
Editorial

SFO in Peril

The acquittal in October of George Walker, former chairman and chief executive of Brent Walker, after his four-and-a-half month trial on £19m theft and false accounting charges, was depicted by many commentators as the last nail in the coffin of the ill-starred Serious Fraud Office. It was subsequently announced that the City of London police had decided to withdraw its officers from the SFO team. But even worse was to follow, just a few days later, when newspaper reports appeared claiming that senior officers of the SFO were under investigation for alleged misconduct in the Asil Nadir case. This was somewhat stale news, given that the investigation in question was pursuant to a statement made by the Attorney General as long ago as 3 December 1993, but these hostile headlines came at a very bad time for the beleaguered SFO.

The office was set up in 1988, in the wake of the Guinness scandal, on the recommendation of the Roskill Committee on fraud trials. The idea was to combine in a single organisation the skills of lawyers, accountants and police officers to investigate and prosecute multi-million pound frauds. The record of the SFO has been, to say the least, patchy. The Brent Walker débâcle is the latest of a long line of high profile failures – Guinness, Blue Arrow, *et al.* Last year saw the embarrassment over the community service order imposed on Roger Levitt after a plea bargaining deal; the dropping of the charges against Terry Ramsden; and the hasty departure of Mr Nadir

to Northern Cyprus.

There has been no shortage of calls for the SFO's abolition; a recent Whitehall working party report was critical of its cost-effectiveness and recommended the transfer of its functions to the Crown Prosecution Service. For its part, the SFO would like to take over the Fraud Investigation Group in the CPS. Both defenders and critics of the Office have pointed to the problems of attracting high calibre legal staff, and to the fact that the accountants employed there are mostly birds of passage, on short-term attachment. The critics see the chronic problems of recruitment and low staff morale as demonstrating that the arrangement cannot work; defenders believe that if effort and resource can be invested in solving such problems then the SFO can and will become successful.

The fate of the Office hangs precariously in the balance. There have been serious strategic and tactical mistakes, compounded perhaps by managerial weaknesses, and it would take just one more high profile disaster to bring down the axe. There are plenty of vested interests barracking and gloating in the wings, feeding hostile stories to eager journalists. Meanwhile, the basic concept is sound – as demonstrated by the success of similar arrangements in other jurisdictions – and in our judgment the SFO should be given at least one more chance, and indeed some overdue encouragement, to get its act together.

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