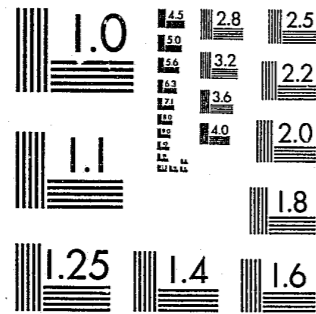


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9/28/83



State of Illinois  
James R. Thompson, Governor  
Philip R. O'Connor, Director  
Department of Insurance



City of Chicago  
Jane M. Byrne, Mayor  
Samuel W. Nolan, Director  
Department of Public Safety

88082

# Fighting Arson:

## An Update on Illinois' Cooperative Effort



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Cooperative  
Effort

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FOREWORD

June 1, 1982

In January, 1980, the State of Illinois, the City of Chicago, Federal agencies, other local governments in Illinois, the insurance industry and community organizations began to come together to carry out a cooperative and vigorous assault on arson. These past two and a half years have seen the development of an anti-arson effort that can serve as a national model.

The success that we have thus far experienced, and we anticipate much more to come in the ensuing years, has been won only with hard work by many dedicated people in a myriad of organizations and agencies, operating with the confidence and unfaltering support of Governor James R. Thompson and Mayor Jane M. Byrne.

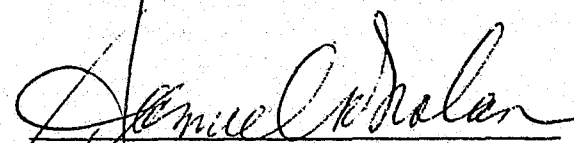
It is important for us now to reflect and to take stock of our work so far and to document that experience so other states and cities throughout the nation can take advantage of the lessons we have learned here.

This report follows by one year another joint Insurance Department/Public Safety Department publication, Fire and Arson in Chicago: First Prediction. Next, Prevention?, a major research document identifying predictive factors in arson and accidental fires. The City of Chicago has made use of these research findings in its Computerized Arson Prevention System (CAPS).

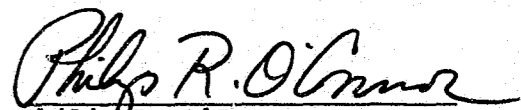
Throughout Illinois, major strides have been made in investigation and enforcement, information exchange, public awareness and involvement. The editors of this report, and the authors who contributed to it, represent state and local agencies, the private sector and the insurance industry. They have done a commendable job in documenting this progress, and have our sincere thanks.

This publication was made possible through the generous participation of Aetna Life and Casualty, Allstate, CNA, Travelers, Hartford, State Farm, Chicago Board of Underwriters, Country Mutual Insurance Company, Kemper, NAIL, and Nationwide Insurance Companies.

The success thus far has been due to the cooperation of many individuals and organizations. We are confident this progress will continue, with untold savings in lives and property.

  
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#### ABOUT THE AUTHORS

LYNDA L. GILLIAM, Co-editor of this report, is an Assistant Deputy Director and Urban Affairs Assistant to the Director of the Illinois Department of Insurance. Ms. Gilliam received her B.B.A. in insurance from the College of Insurance, New York City, in 1975. She received her M.B.A. in marketing from Roosevelt University in 1980. Ms. Gilliam's responsibilities at the Department of Insurance include coordination and implementation of various urban related projects.

MARK IRIS, Co-editor of this report, is a Principal Operations Research Analyst with the Chicago Department of Public Safety. He graduated Brooklyn College, has a master's degree from the University of Vermont, and a Ph.D. in political science from Northwestern University. He has taught at the University of Illinois-Chicago Circle and Northwestern University, and has authored several publications. After serving as Evaluation specialist for the Mayor's Office of Child Care Services, he joined the Department of Public Safety, where he has worked on contingency planning for hazardous materials emergencies, and in the development of the Department's Computerized Arson Prevention System.

JACK H. CARTER has been the Illinois State Fire Marshal since September 1977 when Governor James R. Thompson appointed him the first to fill the position under the reorganization that created the Office of the State Fire Marshal as a separate, independent agency of the Administration. Prior to his appointment, Mr. Carter was the past president of the Illinois Fire Chiefs Association. He was chief of the Danville Fire Department for eight years and served the department for 22 years before that. As president of the Illinois Fire Chiefs Association, Mr. Carter was instrumental in a program, coordinated with other fire service organizations, to convince Governor Thompson to establish OSFM as a separate state agency. Mr. Carter has received many honors in his professional career and continues to hold membership in a number of fire service organizations and associations. He organized and has directed OSFM since its inception.

TERRY CHIGANOS is an Assistant State's Attorney, and currently serves as Supervisor of the Cook County State's Attorney's Arson Task Force. He directs the investigation and prosecution of all arson and arson related felonies in Chicago and suburban Cook County, including arson for profit, aggravated arson, and arson/murder cases. A graduate of Northern Illinois University, he studied law at DePaul University. He has served as a prosecuting attorney since 1975. He has taught police science, arson for profit, and arson investigation seminars for many law enforcement agencies and associations.

SAUL A. EPTON is a practicing attorney, and senior partner of Epton, Mullin, Segal, and Druth. He is a member of the Chicago, Illinois and American Bar Associations. A Judge of the Circuit Court of Cook County for twenty years, he presided in the Criminal

Court for more than half that time. Prior to his ascending to the bench, he tried many defense cases for insurance companies, specializing in arson-related matters. He is currently Chairman of the Coordinating Council on Arson for Profit, the success of which was recently favorably reviewed in the Congressional Record.

DONALD H. MERSHON has served as Manager and President of the Metropolitan Chicago Loss Bureau for sixteen years. He has spent his entire career in the property loss claim field. He directed the team which investigated and adjusted claims resulting from the destruction of the McCormick Place Exhibition Hall by fire in 1967, and coordinated and directed claims settlements resulting from riots in Chicago in 1968. In addition to his responsibilities for proper adjustment of annual paid claims exceeding \$50,000,000 in the Chicago area, he serves on the Illinois Advisory Committee on Arson Prevention, chairs the Mayor's Committee on Arson Awards for the City of Chicago, and serves on the Coordinating Council on Arson for Profit.

EDWARD M. NICKELS is currently the Commander of the Bomb and Arson Section of the Chicago Police Department. A twenty-eight year veteran Chicago Police officer, Nickels has served as a patrol officer, detective, and detective supervisor. He holds a bachelor's degree in political science and a juris doctor, De Paul University, Chicago, Illinois, and is a licensed Illinois attorney. He is vice chairman of the Illinois Advisory Committee on Arson Prevention, a liaison member of the Governor's Arson Advisory Board, member of the Coordinating Council on Arson for Profit, member of the Chicago Arson Award Committee, and a member of the Committee on Arson Awareness and Prevention of the Chicago Department of Public Safety.

THOMAS W. ORTCIGER has been Deputy Director of the Office of the State Fire Marshal since November 1979. He joined OSFM from the Illinois Department of Registration and Education where he had been Assistant Director. Prior to that, Mr. Ortciger was administrative assistant to Congressman Edward J. Derwinski for six years. Mr. Ortciger graduated from Shimer College in 1964 with a bachelor of science degree. He has completed most courses for his master's degree in business administration. As deputy director of OSFM, Mr. Ortciger directs and coordinates the agency's operational and program activities and serves as legislative liaison for the agency. He has completed both the basic and advance arson investigation courses and was instrumental in designing and implementing the training programs required under Public Act 82-706.

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PART I

INTRODUCTION  
Saul A. Epton

The people of Illinois have made some impressive accomplishments in the fight against arson. With the coordinated efforts of concerned citizens, law enforcement officials, the insurance industry, the media, and numerous organizations, arson is one of the state's fastest shrinking crimes.

It was two years ago that then Cook County State's Attorney Bernard Carey established the Coordinating Council on Arson for Profit. This non-partisan group operates on the premise that the fight against arson requires the cooperation and coordinated effort of government law enforcement agencies, private industry, civic leaders, and citizens. Accordingly, the Council's members come from all of these sectors.

The Council's goals are:

- To review current procedures of governmental agencies and the insurance industry and recommend ways to coordinate efforts to fight arson for profit;
- To determine the most effective method of establishing a central repository of information to assist arson investigations; and
- To evaluate existing arson laws and recommend appropriate new legislation.

Talking with arson officials from other metropolitan areas, the Council learned arson is a crime which feeds on neglect. When buildings are ignored, they become likely arson targets. When neighborhoods are allowed to decay, the arsonist steps in to speed up the pace. When the public at large is uninformed about the seriousness of the crime, the arsonist has little to fear in court.

While the Council was established to address a problem in Cook County, it quickly became apparent that arson respects no jurisdictional boundaries: Illinois' arson problem was not confined to Cook County. The participation of the Illinois Department of Insurance, the Illinois Department of Law Enforcement, and the Office of the State Fire Marshal in the deliberations of the Council bore testimony to the statewide nature of the problem.

Now that two years have passed since the Council began its activities, it is appropriate to pause for a moment and reflect on the progress made in the fight against arson. The authors of the following chapters have done a commendable job in examining the various aspects of this progress, and documenting the changes which have taken place.

Lynda Gilliam, Assistant Deputy Director of the Illinois Department of Insurance, notes the progress made at the state level in laying the legal framework which has proven so essential to further progress. The Illinois General Assembly and Governor James R. Thompson have been instrumental in passing tough anti-arson laws.

In addition to tough legislation, the willingness of our citizens to come forward with information has made arson a dangerous crime for the criminal. A recent conviction and thirteen year prison sentence would not have been possible without the help of a young woman who witnessed a Molotov Cocktail being thrown into a Chicago restaurant. The woman called police, identified the arsonist, and stuck to her testimony. This kind of determination and spirit is making progress against arson throughout the state.

Another example of coordinated effort is the Illinois FAIR Plan financed arson award program. This money, given on behalf of insurance companies doing business in Illinois, has made it possible for a total of \$28,000 in award money to be given to citizens throughout the state who have called the arson hotlines with information leading to the suppression of arson or the arrest and conviction of arsonists. Two hotlines are in operation, one in Chicago, and the other, utilizing an "800" toll free number, throughout the state. Don Mershon of the insurance industry's Metropolitan Chicago Loss Bureau describes the operations of these programs in greater detail in his chapter.

