

the SFO's successful partnership with the City of London Police force, additional officers provided by the Corporation of London and Home Office and an extra £12m in the coffers over the next two years.

'The police have gradually reduced the number of officers available to us for an investigation, which means we have been forced to increase our own resources including bringing on board accountants, financial investigators, sometimes even former police officers,' Wardle explains.

He acknowledges the extra money and the valuable role the City of London Police is playing, but says that the SFO 'can always do with more'.

'From our point of view, we have to ensure we have enough money and resources to deal with cases we take on. We don't want to be in a position where we can't do that.' That is something the SFO has been criticised for in the past.

The danger of the fraud unit 'spreading itself too thinly' is of particular concern for Wardle because of the nature of the cases handled by the agency – essentially document-based and very complex.

Things are unlikely to get any easier as use of the internet as a medium for committing crime escalates, something highlighted by last month's e-crime conference hosted by the National High-Tech Crime Unit.

'These sorts of frauds are really old crimes, but perpetrated using the internet. They are terrifying because they are extremely difficult to investigate,' he says.

But Wardle is buoyed by the recent introduction of money laundering legislation under the Proceeds of Crime Act, which places added responsibility on accountants to detect and report suspicious activities. It's also a key area of interest to the SFO given that two-thirds of its cases have an international dimension.

'The new money laundering laws have brought it home that this is a very serious and anti-social activity,' he says.

According to Wardle, money laundering is simply helping a criminal get rid of the proceeds of their crimes. The new laws reflect the modern ways this crime is being committed, and that the 'handling process' has become more sophisticated involving people who you would not normally suspect, including bankers, lawyers and accountants.

'A lot of people we prosecute have professional qualifications – either as accountants or lawyers. Those in management positions use their professional status to commit fraud because of the trust the public has in that qualification.'

Wardle, though, is fairly satisfied that regulation in the accountancy profession is working, given the fact that the UK has not experienced an Enron, WorldCom or Parmalat. He believes that regulation has improved significantly in the last 15 years, especially since the dark days of BCCI and Maxwell. In particular, the setting up of the FSA and the introduction of the Proceeds of Crime Act has 'really brought the issue of money laundering home to the professions'.

He is also keen to stress the role accountants have to play on the right side of SFO cases.



PICTURES: LOUIS QUAIL

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According to Wardle, they are 'integral' to the SFO because of their knowledge of 'how business is done', while their knowledge of accountancy helps cut through 'large amounts of material to get to the heart of a case'.

They help answer questions like: 'Is it a crime? And if so, why, and where has the money gone?'

The SFO employs its own team of long-serving accountants, but also uses consultants from smaller firms to provide specialised work in specific areas such as forensics.

The Big Four are used a lot less. 'We used them a lot more in the past when they were the Big Six and then the Big Five. But now there is often a conflict, not necessarily in relation to the defendant, but because so many people are involved in these cases,' Wardle explains.

Prosecutions still present a major challenge. Cases are tried in a crown court before juries and because there is a lot of evidence they can take a very long time.

As a result, the SFO uses things like graphics, explanatory material and glossaries to simplify matters. But it's a classic catch-22 situation since by definition the SFO only handles the most, complex and difficult cases.

A source close to the Versailles trial, currently taking place, claims the jury lost

interest very early on because the prosecution case is so complex.

Wardle can't comment on Versailles but dismisses the allegation. He says it is not a matter of comprehension, but because the prosecution has to reduce the amount of evidence, 'cases have to be split up, and charges severed from indictments, meaning the evidence is restricted in such a way that it might be artificial and does not allow the prosecution to present the whole case to the court'.

For this reason and because of the long duration of many cases, Wardle is in favour of both jury-free trials and plea-bargaining.

Wardle says the Home Office is looking at two possible alternatives to jury trials – either special juries or a judge sitting with assessors.

In the case of special juries this might include lawyers, accountants, or even financial journalists. 'In other words, it would be someone who knows quite a lot more about the issue concerned than a jury would normally know.'

The second alternative – a judge sitting with assessors – could be more productive, as Wardle believes it would be easier to find experts in a particular field. The main pitfall would be that such people might have a great deal of personal knowledge about the people concerned. Both ideas, he says, will be explored further with the Home Office.

