So, saying no to a client, particularly a new client, is not easy to do. Therefore, instead of saying no, a person new to the private investigations profession, and those who have been around for a while, should say, "yes, if."

What is meant by "yes, if" is: I can do it if the following conditions exist. As an example, people are always asking "can you obtain bank records?" The answer is always "yes, if." And the "if" is: if a court order is obtained; if a subpoena is obtained; if the holder of the account gives permission. So it goes with a client or prospective client who asks, "Can you locate assets?" The answer should be "Yes, if." The "if" in this case is: If you (the client) have the funds to pay for the services needed to locate assets. How assets are located can, and usually does, relate to the amount of budget that is available and the legal process that is available to properly undertake the project. As this chapter progresses, the issues of budget and legal process will be interwoven into the information relating to how we locate assets and how we recover the assets that are located.

Victims of fraud and those who prevail in lawsuits or obtain other legal remedies are continually seeking monetary and other retribution in connection with their issues. This presentation will focus on the investigative techniques used to trace (identify, locate) assets in connection with fraudulent activity. How assets are identified and located could be determined by the nature of the proceedings which give rise for the need to trace assets held by fraudsters or their third-party accomplices. Certainly venue (where proceedings are held and where the assets to be recovered are located) has an impact on tracing and recovering assets. The impact may take the form of inherent challenges in actually identifying and recovering the assets, and/or the financial investment it would take to do both. Identifying and locating assets, hidden or not, is a function of hard work, investigative perseverance, resourcefulness, and some luck. Weaving in common sense to this equation is also a must.

It is very important, at the outset of the investigation, to identify, locate and recover assets, strict confidentiality as to the investigation should be maintained. This is particularly necessary when attempting to trace assets in connection with a fraud matter. It will be difficult enough to trace assets held by seasoned fraudsters or their third-party accomplices who are expert in constructing asset fortresses to protect their assets. If a fraudster learns of an investigation that may result in depriving him or her of these assets, steps will be taken to place the assets further beyond the reach of the asset pursuers.

DEBRIEFING THE CLIENT

It does not matter what type of investigation is being conducted or has been conducted that gives rise for the need to search for assets, it is always a good idea to begin the asset search by completely and thoroughly debriefing the client. This is particularly true if the client is the victim of a fraud and the search for assets is directly related to the fraudulent activity. It is important to document what the target said in explaining what it is that the client/victim was investing in or otherwise getting involved in. Obtain copies of any and all written documents provided to the client/victim by the target. An essential initial step in tracing assets is to completely debrief the victim or victims of the fraud-

ster whose assets you are seeking to trace and recover. It is important to obtain from the victim any and all information regarding the nature of the fraud. It is also important to obtain from the victim copies of checks, wire transfer advices, or other such documents that relate to the transfer of funds from the victim to the fraudster. Also, it is essential to obtain from the victim any and all correspondence of whatever nature between the victim and the fraudster. In addition, it is vital to obtain all telephone numbers and addresses that the victim used to contact the fraudster. This information will assist in identifying places to begin looking for the fraudster and the assets to be identified, located and ultimately recovered. Also, this information will be useful if surveillance activity and/or an undercover operation are contemplated. It is important to determine the current relationship between the victim and the fraudster in order to determine the possibility of an introduction by the victim to the fraudster if an undercover sting is contemplated. If the victim believes that he or she is still on reasonably good terms with the fraudster, the victim should be advised to maintain that relationship, but certainly not provide any additional funds to the fraudster. The victim should be further cautioned not to initiate contact with the fraudster unless so instructed by the investigator. In connection with this, and in an attempt to perhaps "prime the pump," the victim should be instructed that if the fraudster initiates contact, the victim should certainly not mention the fact that investigators are now involved in the matter. Also, the victim should be instructed to ask the fraudster if he is still taking investments and if so, could the victim obtain some consideration by referring an "investor" (undercover agent).

All of the information that is received from the client, both verbal and documentary, should be completely analyzed. It is extremely important to analyze the items that reflect client/victim funds being transmitted to the target. If wire transfers are used, knowing where the funds were sent that were provided by the client/victim to the target can provide leads to follow the money trail. In the case of checks, the endorsement information should be reviewed to determine where/how the checks were negotiated. Were the checks deposited to a bank account or were they merely cashed? If deposited, to what account, located at what financial institution. If cashed, where? If checks are cashed in amounts that are in excess of \$10,000 (\$10,000.01), a CTR should have been prepared and filed with the Detroit Computing