Commander Edward Nickels of the Bomb and Arson Section of the Chicago Police Department, and Assistant Cook County State's Attorney Terry Chiganos, supervisor of the Arson Task Force, detail the progress made in investigating and prosecuting arsonists in Cook County. Through a coordinated, cooperative approach, key personnel -- from the police officer on the beat to the prosecuting attorney, federal, state, and local law enforcement agencies are working together to solve arson cases. Arsonists are getting the message and going out of business and into jail. Since 1980, arson for profit damages in Cook County have dropped 47.5 per cent. Arson insurance claims have fallen from \$12,000,000 a year to \$5,000,000 a year. Sixty four arsonists convicted in Federal and Cook County Criminal Courts have been sentenced to a total of 352 years in prison.

Until recently, arson convictions were infrequent and unusual. Arson cases were rarely brought to trial because most arsons do not have witnesses, and the only evidence is circumstantial. As a result, prosecutors around the country largely shunned arson cases. Illinois and Cook County were no exception. My own years on the bench were typical: arson cases were very few and far between.

That is no longer the case. Throughout Illinois, improved reporting systems, better trained arson investigators, concerned citizens, skilled prosecutors, and the insurance industry have

combined efforts to make arson investigation and prosecution credible threats to the torch. Cook County's sixty three per cent conviction rate for accused adult arsonists brought to trial is the highest in the nation.

The Coordinating Council on Arson for Profit helped orchestrate many of these measures. Experience has conclusively demonstrated that the cooperative, coordinated approach taken is invaluable in assuring progress.

The progress documented in this study will be reported at the June, 1982 meeting of the National Association of Insurance Commissioners, to be held in Philadelphia, Pennsylvania. Arson and insurance fraud are matters of great concern to insurance commissioners and the insurance industry. Hopefully, the progress reported here may serve as a catalyst for action elsewhere. Certainly the specific actions listed in this report need not be copied by all states and localities. Anti-arson activities must be geared to meet the needs and conditions which vary from one location to the next. But the basic thrust of this report -- that coordination, cooperation, and commitment will win the battle against arson -- is one which can be taken to heart by all those who work to free this country and its citizens from the scourge of arson.

The people of Illinois should keep up the good work. With everyone's help, the war against this terrible crime can be won.

PART II

LAYING THE LEGAL GROUNDWORK  
Lynda L. Gilliam

Legislative Effort

All across the nation cities have been hard hit by the deadly crime of arson. Whatever the motive, whether for monetary gain or simply the act of revenge, arson fires have resulted in the senseless loss of life and destruction of property, both of which have had a devastating effect on our communities.

The concern over the arson problem in Chicago and elsewhere in Illinois prompted the need for preventive measures and controls that would substantially reduce arson incentives. One of the primary ingredients was the enactment of legislative measures designed to cope with arson for profit and other forms of insurance fraud.

A major package of legislation designed to address the arson/fraud issue in Illinois was passed by the Illinois General Assembly and signed into law by Governor James R. Thompson on September 1, 1980. The type of legislative measures included in this package provides the Illinois Department of Insurance and other agencies with the legal support necessary to work with the various parties in developing comprehensive programs to curb arson. Thus, this legislation may be viewed as establishing a legal groundwork upon which state and local officials and law enforcement agencies, and the insurance industry, may cooperate and coordinate further activities to combat arson.

The legislative package included the following:

Senate Bill 1991 (PA 81-1426) provides that when a policy for a building of five or more units is to be underwritten by the Illinois FAIR Plan, the application will require disclosure of the beneficial interests of any land trusts in which the property is held. Illinois law allows land trusts to be "blind," i.e., the law permits the identity of the beneficiaries of the trust to be kept confidential. Such secrecy may no longer be maintained by those who wish access to the state's high risk property insurance program.

Senate Bill 1992 (PA 81-1361) allows the Department of Insurance to require insurance companies to report claims information in a defined format such that the information can be analyzed to detect patterns that may indicate fraud or arson. Property insurance loss information will be reported to a centralized data processing facility whose present function is to process claims information in order to detect patterns of potentially fraudulent activity. This statute enabled insurance companies to use the PILR (Property Insurance Loss Register) forms for reporting fires and arsons, both to PILR and the State Fire Marshal. The utilization of PILR, and the search analysis reports it generates, is proving to be of

great assistance to arson investigators in Illinois.

Senate Bill 1993 (PA 81-1427) spells out specific conditions under which fire insurance policies on buildings of more than four units may be cancelled within ten days, should investigation indicate a high potential for loss, perhaps through arson.

Senate Bill 1994 (PA 81-1428) is an amendment to legislation that increases the flow of vital investigative information between insurance companies and law enforcement authorities. Specifically:

- It allows authorized agencies to require that insurance companies release all information concerning a policyholder.
- It requires companies to notify authorized agencies of suspicious fire losses.
- It grants limited civil and criminal immunity to those companies that provide information.
- It provides for the exchange of information between insurance companies and authorized agencies, and between agencies.
- It provides for confidentiality of released information.
- It provides for the release of "potential fire loss" information.

Senate Bill 1998 (PA 81-1429) extends the reporting time from one week to the fifteenth of the month following the date of the fire incident for local fire investigators to report to the State Fire Marshal. The intent of this legislation is to produce better reports.

House Bill 3271 (PA 81-1531) provides that if a property that was held in trust was damaged by fire and the fire inspector or local officer investigating the fire has reason to believe it was caused by "other than accidental means," then that investigator may request the disclosure of the beneficiaries of the land trust.

House Bill 3291 (PA 81-1431) requires owners of buildings with more than four living units, who do not live in the dwelling, to post on the premises the name, address, and telephone number of the person managing the building, and facts about the company insuring the property. This will help resolve the problem of linking a building with its owner, manager or insurer.

FAIR Plan Reforms

Over the past four years, the Illinois Department of Insurance has been involved in a coordinated effort to help bring about reform in the Illinois FAIR Plan. Problems such as redlining and arson



for profit have required a variety of legislative, regulatory, and voluntary measures to maintain a delicate balance between minimizing problems in the availability of insurance, while curbing the arson problem by reducing to the fullest extent possible the insurance profit motive for arson.

To get a better understanding of the arson problem as it relates to the FAIR Plan requires one to also consider another persistent problem that has plagued urban neighborhoods--the lack of insurance availability, commonly referred to as "redlining." Looking at the broad perspective requires one to consider the strong possibility that arson for profit and redlining may be closely connected.

Whenever the FAIR Plan is used as a "dumping ground" for the voluntary market, the chances are the FAIR Plan in that state will not be managed with the degree of professionalism needed to make its operations just as good as the best voluntary market companies. Lax management invites arson for profit as well as other abuses.

The Illinois Department of Insurance has recognized the complexity of this problem and has taken an attentive and active posture regarding the overall operation of the Illinois FAIR Plan. The Department has worked continuously with the General Assembly, the FAIR Plan, community organizations, and the insurance industry to upgrade the products and performance of the Plan. Recent actions to these ends include the following:

Senate Bill 1991 (PA 81-1426) creates an incentive program to generate competition among voluntary market insurance companies to write business in areas where there is a large concentration of FAIR Plan insured properties. This new law begins to get at one of the underlying causes of the availability problems in urban areas--a lack of incentives to compete for the business.

House Bill 3272 (PA 81-1430) has three major provisions:

1. It requires that any risk to be written in the FAIR Plan will have to have been turned down three times in the voluntary market. This should help to prevent the "dumping" of good risks into the Plan.
2. It requires the FAIR Plan to establish reasonable underwriting standards and develop a comprehensive inspection program. These inspections must then be made available to the voluntary market. Making the inspection reports available to voluntary market companies enables them to review the types of risks submitted to the FAIR Plan, thus permitting them the opportunity to select the best risks and insure them in their own regular market companies.
3. In addition, this bill incorporates the National Association of Insurance Commissioners' Privacy Bill, making Illinois

the first state in the union to enact this model law. Specific provisions of this act include the following:

- a. provide immunity protection for insurance companies that provide in good faith information relating to insurance fraud to law enforcement officials;
- b. set up regulatory mechanisms to enable persons to determine what information has been collected about them;
- c. enable insurance consumers to obtain reasons for insurance declinations;
- d. limit the disclosure of information collected in connection with insurance transactions.

House Bill 3333 (PA 81-1432) creates a task force to review policy forms and endorsements issued by the FAIR Plan to ensure that a building is not worth more burned down than standing, and to make recommendations on coverages that will provide for equitable settlement of loss and discourage arson for profit.

Because of the unique nature of the FAIR Plan, there are many high risk or marginal properties insured by the Plan that would not normally be written by the voluntary market companies. The experience of the Plan has shown that the traditional fire insurance concepts of "actual cash value" and "coinsurance" have resulted in a situation in which many of the marginal risks found in the FAIR Plan are either overinsured or underinsured.

A situation which provides an opportunity to overinsure property presents an incentive for arson for profit. On the other hand, if the property is underinsured, proceeds may be insufficient to allow the insureds the opportunity to restore or repair fire damaged structures. The resultant disrepair and blight thus act as a counter-productive force in the effort to revitalize neighborhoods.

These legislative measures are not self-implementing. To assure compliance, the FAIR Plan must develop and implement programs. Continuing oversight by the Department of Insurance is also necessary. All of these measures have been addressed by the Illinois FAIR Plan, and programs are currently in effect or will become effective by July 1, 1982.

The Illinois Department of Insurance and the Illinois FAIR Plan are not law enforcement agencies charged with the responsibility of investigating arson. Yet these legislative actions, affecting these organizations and the insurance industry, have served to create a set of conditions much more favorable to those who do investigate arson. Additionally, they help to reduce or eliminate the insurance profit motive for arson. As such these actions constitute a key component of the anti-arson campaign in the state of Illinois. To the credit of all concerned--state officials, members of the General Assembly, and the insurance industry--the

whole-hearted cooperation demonstrated in the course of these bills' enactment underscores the high priority given to the fight against arson.

### PART III

#### CITIZENS AND THE INSURANCE INDUSTRY: ALLIES AGAINST ARSON Donald H. Mershon

Neither Illinois citizens, their law enforcement authorities, nor the insurance industry recognized the size or the severity of this state's arson problem until, as a result of its record breaking growth, it had exceeded historically normal methods of control.

As might be expected, the insurance industry, customarily the object of arson attacks, was an early observer of the signs of the oncoming storm of incendiary fires.

The Metropolitan Chicago Loss Bureau, a non-governmental, non-profit, insurance company supported property claim organization with fifty-three years of continuous monitoring of fire insurance claims in the metropolitan Chicago area, was the first to identify the problem and initiate the actions necessary to defend against arson attacks on its member companies and their affiliated insurance pools, such as the Illinois FAIR Plan Association. As the case by case work of defending early arson fraud cases in the civil courts progressed, studies of the problem, its growth, and methods to combat it effectively were commenced. From the beginning, these studies indicated the need for public awareness of the arson problem and that citizen's support in suppression efforts be assigned a high priority in organizing anti-arson movements.