On the issue of plea bargaining, he is pretty clear: 'I am not talking about cutting a deal, but giving defendants some idea of the sentence they are going to get in exchange for pleading guilty.'

This, he says, will give prosecutors access to a judge at an early stage of the defence, allow people to cooperate and 'tell us what happened so we can get the money back'.

It could also be a major PR success for the SFO, bringing not only a conviction, but also retrieval of funds and a reduction in trial times.

But it's not just procedural changes Wardle is plugging for – with 16 years hard time under his belt at the SFO he has a vision for how the government should be tackling fraud.

'I would like to see a more unified approach, with the initiative between the SFO and the City of London police developing into a centre of excellence. In addition other forces around the country must take the lead in this specialist area.'

The other key areas he feels will be crucial to success are education and regulation. 'It's not within our remit, but the best way of stopping fraudsters is to persuade people not to give them any money.'

According to Wardle, crime prevention and education is the joint responsibility of the police and the FSA, and with the increased use of the internet to perpetrate fraud, possibly even ISPs.

Looking out towards the Square Mile, Wardle is philosophical about his job: 'You are never going to stop fraud – people are always going to commit it because there is money involved. Regulation has definitely improved, but whether something is some day going to step under the wire, well I don't know. I guess one day it's bound to. Things always go wrong.'

'But,' he adds, 'You need to be able to catch it before it gets too thick.' ●

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TRIALS, TRIBULATIONS AND ASIL NADIR

Andrew Regan, chief executive of Hobson plc – ACQUITTED

Flamboyant Andrew Regan was the talk of the town in early 1997 when Hobson launched a bid to buy the Co-operative Wholesale Society, commonly known as the Co-op, for a reported £1.2bn.

In 1994 Hobson had bought food manufacturing company F E Barber Ltd from the Co-op in 1994 for an amount in excess of £100m.

In September 1999, the SFO alleged that Regan stole £2.4m from F E Barber to bribe two senior CWS executives and secure a long-term food-supply contract with CWS.

Regan was extradited from Monaco to stand trial on the charge of theft. Although the two CWS defendants, Allan Green and David Chambers, were found guilty of corruptly accepting £1m each, Regan was acquitted in August last year, following two retrials.

The case cost the SFO £1.5m.

Four former executives from the Wickes group of companies – ACQUITTED

In June 2003, the SFO's reputation came under threat after Leslie Rosenthal, the group buying director for DIY chain Wickes, was acquitted after the jury could not arrive at a majority verdict, with the prosecution offering no further evidence.

Rosenthal's not guilty verdict on one count of making a false statement to the auditors of Wickes Building Supplies Ltd, along with the acquittal of three other executives and the discharge of another in 2002 was a disaster for the SFO, especially since the case dated as far back as 1996 when an investigation was first begun into suspected accounting irregularities at the Wickes group.

Roger Eden and Geoffrey Brailey – former directors of Corporate Services Group Plc – GUILTY

Following a tip-off from the DTI, Eden and Brailey were tried and found guilty in September last year of charges relating to accounting irregularities aimed at overstating profits.

They were accused of causing and permitting the company's financial statements for 1997 to be prepared in such a way as to overstate the true extent of its profitability and that they sought to do so in 1998.

In 1997, the overstatement amounted to just over £3m and the potential overstatement of profit for 1998 was estimated to exceed £25m. Both Eden and Brailey were sentenced to three years, nine months imprisonment and disqualified from acting as company directors for eight years.

And Asil Nadir...

Robert Wardle was the investigation lawyer and had already interviewed Asil Nadir, when the chairman of Polly Peck fled the UK for the Turkish Republic of Northern Cyprus in 1993. Nadir was due to stand trial at the Old Bailey, after the former FTSE100 fruit and electronics business, collapsed in 1990 with debts in excess of £500m.

Last year it was reported that Nadir planned to return to the UK in an effort to clear his name and had hired well-known barrister Jonathan Goldberg as his QC.

The Serious Fraud Office said it would pursue charges against him and for Wardle it would mean the possibility of closure to a case which has been with him for more than 14 years.