There was also the need for cooperation among those individuals and agencies charged with preventing arson, punishing its perpetrators, or resisting payment of fraudulent claims. Long-standing jurisdictional disputes among arson prevention units, and undependable cooperation between the insurance industry and law enforcement agencies were contributing substantially to the success of the arsonists.

Immediate goals, therefore, for effective action against the intentional fire setter, involved the unification of the existing forces responsible for dealing with the criminal and civil aspects of the crime, and the generation of public recognition of and response to the seriousness of the crime. It was apparent that success in controlling arson in Illinois would result if the needed awareness and response of individual citizens could be aligned with public and private agencies in a coordinated attack. It was also apparent the fragmented anti-arson forces and the pervasive public apathy had contributed to the rapid increase in arson.

Arson has always been aptly designated by the fire insurance business as a "moral hazard." Its origins can be traced to the beginning of the writing of fire insurance, and its incidence has risen and fallen through the years as pressures for setting fires increased or lessened.

Predictably, arson fraud fires prior to 1970 infrequently involved dwelling units. Insurance policyholders rarely set fires intended to destroy their homes and, except for the mass rioting in the

1960's, fires set by vandals in the twenty five years following World War Two created only a moderate problem. Arson fraud fires resulting from troubled business ventures usually increased during times of economic distress. The major motive involved in arson fraud claims, arising both in changing neighborhoods and in depressed business conditions, is the desire to avoid a loss. These fires are set to separate a policyholder from a losing business, or a property owner from a decaying neighborhood. Such "fire sales" to insurance companies prevent actual or potential economic disaster for a business or property owner, and promptly convert the affected assets into cash--if the arson is successful.

An example of such an identifiable past arson problem in the Chicago metropolitan area as well as elsewhere in Illinois involved restaurants. The restaurant business, being particularly sensitive to fluctuations in the economy, has provided more than its share of financially distressed operators who have torched their businesses to recoup losses or prevent further losses. Additionally, the restaurant industry has been plagued by terroristic-type fires which occur periodically. These fires, not set for profit but rather reported to be connected with organized crime, have been set as warnings and punishments, and also to eliminate competition. Another example of arson to prevent loss or to allow for modernization of obsolete facilities was the second-floor bowling alley fire. There are few, if any second-floor bowling alleys now in existence.

Arson fires for many years prior to the 1970's were usually confined to special classes of risk, such as those cited above. Their total incidence was limited and arson in this period could have been described as reasonably under control. However, the stage was being set for an epidemic of incendiary fires. Metropolitan areas, including Chicago, had dropped their guard. Although Chicago remained better equipped than others, the arson incidence, by remaining relatively low for some time, had gradually brought about a condition where only minor action was perceived as required by police and fire departments and prosecutors. The best information available indicates that in the twenty-five year period preceding 1970, only three arson fraud cases were successfully prosecuted in the metropolitan Chicago area.

The private insurance industry was also unprepared for the increase in arson claims which was to come. The insurance industry had depended upon a small number of specialists to control whatever arson had occurred in the 1945-1970 period and, consequently, an adequate number of skilled investigators to meet the growing number of arson claims was not available. Training programs covering arson investigation and fraud were either nonexistent or extremely limited.

Neither the insurance industry, fire and law enforcement agencies, nor community organizations or individual citizens were prepared to deal with the changes which began in the early 1970's. At that time, influenced by the fires and riots of the 1960's and the

economic recession of 1974, the arson epidemic was born. The past experience of insurance companies with incendiary fires concerned itself almost exclusively with the crime of arson for profit. Now a new type of fire setting appeared. Motivated by societal change and turmoil, educated by riots and influenced by weakened norms of discipline, the vandalistic fire setter, making malicious use of fire as a weapon, began to contribute to the ever increasing numbers of arson fires. By mid-1974, the rate of arson was skyrocketing. No longer were dwelling units exempt from the arsonist's torch. Tragic, deathdealing fires in multiple dwelling buildings became a part of the arson disaster.

Illinois had some experience, and a warning of things to come, as the result of the vulnerability of the Illinois FAIR Plan to attack by fraudulent claimants in its early years. When the FAIR Plan started writing insurance where regular market insurance was not available, it acquired, along with many worthy policyholders, a number of unscrupulous individuals who saw opportunities for quick profits through intentionally set fires. Within the first twenty-four months of the FAIR Plan's existence, the Metropolitan Chicago Loss Bureau, acting as the FAIR Plan's loss department, became engaged in defending against fraudulent claims in the aggregate amount of one million dollars. This arson outbreak was a significant, early symptom of the arson epidemic which was to afflict communities across the nation.

In this early stage, the insurance industry and public prosecutors became involved in a pair of major, related cases. The investigation and litigation were to last nine years, and involved both the civil court, where a suit against the Illinois FAIR Plan Association was brought for collection of damages under an insurance policy; and criminal court, where the beneficiaries of the insurance policies were tried on criminal charges of arson with intent to defraud an insurer.

Favorable verdicts for the defendant insurance companies in the civil suit, and for the people of Illinois in the criminal trial constituted major early successes, and provided badly needed encouragement to those facing difficulties in combatting arson. Judge Marvin Aspen's sentencing opinion in the Berland-Wolf case clearly enunciated the enormous, multi-faceted effects of arson on a community. This decision, significant both in Illinois and in other jurisdictions across the country which noted its precedents, became part of a growing body of case law indicating that arson was not an impossible crime to prosecute. The impossible/improbable conviction syndrome, which had deterred investigators and prosecutors for many years, slowly began to crumble as a result of this and other decisions.

Encouraging as this decision was, it nevertheless dealt directly with but one case. In 1974, sensitive to the overall growth in arson, the Metropolitan Chicago Loss Bureau and its member companies, for the first time ceased to treat arson as an individual claim problem. The monitoring of arson as a class of claim began.

A trend index of incendiary fires accumulated information relating to incendiary fires, and monthly publication of the Bureau's analysis of incendiary fires began on January 1, 1975.

From that time, insurance companies and other interested parties to whom the Loss Bureau made the information available, have been able to follow, on a cumulative basis, and on a year to year, month to month comparative basis, the rise and fall in the cost of incendiary fires set both maliciously and for profit which occur within the Loss Bureau's area of jurisdiction. Also available from the report is information on the classes of properties involved in incendiary fires.

While recognizing that a certain degree of imprecision is present, this analysis does develop much information not otherwise available on the impact of incendiary fires in metropolitan Chicago, and in those Illinois communities served by the Illinois FAIR Plan. It also supplies reasonably dependable trend indicators and measurements of the effect of incendiary fires.

As the alert was sounded to the insurance industry and its immediate, natural allies, such as fire and law enforcement agencies and state and local government, and as planning commenced for an all-out attack against arson, it was apparent complete cooperation would be required among all interested parties. It was also clear a very important section of those interested parties were the citizens -- those who were, in fact, the ultimate victims of the ravages of intentionally set fire. Therefore, starting with those who by experience or training were especially able to participate in anti-arson efforts, committees were formed to deal with general and specific sections of the anti-arson campaign.

The first committee, formed eight years ago, came to be known as the Illinois Advisory Committee on Arson Prevention. This committee had state-wide membership from all disciplines concerned with the prevention and suppression of arson. Police and fire officials and members of their departments involved with arson, state's attorneys, private investigators and attorneys specializing in arson insurance claim defenses, academicians, state fire marshal representatives, Illinois Department of Insurance representatives, and insurance industry personnel banded together, organized under a constitution and adopted by-laws, and actively commenced the first cooperative anti-arson movement in Illinois. One of the main goals of this committee was to promote and foster cooperation among organizations and agencies which had competed with each other, were jealous of each other, or, at best, when they cooperated with each other, had done so reluctantly. A major action of this committee was the publication and distribution of 120,000 brochures pointing up arson responsibilities as they related to fire departments, police departments, state's attorneys, insurance agents, insurance adjusters, and communities.

A subcommittee of this organization served in the Chicago area, where in September, 1979, a second anti-arson committee was formed. Organized with the approval of Chicago Mayor Jane Byrne, this committee concerned itself with the encouragement of direct citizen participation in the arson war. The committee, known as the Chicago Arson Award Committee, is chaired by Don Mershon of the Metropolitan Chicago Loss Bureau. Its members include two judges, representatives of the Bureau of Alcohol, Tobacco, and Firearms of the U. S. Treasury Department, the Chicago Fire Department, Chicago Police Department, the Corporation Counsel's Office, Department of Human Services, and the Illinois FAIR Plan Association. Members adopted a plan of operation and procedures.

Originally financed with a \$10,000 fund, supplied by insurance companies in the state of Illinois through the facilities of the Illinois FAIR Plan, the Committee announced its purpose: to grant cash awards to individuals supplying information leading to the suppression of the crime of arson.

Original announcement of the committee and the awards available was made at a news conference called by Mayor Byrne. Thereafter, the purpose and operations of the Chicago Arson Award Committee were announced by television and radio public service spots, placards on Chicago Transit Authority trains and buses, on grocery bags at supermarkets, by posters in the windows of commercial establishments, and on wallet size cards, printed both in Spanish and English, distributed at the scene of a fire or in arson-stricken neighborhoods. All printed announcements carried an arson hot-line number, announced cash awards from a fund of \$10,000, and assured informants their anonymity would be protected.

"Burn an Arsonist - Earn a Cash Award" became the slogan of the Chicago Arson Award Committee. Informants' calls to the 24 hour telephone hotline are taken by Chicago Police arson detectives. Other informants may supply information at the scene of an arson investigation. Arson investigators follow through on these leads, and make nominations for these awards. Committee procedures provide that every three months, or upon receipt of twelve award nominations, the Committee would meet, review the applications for awards, and make appropriate decisions.

In its operation, the Committee carefully adheres to two considerations. Its purpose specifically defines the cash paid for information as an award rather than a reward to avoid any intimation of a contract with the informant. The Committee also does not require arrest and conviction of an arsonist as prerequisites for the receipt of an award. Were that done, deserving informants might not receive awards for years should a case be in prolonged litigation, as happened in the Berland-Wolf case. As the Committee's by-laws provide that all decisions by the Committee shall be final, the Chicago Arson Award Committee considers that their decision, based on whether or not the information contributed to the suppression of arson, gives them broad powers to make awards, even in unusual circumstances.

The arson award program has been a success, contributing substantially to the reduction of arson fires in the City of Chicago. To date, awards have been made to sixty-two citizens, in the aggregate amount of \$16,650.

At the state level, the Governor's Arson Advisory Board was established by Governor James R. Thompson in April, 1980, to advance interagency cooperation in all aspects of arson, identify priorities, and otherwise support the Arson Control Assistance Program of 1980, a grant program administered by the Illinois Department of Law Enforcement. The Governor's Board is composed of persons appointed by the Governor, representing agencies with arson-related responsibilities. Chaired by Illinois Director of Insurance Philip R. O'Connor, the panel includes, in addition to state agencies, liaison members from the Illinois FAIR Plan, the Metropolitan Chicago Loss Bureau, and private insurance companies. Planning work done by this Board's Information Systems Committee was instrumental in establishing Illinois as a national leader in the use of the Property Insurance Loss Register (PILR) search analysis reports for funneling insurance industry generated information on arson to law enforcement agencies.

In addition, the Governor's Arson Advisory Board monitors the Illinois Arson Award Committee which operates in tandem with the Chicago Arson Award Committee. The Illinois Arson Award Committee makes awards for information received on arsons occurring outside Chicago. Calls are received from throughout the state, through a toll free "800" number. Again, confidentiality of informants is assured. To date, this program has given \$11,850 in awards to fourteen recipients. The funds for this activity are provided through the Illinois FAIR Plan Association.

Perhaps the most effective partnership in Chicago operations is that of the Chicago Arson Award Committee with the Committee for Arson Awareness and Prevention, headed by Chicago's Director of Public Safety, Samuel W. Nolan. Director Nolan's Committee, which brings together city, county, and federal officials, insurance and other industry representatives, has over the past two years, taken the fire prevention and arson message into Chicago's neighborhoods with an extremely competent team of arson fighters. They deliver the arson message in areas that are most severely afflicted.

Regular evening meetings, organized with the cooperation of local community groups, are held by Mr. Nolan's Committee. They have conducted sixteen seminars in the past twelve months, delivering films, instructional prevention material, practical safety suggestions, and direct messages on the impact of arson fires on Chicago's neighborhoods.

Probably the most powerful criminal task force ever assembled in Illinois is the Coordinating Council on Arson for Profit (CCAP). It was organized two years ago by former Cook County State's Attorney Bernard Carey, whose successor, Richard M. Daley, has

continued the State's Attorney's sponsorship. Chaired by retired Judge Saul Epton, this panel includes an impressive array of key figures in its ranks: Chicago Public Safety Director (and vice-chairman) Samuel W. Nolan; Chicago Fire Commissioner William R. Blair; Chicago Police Superintendent Richard J. Brzeczek; Illinois State Fire Marshal Jack Carter; Cook County Sheriff Richard J. Elrod; Chicago Housing Commissioner Gilbert Cataldo; James Ingram, Special Agent in Charge, Chicago Office, Federal Bureau of Investigation; Illinois Department of Insurance Director Philip R. O'Connor; U.S. Attorney for the Northern District of Illinois Daniel K. Webb; and Illinois Department of Law Enforcement Director James Zagel. Many others, including key leaders of community and civic organizations, insurance and other industry representatives also serve on this panel.

The broad base of support evidenced by the above-mentioned names insures that all anti-arson efforts are coordinated and focused on the overriding objective of eliminating, to the fullest extent possible, the crime of arson and the threat it poses to lives and property. While the Coordinating Council on Arson for Profit is a Cook County oriented panel, its activities mesh closely with anti-arson activities elsewhere in Illinois. Council members actively supported the passage of anti-arson legislation by the Illinois General Assembly, and have enjoyed the full cooperation and participation of representatives of state agencies, such as the Illinois Department of Law Enforcement and the Illinois Department of Insurance. Other statewide activities supported by the CCAP include improved training for arson investigators in Illinois. This training has assisted in improving the skill and efficiency of enforcement and prosecution of arson. This, in turn, has reduced the head start advantage previously enjoyed by many arsonists.

The insurance industry, participating in all of these activities, is now allied strongly with the citizens of Illinois and Chicago in every anti-arson activity. In addition to its personal participation and the supply of financial aid wherever possible, the industry is rigidly resisting the payment of fraudulent claims which have been presented to insurance companies. The Illinois FAIR Plan alone is now defending 135 claims in Illinois courts, involving suits brought on arson fraud claims totaling over \$11,000,000.

In the regular insurance market, similar suits involving arson are estimated to involve claims of over \$9,000,000 in the Chicago area alone. Legal challenges to other claims denied by the insurance industry are also in litigation elsewhere in Illinois. The industry's record of successfully defending arson claims and avoiding payments of fraud cases is growing. Currently, reductions of two dollars out of every three dollars wrongfully claimed are being accomplished. Although a total defeat of all dollars claimed would be better, the present ratio constitutes a strong deterrent to the arson prone individual who still feels that ringing the cash register of the insurance company is an easy way to make a profit.

The figures in Table I illustrate some of the results of this progress. Better investigation has significantly reduced the number of undetermined fires, i.e., those for which no accidental cause has been determined, and the total cost of these claims. Simultaneously, the number of suspicious fires--those instances in which arson was probably committed by the insured to defraud the insurance company--have decreased sharply. Total losses from all incendiary incidents (whether caused by the insured to defraud, or by some other party) have stayed relatively stable. In a period of sharp increases in construction costs, this in effect constitutes a sizeable real decline in arson-caused damage.

TABLE I  
Metropolitan Chicago Loss Bureau:  
Analysis of Incendiary Fires - Chicago Metropolitan Area

Year	Dollar Value of Claims (number of claims)		
	Incendiary	Suspicious	Undetermined
1975	\$18,972,672 (942)	\$10,035,574 (148)	\$ 7,212,370 (609)
1976	21,751,797 (1,072)	10,490,282 (199)	8,794,432 (672)
1977	19,860,629 (951)	10,857,705 (179)	12,607,331 (772)
1978	17,746,299 (856)	8,782,122 (131)	12,295,493 (716)
1979	19,376,118 (820)	7,911,712 (129)	13,140,014 (634)
1980	19,804,361 (850)	6,374,400 (101)	8,703,612 (531)
1981	18,706,323 (696)	6,951,650 (110)	4,455,403 (267)
1982 (first two months, projected to annual)	8,372,238 (372)	3,857,400 ( 90)	7,151,358 (174)

Definitions:

Chicago Metropolitan Area: Cook, Lake, DuPage, Kane and Will Counties, Illinois, and Lake County, Indiana.

Undetermined: no accidental cause determinable.

Suspicious: those claims which require expert investigation of origin, and on which claims are being resisted or are in preparation of resistance on grounds of arson.

Suspicious fire dollar calculations are included in Incendiary totals; Undetermined calculations are not.

Throughout Illinois, the results of improved enforcement, successful prosecution, appropriate sentencing, and resistance to payment of fraudulent insurance claims are becoming evident. Much of the success achieved to date results from citizen participation. Motivated by the fear of fires, cash awards and plain good citizenship, the people of the city and the state are helping to turn the tables on arsonists--arsonists who are now going to jail in increasing numbers, and for longer times than ever before.

The arson war may not be over. Total victory may prove very elusive, but there is no doubt that in Illinois and in Chicago, the war is being won.

#### PART IV

#### INFORMATION: THE KEY TO ARSON PREVENTION AND INVESTIGATION Mark Iris

#### Introduction

Success in the prevention and suppression of arson is often dependent upon information. The nature of arson is such that there are many factors, normally hidden, which come to bear in understanding why (or indeed whether) an arson occurred, and who might be involved. Frequently, the necessary information is available; the problem is one of finding the information and properly managing it.

In Illinois, much progress has been made in effectively utilizing a variety of approaches to insure that information needed to prevent arson, deny payment of fraudulent arson claims, or successfully investigate, arrest, and prosecute arsonists reaches the proper parties. Some of these techniques are discussed in this section.

#### Metropolitan Chicago Loss Bureau

The Chicago area has an asset duplicated only in New York City and Detroit for tracking fire insurance losses: the Metropolitan Chicago Loss Bureau (MCLB). This is a non-profit, private entity supported by member insurance companies. Collectively, these firms write 90 per cent of the stock company fire and allied line insurance business in Illinois.

The objective of the MCLB is to assist its member firms in adjusting property claims. For member companies, its jurisdiction covers Cook County (including Chicago), Lake, DuPage, Will and Kane Counties in Illinois, and Lake County, Indiana. In addition, the MCLB was for years operating as the loss department for the Illinois FAIR Plan on a statewide basis. While the MCLB no longer has that complete responsibility, it continues to work with the FAIR Plan claims operation.

The Loss Bureau was not established as, and is not, an anti-arson agency per se. It works to assist member companies in the review and processing of property insurance claims. Member companies and adjusters will submit to the MCLB reports on all claims for \$1,000 or more from within Cook County; or \$10,000 or more from the other areas. A file for the claim is established. Routinely, the MCLB works with adjusters, assists in resolving differences between the insured and adjusters, etc. Proofs of loss bearing the review stamp of the MCLB are so credible that member companies will often issue loss drafts immediately upon receipt of these documents.

However, the procedures utilized by the MCLB also serve well to detect arson and insurance fraud. Upon receipt of the loss, a file is opened. An index card file includes address of loss, name of the insured, type of policy (e.g., property or contents), file

number, date and time of loss, adjuster and date of adjustment, cause of loss, total insurance, estimated loss, and final payment. The full file for the loss will include all relevant materials, including the adjuster's report, photos of the loss, legal correspondence, etc. Cross-indexing of the loss by address, name of the insured, and name of beneficiary of trust (if applicable) are done on the file card system. These records enable checks to be made for certain common factors as losses are reported. For example, has there been more than one claim filed for a given loss with different insurance companies? If both companies are MCLB members, this will be uncovered. Has the insured suffered a noticeably large number of losses? This too will be detected. Indexing the names of beneficiaries of trusts is particularly significant, for Illinois is one of a few states which allows for blind trusts, i.e., trusts in which the identity of the actual beneficiary of the trust may legally be kept confidential. However, member companies of the MCLB will require disclosure of the identity of the beneficiary as a requirement for payment of a loss. This information, when recorded, will enable the MCLB to identify a particular beneficiary should he or she have a number of losses.

As information on a claim is developed, it may become apparent that arson is, or may be, involved. The staff of the Loss Bureau includes trained arson investigators, and these persons will investigate such claims thoroughly, doing all that is necessary to document whether an arson took place, and, if so, whether the insured was responsible for it. Arson in and of itself is not grounds for denial of payment to the insured; arson fraud by the insured does, however, justify denial of payment. MCLB investigators will work with law enforcement authorities, including the Bomb and Arson Section of the Chicago Police Department, as permitted by Illinois statute.

Should MCLB investigators determine to their satisfaction that arson fraud does indeed exist, a meeting will be held, with representatives of the affected member company and legal counsel of the company's choice. If there is sufficient evidence, the Loss Bureau may recommend that payment be denied to the insured on the grounds of fraud. Final decision, of course, rests with the insurance company. Should the insured sue after denial of payment of the claim, the MCLB and its records can assist the insurance company in its legal defense. The number of denials made by companies in response to MCLB recommendations and reports has fluctuated, but there are several dozens of such incidents annually. The total dollar value of these claims is substantial. Thus far, the Loss Bureau and insurance companies have been successful in defending against roughly two-thirds of the dollar amount of these claims. In several instances, denial of payment has involved an individual or group connected with multiple losses, i.e., an arson for profit ring connected with the torchings of numerous properties.

The Metropolitan Chicago Loss Bureau is thus able to take individual, case-level investigations of specific fires, and integrate that information with its broad-based file of all area losses to ascertain if the specific loss is part of a larger conspiracy or series of arsons. This information, and its aggressive utilization by the MCLB and the members it serves, has enabled the insurance industry of the metropolitan Chicago area to be a national leader in the fight to remove the insurance profit from arson.

#### PILR

The services which the Metropolitan Chicago Loss Bureau has been providing to Chicago area insurers and investigators for many years have recently been instituted, in a modified format, at the national level. PILR--Property Insurance Loss Register--was established as a not for profit service administered by the American Insurance Association. Companies writing in excess of 90 per cent of the fire insurance premiums in the U.S. subscribe to this service, paying fees proportional to their respective premium volumes.

PILR's basic purpose is to collect fire data, analyze them to detect indicators of possible arson or fraud, and report back to those who can use this information. While the technical and legal obstacles which had to be overcome before PILR began operations were formidable, the basic operations are, to the users, simple. Using a standard reporting form, insurance companies' representatives and claims adjusters will, for each fire insurance claim or \$1,000 or more (except in those states which have set a lower figure), submit key information to PILR. Facts reported include name and address of insured; aliases, if known; insurance company, policy number and amount; cause of loss; names and addresses of other parties involved, e.g., attorney, tenant, partner, etc. The one page form is easy to complete. Many states, including Illinois, have accepted the PILR form as satisfying the state fire marshal's reporting requirements for fires and arsons.

Given the scale of insurance written by PILR's subscribers (90 per cent of the country's fire insurance premiums) and the relatively small loss (\$1,000 in most states) necessary to trigger PILR reporting requirements, PILR is in an excellent position to develop an inclusive national data base of fire insurance claim information. Currently, when a fire report is received by PILR, it is entered on the data base, and a computer run is done to compare the report with all other incidents in the data base. The objective is to ascertain if there are any factors in common between the report and other reports on file. Such commonalities may be totally innocuous, e.g., nationwide, twenty-seven persons named John Smith had reported fire claims; or they may indicate a significant possibility that arson or insurance fraud is involved. For example, the search might reveal whether multiple claims have been filed with two or more insurance companies for the same loss. Has the insured reported other claims for other properties? Does an insured party's attorney repeatedly appear as the attorney for



other insured individuals, possibly indicating the operation of an arson for profit conspiracy? PILR staff examine these matches to eliminate those which are spurious or misleading. This individual assessment of the data output enhances the quality of the final reports, and avoids the wasted effort, embarrassment, and possible legal complications which could arise from distribution of raw output.

These Search Analysis Reports, as they are known, are returned to the insurance adjuster for his information. These reports may provide leads for further investigation, which could lead to denial of payment on grounds of fraud. PILR officially encourages adjusters receiving these reports to share relevant information with state and local law enforcement authorities. This is not, however, a requirement of the PILR program, and one can understand how considerations of possible liability would constrain an adjuster from volunteering this information.

To overcome this, Illinois has taken the lead nationally, and is at this time (March, 1982) the only state in the U.S. to require that PILR Search Analysis Reports be sent to the authorities responsible for arson investigation. Thus, in addition to forwarding these reports to adjusters, reports are also sent by PILR directly to the Office of the State Fire Marshal. For incidents in Chicago, copies are then forwarded to the Bomb and Arson Section of the Chicago Police Department.

This action was made possible through the passage of SB 1992 by the Illinois General Assembly in 1980. Codified as Public Act 81-1361, this authorizes the Director of Insurance to require companies licensed in Illinois to report relevant data pertaining to property insurance claims to designated data processing organizations. Subsequently, the Department of Insurance, through its implementing regulations, permitted PILR to serve in this capacity. The net result is that information which may assist criminal investigations is routinely and quickly forwarded to those equipped to utilize it.

This mandatory transfer of information has been in effect for some months. Latest figures indicate that in the first six months of operations, 208 Search Analysis Reports were received by the Office of the State Fire Marshal. Of these, 95 were referred to the Chicago Police Department; the other 113 went to authorities elsewhere throughout the state.

By providing information on possible arson or insurance fraud, PILR outputs serve at least two functions. First, law enforcement agencies receive information which may materially assist criminal investigations and prosecutions. Second, should the information not be sufficient to result in a criminal indictment, PILR reports may nonetheless provide the margin of confirmation necessary for an insurance company to deny payment to the insured on the grounds of insurance fraud. In Illinois and in most states, to secure a criminal conviction, one must prove beyond a reasonable doubt that

the accused is guilty of the offense. However, for an insurance company to successfully resist an insured's lawsuit against its denial of payment of a claim on grounds of fraud, a lower standard of evidence prevails. The insurance company need only present a preponderance of evidence to demonstrate the insured committed arson, or caused arson to be committed so as to defraud the insurance company.

As PILR's data base expands over time, the potential for discovery of significant commonalities among reports in the data base will expand. Adjusters, insurance companies and law enforcement officials will have a growing number of leads to pursue. Over time, PILR should begin to exert a valuable deterrent effect, as more and more individuals attempting to defraud insurance companies and in the process endanger innocent persons through arson will find their actions receiving much closer scrutiny than they had expected.

The development of a shared data base on fire claims by the insurance industry clearly has benefits for insurance companies, law enforcement agencies, and the public at large. The public-private cooperation demonstrated by the use of PILR in Illinois has long been in place in the Chicago area through the activities of the Metropolitan Chicago Loss Bureau. PILR, with its national data base, allows for great expansion of the scope of operations, and significantly increases the chances of detecting individuals with widespread interests who may be involved in arson activities in more than one area.

#### CAPS

Buildings which burn are different from those which don't burn. This basic difference, substantiated by research in several cities, is producing a change in combatting arson. Previously, action typically consisted of investigation after a suspected arson--after death, injury, and destruction had occurred. However, in many cities, there exist the data necessary to pinpoint probable arson targets before they are stricken. A handful of cities are pioneering the effort to implement this previously untapped potential.

In Chicago, the Department of Public Safety, in December, 1980, started the Computerized Arson Prevention System (CAPS), funded through a \$150,000 grant from the city's Community Development Block Grant Program. CAPS has two goals: to identify arson-prone buildings before they are hit by major blazes, and to initiate and coordinate effective preventive action for these buildings so that the likelihood of arson is reduced. This program has been operating in three neighborhoods: Edgewater, Uptown and West Town--which have been particularly hard hit by fires and arsons. The program is now being expanded to serve other neighborhoods.

CAPS is one of a number of programs in the U.S. which are generically known as Arson Early Warning Systems (AEWS). Identification

of arson-prone buildings is accomplished through systematic data analysis of files supplied by cooperating city and county agencies. Investigations in Boston, New Haven, and New York City have shown that previous "warning" fires, property tax delinquencies, uncorrected building code violations, and suspicious patterns of property transfers can all be associated with a significantly higher risk of a building being hit by arson. This is particularly true for larger multi-unit apartment buildings, in which arson often takes its most deadly toll. Data for all of these variables are in most cities routinely collected by public agencies in the course of their regular business.

Chicago's own research, done jointly by the Department of Public Safety and the Illinois Department of Insurance, substantiated the role of these warning variables. Specific methods and findings were published in Fire and Arson in Chicago: First Prediction... Next, Prevention? Findings and Recommendations to Public Officials and the Insurance Industry. This research documented the theoretical validity of CAPS' methodology. The data analysis relies on the Chicago Police Department for fire and arson data, Cook County Treasurer for tax delinquencies, and the Chicago Department of Inspectional Services for code violation data. Using readily available software packages, computer sorts generate a "hit list" of suspect sites. Retired senior citizens, employed on a part-time basis, manually perform the intricate work of title searches to identify building ownership.

The information generated is used by the CAPS field staff, who visit buildings, observe conditions, and then meet with the property owners. Without any accusations, owners are put on notice the city is aware of the building's situation and arson potential. Appropriate referrals are then made. Information on actual or imminent arson is referred to the Police Department. The building may be referred to the Departments of Law and Inspectional Services for priority inspection and prosecution in Housing Court. This, in particular, illustrates one of the advantages of information management applied to arson prevention. With approximately 20,000 active cases in Housing Court, the ability to identify systematically those particular buildings in which the threat of arson warrants intensified, vigorous monitoring and prosecution helps to set priorities and make more efficient use of scarce resources.

Other referrals are also made. Preservation of low and moderate income housing stock is a critical concern of both the city and the Community Development program. Therefore, interested owners are referred to the Department of Housing for housing rehabilitation assistance. Referrals are also made to a number of not-for-profit groups involved in housing rehabilitation, as current economic conditions and scarcity of funds necessitate that all options be explored. If building conditions are particularly noxious, referral is made to the Cook County State's Attorney for prosecution under Illinois' criminal housing management statute.

CAPS cooperates to the fullest extent with community groups and other local bodies. Confidentiality constraints on the dissemination of data preclude distributing CAPS' printouts to the public. However, CAPS will, on request, look into specific buildings referred to it by community groups which feel an arson potential exists at those sites. Recently, CAPS responded to a request from the Illinois FAIR Plan for data on the locations of vacant and abandoned structures in two neighborhoods in which the FAIR Plan has a high degree of market penetration. FAIR Plan underwriting criteria specifically forbid insuring such structures, in large part because of the much higher risk associated with vacant deteriorated buildings in those neighborhoods served by the FAIR Plan. Careful monitoring of such information may help to eliminate the insurance profit motive for arson. Again, careful utilization of available information can help to set priorities and reduce the threat of arson.

CAPS' staff continually work to enhance the system's effectiveness. New data files are explored for their potential utility. Staff participate in the Arson Information Management Systems (AIMS) conferences sponsored by the U.S. Fire Administration, and maintain contact with directors of AEW systems in other cities. Through these actions, the ability of CAPS to deter arson in Chicago is constantly upgraded.

#### Towards the Future: The Chicago Police Department

The Bomb and Arson Section of the Chicago Police Department, with support from Detective Division Administration, Police Data Systems Division, and the City Data Center, have made great progress in recording and analyzing data. Fire and arson cases are now entered on computer tape for each police reporting period (there are thirteen periods of twenty-eight days each in the year), and for each of the twenty-five police districts. These data, compiled from reports submitted by police officers, are cross-checked with Fire Department data to verify the thoroughness of the Police Department's response to all fires.

Using these data, a variety of cross-tabulations and other computer runs are regularly done, using standard packaged programs. Patterns in arson and fire incidence can be determined, and changes observed. Seasonal variations, distribution of fires and arsons by time of day and day of week, apparent motives, arrests of adults and juveniles, location of fires (e.g., type of structure and/or business affected, etc.) are all tabulated. The results generated allow the Commander of the Section, Edward M. Nickels, to have the information necessary to manage the unit more effectively. Allocation of manpower, progress in clearance rates, preparation of reports to superior officers, are all facilitated by having accurate information readily at hand. At the same time, many man-hours previously needed for manual preparation of this information are now being saved. Certain patterns of arson, perhaps attributable to a specific individual or group of individuals, may be uncovered through these analyses.

The Chicago Police Department has been actively pursuing the computerization of records for the entire Detective Division. The Bomb and Arson Section was chosen as the first unit within the Detective Division to have its records computerized and available for the types of analysis noted above. As such, the Bomb and Arson Section is operating a pilot program, and operating it well.

Plans for future development are well advanced, and hopefully will be implemented pending the availability of funds for purchase of the necessary computer hardware and support services. In the proposed system, much of the vast quantity of paper reporting would be replaced by on-line, computerized record-keeping. A call from a citizen to the police dispatcher to report a fire would (as is now the case) produce a police response to the incident. However, the dispatcher would then enter pertinent data (name of caller, address of incident, police unit assigned, time, date, etc.) on a terminal. The responding officers' decision to notify Bomb and Arson could then be entered on the terminal as well, accessing the appropriate case through the designated number for that incident. The officers, instead of hand-printing their report, could enter information through a terminal at their district police station. Detectives assigned to the case, criminalistics technicians and other specialists who may follow-up or be assigned can also enter their records the same way. The current effort of each individual laboriously re-recording the same information in starting his report would no longer be necessary. Printers could generate hard-copy records of the file as necessary. The considerable time and manpower now required to maintain these paper records, and to deliver copies from one unit to another could be cut substantially.

The system described would, of course, be applicable in the end to all Chicago Police Department operations, not just arson investigations. Nor is this system now operational; it remains a goal. But it is not simply a dream. Much effort has been expended to develop the system outlined. It is reasonable to assume it will be in place one day.

The Chicago Police Department has long been a modern innovator among big city police departments. That tradition of leadership is being continued, particularly in the field of information management. The Bomb and Arson Section is at the cutting edge of this progress. The improvements made in arson determinations, arrests, and convictions, are in large part built on this sound administrative base.

#### Conclusion

As has been shown, there are many aspects to the effective utilization of information to combat arson. Illinois, however, owes its progress to the widespread cooperation among all parties concerned. Information jealously guarded causes duplication of effort, frustrates investigations, and fosters animosities among those who should be allies. That is not the case in Illinois and

Chicago. PILR shares its Search Analysis Reports with the State Fire Marshal, who in turn disseminates the reports to local investigators. Chicago Police Bomb and Arson Section make their data available to CAPS. CAPS provides information to the FAIR Plan. The Metropolitan Chicago Loss Bureau provides information to insurance companies and cooperates with law enforcement agencies. The web of sharing is complex, yet is accomplished with due regard for legal constraints and considerations of confidentiality. All parties involved recognize their shared commitment to the fight against arson. Each works in its own way, and assists others whenever such assistance helps to attain the ultimate goal: fighting arson.

## PART V

### FIGHTING ARSON STATEWIDE

Jack H. Carter  
Thomas W. Ortciger

#### Introduction

In the past, as now, the battle against arson crimes in Illinois is fought in Chicago by the Bomb and Arson Section of the Chicago Police Department, and in Downstate Illinois (i.e., that part of Illinois outside the Chicago Metropolitan area) by the Office of the State Fire Marshal (OSFM), in conjunction with state's attorney's offices and other enforcement agencies. Commitments of personnel, funds, and other resources in the past two years, however, have led to a dramatic increase in the capabilities of these agencies to combat arson. This progress has led to an increase in the number of arson determinations, arson investigations, arrests, and prosecutions. This progress has materially helped to improve the protection of Illinois' residents, and bears excellent testimony to the results which can be achieved when the partners in anti-arson efforts work together.

#### The Situation Prior to 1981

In 1980, there were 551 Downstate fire departments and fire protection districts in Illinois reporting to OSFM their fire incidents through NFIRS (National Fire Incident Reporting System). These departments reported 6,137 incendiary and suspicious fires, and 5,982 fires of unknown origin. The incendiary and suspicious fires were 22.3 per cent of all fires reported through NFIRS in Illinois. Comparable figures for 1979 show there were only 49 fire departments reporting through NFIRS, which was a pilot program in Illinois at that time. These departments reported 1,772 incendiary and suspicious fires, representing 24.7 per cent of all fires reported.

During 1980, the fourteen professional arson investigators on the staff of OSFM handled 649 arson and arson-related cases. About 60 percent (375) of these were turned over to State and local law enforcement agencies for criminal investigation. Of these, 101--just under 27 percent--were prosecuted, resulting in sixty-nine convictions and only seven acquittals. Several cases are still pending. These OSFM arson investigators are experts who not only do a thorough job of determining the cause, origin, and circumstances of fires, but frequently are called upon to give expert testimony in arson cases which go to trial.

Apart from the criminal aspects of the cases prosecuted, thirty-two involved substantial insurance claims. Defense against denial of payment was successfully made in half of these instances; several other verdicts are still pending. Although reliable statistics are not available to OSFM on the statewide total benefits of these investigations and prosecutions, it is clear these cases are contributing to a decline in insurance claims and losses.

While these figures indicate that prior to 1981 progress had been made in combatting arson, further progress depended on overcoming several obstacles.

First was the lack of trained personnel, a leading problem in Downstate Illinois. There were 80 hour (basic) and 40 hour (advanced) arson investigator training courses offered by the Illinois Department of Law Enforcement (IDLE) in cooperation with OSFM. Arson investigators for the Chicago Police Department, local fire departments, OSFM staff and other law enforcement agencies attended these courses and were better equipped to determine the cause and origin of fires. This training helped many local governments and OSFM to cope better with arson fires. However, the coverage was not broad enough to serve the needs of the entire state. Furthermore, cause and origin determinations, while essential, did not necessarily lead to arrest, prosecution and conviction. Investigations could not be carried through to completion without the assistance of other agencies.

In addition, while interagency cooperation was good among OSFM, the Illinois Department of Law Enforcement and the Illinois Department of Insurance, and other agencies, fiscal and manpower constraints prevented the development of all arson investigations beyond the cause and origin stage. Suspicious and incendiary fire cases usually are built on a base of circumstantial evidence, a time-consuming, laborious task. Delays in criminal investigation can make a case weak and unworthy of prosecution.

A more aggressive anti-arson effort was also hampered by inadequate reports, records, and statistics. Participation in NFIRS in Illinois was too low. While substantial gains had been made from 1979 to 1980, many hundreds of local fire departments were not using this reporting system.

#### 1980-1982: Years of Change

Since 1980, major changes in statewide anti-arson activities have been brought about through a variety of measures. These improvements have helped to correct some of the weaknesses noted above. OSFM, acting in conjunction with other agencies, is helping to assure that the latest advances in arson investigation and training are disseminated throughout the state. Previously, small communities often were not able to muster the resources necessary to conduct proper arson investigations, thus making it relatively easy for arsonists to commit their crimes freely. This is no longer the case.

A key initial step at the statewide level was to elevate the status of anti-arson efforts and thereby indicate to the public the state's commitment to the fight against arson. After creating OSFM as a separate agency in 1977, Governor James R. Thompson further assisted this effort by his appointment, in 1980, of the eight person Governor's Arson Advisory Board. The Board also has seven liaison members, representing the insurance industry,

Chicago Police Department, and other key parties. In 1981, five members were added to serve as the Illinois Arson Award Committee. The state that year, through IDLE, established an arson hot-line program for receiving information and tips on arson from citizens. The Arson Award Committee determines the recipients and amounts of awards granted under this program. Funds for the awards are provided through the Illinois FAIR Plan.

Another major advance in the battle against arson crimes was the enactment of Public Act 82-706, which grants law enforcement powers (peace officer status) to qualified fire investigators. This legislation will equip professional arson investigators to conduct arson investigations, including cause, origin, and circumstances, detection, investigation and collection of evidence, interviewing witnesses and assisting in the arrest, prosecution and conviction of arsonists.

The law provides for law enforcement training, including the proper use of weapons, and arson investigation training. The law also requires training in the rights of individuals under the Fifth and Fourteenth Amendments of the U.S. Constitution. Under this act, firearms may be carried by Certified Arson Investigators only when actively engaged in an arson investigation. Authority to carry firearms is also controlled by local authorities.

To become a Certified Arson Investigator, fire investigators, from both local departments and OSFM, will be required to have completed both the 80 hour and 40 hour arson investigation courses, or their National Fire Academy equivalents, before taking the law enforcement training course. Local government appointees also must be OSFM certified as Firefighter II.

The approved course is a five week training course (231 hours) divided into two sections, one of two weeks' duration and the second of three weeks. This course has been approved for local government employees by the Local Governmental Law Enforcement Officer Training Board and for OSFM appointees by the Illinois Department of Law Enforcement. The program was developed with the participation of the Department of Law Enforcement, the Fire Service Institute, the Local Governmental Law Enforcement Officers Training Board, the Police Training Institute and OSFM, with input from several fire chiefs.

Training efforts are being further assisted through an on-going review of the existing 80 and 40 hour arson investigation courses, to eliminate duplication of subject matter between these courses and the contents of the 231 hour course. All courses will be continuously reviewed to assure that an Illinois Certified Arson Investigator will be the best qualified and equipped fire investigator in the United States. The 231 hour course, offered at the IDLE Training Academy in Springfield, will be offered to an estimated 200 arson investigators from throughout Illinois in 1982.

Another major statewide advance in combatting arson has been developed with the assistance of the insurance industry. This is the Property Insurance Loss Register (PILR) program. Insurance companies licensed in Illinois are required to submit a PILR report whenever there is reason to believe that a fire was caused by other than accidental means. This report must contain specific, detailed information regarding the incident.

Information is also collected by OSFM from the Search Analysis Reports submitted by the PILR data processing center whenever there is a match in their data base. A match is found if the insured reported previous losses; if a previous claim has been filed for the current loss; or if a combination of persons associated with the loss, e.g., insured and partner or public adjusters, have reported previous losses.

These reports are sent to OSFM, which also receives the insurance company report. OSFM, in turn, disseminates this information to agency investigators, to the Department of Law Enforcement, and to responsible local agencies. By guarding against possible duplication of effort, OSFM assures that tax money is efficiently used, and that further control is exercised in the fight against arson.

#### Current Results and Future Programs

All of these steps are bringing gratifying results in the control and prevention of arson crimes in Illinois.

There has been a dramatic decrease in the percentage of arson cases in the State. Preliminary figures for the 1981 calendar year reveal there were 6,552 incendiary and suspicious fires. Although this is more than the 6,137 reported for 1980, there are now a greater number of Illinois departments reporting their incendiary and suspicious fires to OSFM. In 1981, 638 departments were reporting such incidents. Use of NFIRS continues to increase; 972 Illinois departments reported using NFIRS in the first quarter of 1982. The small increase in the number of arsons must be evaluated in the context of the much greater number of fires being reported to OSFM. There has been, and continues to be a significant decline in the rate of arson incidents. In 1979, of all Downstate fires reported to OSFM, 24.7 percent were of suspicious or incendiary origin. By 1981, this had declined to 18.1 percent, with a much broader reporting base in effect.

Simultaneously, the rates of arson arrests and convictions, assisted in part by the information resources made available through PILR, have increased.

The progress that has been made is gratifying but not totally satisfying. Until the crime of arson is brought completely under control, and the losses in lives, property, neighborhoods, revenue, and insurance are eliminated, the Office of the State Fire Marshal and other responsible agencies will not be satisfied.

To this end, OSFM will establish a separate Arson division under a Deputy State Fire Marshal. This new division will be directed by a qualified law enforcement and fire investigation administrator. He will coordinate and supervise all OSFM fire investigations in the State. There will be three professional investigators added to the existing staff. With more professional investigators in the field, state's attorneys will have stronger cases and, therefore, will be more confident their prosecutorial efforts will be rewarded with just convictions.

And, professional attention to the battle against arson--and all other fires--will bring more enthusiasm and confidence that the battle can be won. Greater participation in NFIRS in Illinois by more fire departments and fire protection districts will generate even more representative statistics in 1982 for OSFM and the enforcement agencies, which means an even more refined and sophisticated attack plan can be developed to win the battle against arson. Throughout the State of Illinois, the outlook is one of continued progress--progress built upon a sound foundation developed in the last few years.

## PART VI

JAIL THE TORCH  
Edward M. Nickels  
Terry C. Chiganos

### Introduction

Traditionally, the crime of arson has been viewed as a crime easy to commit, difficult to detect and almost impossible to prosecute. For these reasons, arson historically received little attention in the field of criminal investigation and prosecution.

Unlike other crimes, the Corpus Delecti (body of the crime) of arson must be established before any investigation can be initiated. Two necessary elements establishing the Corpus Delecti of arson must be shown: First, that a burning took place; second, and most important, is that ignition was intentional. The difficulty in determining the latter most likely was determinative of the low posture arson previously attained as compared with other crimes.

Despite reports that nationally the average dollar loss per reported arson exceeded the combined average losses incurred through robbery, burglary, and theft, and despite the concomitant death, injury, loss of employment, loss of housing and lost tax revenue caused by arson, only in recent years has it peaked to national attention. The American Bar Association, for example, in its spring, 1980 edition of the Barrister, featured arson as America's most neglected crime. Fortunately, this description no longer applies to the Chicago metropolitan area.

What follows is intended as a brief discussion of the crime of arson and an overview of city, state and federal agency involvement in combatting the arson problem in the Chicago area.

### Arson Task Force Concept

The detection, apprehension and prosecution relating to the crime of arson requires total cooperation at all levels of city, state and federal agencies. A coordinated effort to abate arson and its impact on human safety and property loss currently exists in the Chicagoland area. The combined resources of the police with their communication network, patrol force, investigative services, forensic laboratories, and preventive programs, coupled with resources within fire departments, public safety agencies, Cook County State's Attorney's Office, U. S. Attorney's Office, and the Arson Strike Force of the Bureau of Alcohol, Tobacco and Firearms of the U. S. Treasury Department, have been committed in the battle against arson.

In conjunction with such commitment, a much closer rapport and cooperation has been established with the insurance industry. Illinois is in the majority of states that have enacted arson reporting immunity statutes, enabling insurance companies to disclose particular fire loss information to those responsible for

investigating fires without fear of civil liability for such disclosure.

The Metropolitan Chicago Loss Bureau, for example, which represents 85% of the insurers doing business in the Chicago area, has become an integral part in many investigations. Its manager, Don Mershon, chairs Chicago's Arson Award Committee which includes representatives of most of the agencies heretofore mentioned.

The award program, funded by the insurance industry, grants monetary awards and recognition to individuals or groups who have aided in the suppression of arson.

Only through continued emphasis can arson task forces be successful. Their continuity and growth depend on support and interest developed in the community through arson and fire awareness seminars such as those being presented throughout the Chicago area.

#### Function of and Interrelationship of Arson Task Force

Although arson has become recognized as a serious problem, its impact in relation to the total number of fires reported is difficult to assess unless it is understood that arson is a crime which requires expertise in all fields of criminal investigation plus the support and cooperation of firefighters. It requires response and reporting mechanics; it requires competent evidentiary collection; retention and analytical capability of a qualified forensic laboratory; it requires trained arson investigators; it requires training resources to maintain the state of the art in arson and arson for profit investigation.

#### Chicago Police Department

An excellent example of police involvement in arson detection and investigation is the current practice of the Chicago Police Department. Chicago Police respond to all fire and explosive incidents occurring within the corporate limits of the city. All incidents receive a preliminary investigation by police officers with the assistance of the firemen at the scene. Since this program has been operative, more fires of suspicious origin have been detected, giving rise to an increase in fire/arson investigations. The number of arson-related arrests, convictions, and detection of numerous arson for profit schemes, increased commensurate with such response by the police.

Patrol officers of the Chicago Police are required to conduct preliminary investigations of all fire/explosive incidents and report to those found bona fide. As part of their investigation, the officers are required to consult with the ranking fire department officer on the scene for his evaluation of the cause and origin of the fire or explosion. Such consultation, in addition with other information gathered by officers through their observation and interviews of witnesses or bystanders, is the

basis for data reported by them. Where circumstances indicate a fire or explosion was purposely set, an arson investigation is immediately initiated.

This relationship with the fire department not only ensures a reliable and established police communication and reporting system to record incidents, it also provides police officers trained in arrest, search and seizure, crime scene protection, interview and interrogation, and with a great deal of information relevant to criminal investigations. Furthermore, they may employ the use of other police resources as required.

In Chicago, arson investigations are conducted by police detectives assigned to the Bomb and Arson Section of the Chicago Police Department. In recognition of the serious nature of arson, this unit was expanded in size, and now numbers sixty-nine sworn personnel. Detectives of the Bomb and Arson Section, aside from being trained in criminal investigations ranging from Theft, Burglary, Robbery, and Homicide, received a comprehensive seventy-hour course in arson investigation at the Chicago Police Department Training Academy. The training program includes the study of new policies of the department in arson and fire incident investigation and formal courses, e.g., Legal Aspects of Arson, Electrical Equipment Fire Causation, Building Construction as a Fire Cause, Arson Photography, Arson for Profit, Records Research, Interior and Exterior Fire Scene Investigation, Bomb and Incendiary Devices, and Handling and Labeling Evidence.

Among the instructors for this training program were specialists for the Underwriter's Laboratories, Metropolitan Chicago Loss Bureau, State Fire Marshal, City Building Department, Chicago Fire Department, National Auto Theft Bureau, Bureau of Alcohol, Tobacco and Firearms of the U. S. Treasury Department, Cook County State's Attorney's Office, Chicago Corporation Counsel's Office, and a Federal Bureau of Investigation Special Agent of the F.B.I. Academy in Quantico, Virginia.

This training was supplemented with other training programs attended by many of the Arson Detectives and Explosives Technicians assigned to the Section. The programs included training by the F.B.I. at Quantico, Rutgers University, University of Wisconsin, U.S. National Fire Academy, and most recently, Arson-for-Profit investigation courses offered by the Bureau of Alcohol, Tobacco and Firearms Arson Unit and eighty-hour basic and forty-hour advanced courses in arson investigation conducted by the Illinois Department of Law Enforcement.

Field investigations by Bomb and Arson Section detectives are assisted by the availability of a specially equipped van. Purchased with a grant from the Law Enforcement Assistance Administration, this van contains a variety of equipment needed by arson investigators. The van carries both hand and power tools, portable lighting equipment, material for collecting samples and other evidence, and other items. Access to this equipment helps to

insure that these trained arson detectives are prepared to manage the difficult task of a thorough fire scene investigation, so necessary to successful arson prosecution.

These improvements in procedures, availability of personnel, training, and equipment are reflected in the Bomb and Arson Section's activity. In 1981, Bomb and Arson received reports of 10,818 fires and arsons. Additional incidents under its jurisdiction brought the total for the year to almost 12,000 incidents. Almost 3,500 investigations were conducted, and 2,160 bona fide determinations of arson were made. These determinations of arson--the establishment of the Corpus Delecti--constitute the first, critical step leading to the arrest of the accused arsonist.

The public is an essential ally of the Chicago Police Department in the battle against arson. To help mobilize citizen support, the Bomb and Arson Section participates in community based arson and fire awareness meetings. With other city, county, and federal agencies, city residents are given information orally and through film presentations in an effort to reduce the fire potential and solicit their cooperation in the apprehension of arsonists. The Department's Preventive Programs Division aids in this endeavor through posting of arson award notices and no trespassing signs where necessary, such as on dangerously deteriorated abandoned buildings.

As a further means to solicit the cooperation of citizens, Chicago Police maintain an Arson Hot-line specifically geared to receive telephonic information from persons with information concerning arson cases.

It is obvious today that the Chicago Police are totally committed in the battle against arson. No longer are police here merely engaged in traffic control duties at fire scenes. The involvement of patrol officers, detectives, and a highly competent and equipped forensic laboratory has led to an increase in the number of arson arrests and cases presented for prosecution.

#### Bureau of Alcohol, Tobacco and Firearms

In early 1979, the Bureau of Alcohol, Tobacco and Firearms of the U. S. Treasury Department entered into a close working relationship with local law enforcement agencies in the Chicago metropolitan area, as well as the Special Prosecutions Unit of the State's Attorney's Office concerning arson for profit investigations. They also work closely with the Internal Revenue Service, the United States Postal Service, the Illinois Department of Revenue, the Illinois Department of Law Enforcement, and the Federal Bureau of Investigation.

Where arson for profit is suspected and other elements such as explosives (gasoline) have been employed in the commission of the crime, Alcohol, Tobacco and Firearms agents are immediately

apprised of the facts and circumstances of the case and work jointly with local law enforcement agencies in the investigation. The expertise of the ATF agents in these intricate and complicated investigations, coupled with their access to the resources of the Federal government, have made them invaluable members of the Arson Task Force in the Chicago area.

Although the ATF Arson Strike Force is a Federal agency, their involvement in the investigation and prosecution in arson for profit cases is not restricted to the Federal courts. Where justice would be better served, they present cases to the State's Attorney's Office. As a result of this cooperative approach between local and Federal law enforcement agents, and the day to day contact between them, a greater understanding and appreciation of the diverse nature of their individual duties has developed which adds to their expertise and experience as investigators in these cases of mutual concern.

In addition to this investigative involvement in arson for profit cases, ATF has provided numerous training courses throughout the Chicago area and other parts of the State of Illinois relating to record research and financial investigation in arson fraud cases.

#### Chicago Fire Department

Within the Chicago Fire Department, special emphasis has been placed upon the recognition of arson indicators at fire scenes. Battalion Chiefs of the Chicago Fire Department have attended special courses specifically aimed at arson recognition and evidentiary preservation. The close working relationship between police and firemen is a result of the task force approach, which has enhanced the understanding between them in the recognition, collection and preservation of evidence at fire scenes.

This is also the case in the greater metropolitan Chicago area because of the Arson Training Program provided by the Illinois Department of Law Enforcement for both police and fire personnel.

#### State's Attorney's Office

No matter how well trained the arson investigators are, unless the prosecutor's office is responsible and committed to a program of vigorous arson prosecution, all efforts are in vain. Cook County is fortunate in that there exists within the State's Attorney's Office a Special Prosecutions Unit specifically set up to handle the prosecution of arson cases. These prosecutors have gained a great deal of experience and have developed an expertise in the statutes, case law, and trial techniques unique to arson prosecution. More often than not, prosecutors from the Special Prosecutions Arson Unit respond to arson fires and work directly with the arson detectives of the Chicago Police Department or other law enforcement agencies in the investigation of suspicious fires in the Chicago metropolitan area. As a part of this task



force approach, the prosecutors provide legal assistance to these investigators in evidentiary matters, drafting of search and arrest warrants, taking statements, and approving criminal charges.

The Special Prosecutions Arson Unit also employs the vertical prosecution method, wherein one Assistant State's Attorney is assigned to a specific case and he or she is entrusted with the investigation and prosecution of that case from the time of the incident all the way through the criminal justice system and final judgment in court. This system of vertical prosecution enables the Assistant State's Attorney to carefully monitor and direct the development of all evidentiary matters that are essential to a successful prosecution. The vertical method of prosecution also provides community access to the responding Assistant State's Attorney at arson scenes. This kind of visibility in the community is furthered through participation by Assistant State's Attorneys in the Arson and Fire Awareness Seminar presented regularly in various neighborhoods throughout the metropolitan Chicago area.

The prosecutors in the Arson Unit use the Cook County Grand Jury quite extensively, especially in arson for profit investigations. The subpoena power of the Grand Jury is used to obtain a variety of invaluable records necessary in pursuing an arson for profit investigation. The Grand Jury is also used by Special Prosecutions Arson Unit Prosecutors to bring witnesses and target defendants before it to give testimony relevant to the investigation.

In addition to the close day-to-day working relationships enjoyed by the Assistant State's Attorneys and members of law enforcement in this cooperative Arson Task Force, the prosecutors on the County level have developed a strong rapport with the Federal prosecutors in the United States Attorney's Office as well. A new program has recently been implemented by the Federal government in cases where there is concurrent Federal and State jurisdiction. If both the United States Attorney's Office and the Cook County State's Attorney's Office are involved in the investigation of an arson case and a decision is made to prosecute the case in Federal court, the Cook County Arson Unit prosecutor assigned to the case is in many instances appointed as a Special Assistant United States Attorney, enabling him to participate in the prosecution of the matter with the designated Assistant United States Attorney. This cross designation of prosecutors maximizes the use of the resources and expertise of two prosecutorial agencies in the campaign to convict arsonists in the Chicago metropolitan area.

#### Interrelationship with Insurers

Unless other indicators are present, of paramount importance to the investigator and prosecutor is whether the insured would profit from a fire. The insurance industry can be an important source of information to the arson investigator or prosecutor. Of

course, they have a vested interest in arson cases. Where arson is initiated by the insured, claims will be denied. Where arson is perpetrated by others, insurers, having subrogation rights, can sue for recovery of their payouts. Because of their interest, insurers expend much time and effort developing their own investigative case file. These files can be obtained and utilized by investigators or prosecutors in furtherance of the criminal investigation they are conducting in many of these arson for profit cases.

Under the provision of the Property Fire Loss Act of the Illinois Insurance Code (Chapter 73, Section 1153, Illinois Revised Statutes) insurance companies are required to disclose certain information to law enforcement authorities for investigating fires. This information includes, but is not limited to:

1. Any insurance policy relevant to a fire loss under investigation and any application for such policy;
2. Policy premium payment records;
3. History or previous claims made by the insured for fire loss;
4. Material relating to the investigation of the loss, including statements of any person, proof of loss and any other relevant evidence.

Further assistance from the insurance industry is currently provided through the Search Analysis Reports generated by the Property Insurance Loss Register (PILR). These reports provide valuable information not otherwise readily available to arson investigators. The Chicago Police Bomb and Arson Section now routinely receives copies of all such reports generated for fires within the City of Chicago.

The insurance industry has been an important member of the Chicagoland Arson Task Force and a prime catalyst in developing arson awareness programs, arson award programs, and in proposing legislation in an effort to deter arson. This type of support and cooperation is necessary and must be continued in the battle against arson.

#### Conclusion

All of the foregoing concerning the current approach to the Arson problem has had a positive effect in the metropolitan Chicago area, not only in reducing incendiary fire loss insurance claims but, more importantly, in the investigation, apprehension and conviction of arsonists. Today, Chicago Police are the initiating body from which the Alcohol, Tobacco and Firearms Arson Unit and the Cook County State's Attorney's Special Prosecutions Arson Unit base their activity. The rapport which has been established with these units is a model of spirited cooperation. The ATF Unit has worked diligently with Chicago's Bomb and Arson Section and

Special Prosecutions in arson for profit cases. Through this unified approach, 1212 persons have thus far been apprehended on local or, in some cases, Federal charges involving arson during the past three years. Of the 1212 people arrested for purposely setting fires, 471 were adults charged with arson related felonies. Out of a total of 396 cases disposed of in 1979, 1980, and 1981, 260 individuals were convicted in either the Circuit Court of Cook County or Federal District Court, resulting in a conviction percentage of 66%, well above the national average. Significantly, in many of these cases, both County and Federal judges are handing down stiff penitentiary sentences. Clearly growing numbers of arsonists are being convicted, and the threat they have posed to the public is duly recognized by the sentences imposed.

In looking back at the progress made in the fight against arson in the metropolitan Chicago area and other parts of Illinois, it is evident that arson is no longer a crime that is easy to commit, difficult to detect, and almost impossible to prosecute. Much can be accomplished when individuals unite in a common cause to combat a serious problem such as arson.

## PART VII

### CONCLUSION

Lynda L. Gilliam  
Mark Iris

The preceding sections, it is hoped, have presented a thorough overview of the multi-faceted campaign being waged against arson. The enthusiasm, confidence and commitment of the authors come through clearly. The enthusiasm is there because progress is being made. Arson is no longer a crime committed with impunity. Arson has not been eradicated, nor, despite our fervent hopes, can it realistically be expected that it will soon be totally vanquished. Society will continue to bear the physical, emotional, and financial toll. Innocent lives will be lost; children and adults will suffer the physical and emotional scars of wanton fire. Homes, furnishings, and irreplaceable personal possessions will be consumed; stores, factories, and the jobs they provide will be lost.

The trend, however, is clear. The deprivations of arsonists can be sharply curtailed. It is possible to organize and to act to deter arson, to remove the profit motive; to apprehend, prosecute, and jail arsonists. The narrative herein documents key actions taken in Illinois. They are presented in general terms. This report was not intended to serve as a precise "how to" outline, as was done in last year's Department of Insurance/Department of Public Safety report, Fire and Arson in Chicago: First Prediction...Next, Prevention? Findings and Recommendations to Public Officials and the Insurance Industry. Indeed, by now, many of the specific tactics and methods needed for successful anti-arson campaigns are generally well-known.

What is presented here can be viewed as a general model. It has worked well in Illinois and Chicago. The precise approaches taken may not be exactly what are needed in another state. Local conditions, the nature of the arson problem, and legal and constitutional constraints vary widely.

But if the precise elements of a coordinated anti-arson attack cannot always be transplanted, the general approach can. Illinois owes its recent progress to the fact that all key parties recognized the gravity of the problem and faced it jointly. Elected officials established broad-based panels at both the state level (Governor's Arson Advisory Board) and the local levels (the Coordinating Council on Arson for Profit of Cook County). The critical need for all concerned parties to participate was recognized: representatives of city, county, state and federal agencies; civic and community groups; and the insurance industry all took part. Media support to inform and stimulate the public was developed.

In any given locality, it may not be easy to secure the cooperation of all these individuals and organizations. Long-standing

rivalries, bureaucratic jealousies, and local suspicions may be deep seated. To overcome these obstacles requires men and women with broad vision, magnanimity, and above all else, a sense of priorities: the ability to recognize that the eradication of arson is foremost. All else--partisan political concerns, questions of who will command, etc.--is secondary.

This lesson has been learned in Illinois. It has taken time to develop, and the course has not always been smooth. The results, however, show the commitment was well worthwhile. People's lives and property are more secure from the threat of arson than they have been for years. Fraudulent insurance claims continue to decline. Prosecutions are leading to more convictions and lengthy jail sentences for those who willfully endanger others with the fire weapon. In short, the coordinated, cooperative efforts described in this report are producing results. This is the message the authors have tried to communicate. The cooperative, coordinated approach is working in Chicago and in Illinois.

**END**