

# Overview Report To The Congress

# ARSON

## The Federal Role In Arson Prevention and Control



A Report Submitted to the Congress

by the

FEDERAL EMERGENCY  
MANAGEMENT AGENCY  
U.S. Fire Administration  
Washington, D.C. 20472

August 1979

72452

This report was prepared by the Office of Planning and Education,  
United States Fire Administration, Federal Emergency Management  
Agency. Technical support was provided by the American Institutes  
for Research, Inc. and Frank Morra and Associates, Inc.

FEDERAL EMERGENCY MANAGEMENT AGENCY  
WASHINGTON, D.C. 20472

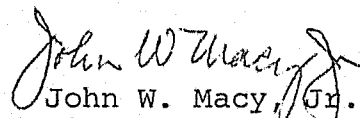
TO THE READER

The menace of arson must be removed from American communities. Solutions to this arson problem are primarily discovered in effective management.

The Federal Emergency Management Agency (FEMA) was established to reduce the economic and social devastation caused by natural and human-made disasters, through hazard mitigation and emergency management.

Arson is one of the Nation's most serious human-made disasters. The efforts to reduce it outlined in this Report -- improved management of prevention and control programs, vigorous investigation and prosecution, elimination of economic incentives, and treatment of psychologically-motivated firesetters -- are prime examples of how FEMA pursues its vital mission.

I believe that arson in the United States can be significantly reduced. I have directed the U.S. Fire Administration to take the leadership role in the campaign to achieve that goal.

  
John W. Macy, Jr.  
Director

Federal Emergency Management Agency

NCJRS  
OCT 10 1980  
ACQUISITIONS

Note:

The opinions and recommendations of this Report were prepared by the U.S. Fire Administration and do not constitute the official position of or commitments by any other Federal, state or local officer or agency.



Federal Emergency Management Agency  
United States Fire Administration  
Washington, D.C. 20472

Arson has been studied to death. Our responsibility now is to act -- coordinated actions which will reduce arson's devastation to our cities and our people.

We will train firefighters, police officers, and district attorneys in effective investigation and prosecution methods. We will analyze the nature and extent of the Nation's arson problem, to provide the statistical basis for allocating staff and resources. We will develop methods for removing the economic incentives for arson.

To develop a coordinated Federal attack on arson, we will work closely with other Federal agencies -- the Law Enforcement Assistance Administration, the Federal Bureau of Investigation, the Department of Housing and Urban Development, and the Treasury Department.

Let's get on with it!

Gordon Vickery  
Administrator  
United States Fire Administration

---

For sale by the Superintendent of Documents, U.S. Government Printing Office  
Washington, D.C. 20402

Stock Number 003-000-00549-6



An Arson Fire 129 Marlboro St., Boston, Massachusetts, July 22, 1975  
Pulitzer prize winning photographs courtesy of: Stanley J. Forman and  
"The Boston Herald American", Newspaper Division of the Hearst Corporation



## INTRODUCTION

In cities across the Nation, from Seattle to the South Bronx, arson has become a national epidemic. In one New England city, arson has risen by 300 percent over the past five years and has increased from 16 percent to 46 percent of all fires in that city. The national direct loss due to arson is estimated at \$1.3 billion per year, a figure that is comparable to losses due to other major crimes such as larceny-theft (\$1.1 billion) or burglary (\$1.4 billion). Beyond this, tax losses due to arson could multiply these losses many times.

In Ohio and California, incendiary and suspicious fires are the leading cause of property loss in buildings. These fires cause about 16 percent of the known residential dollar loss and almost 25 percent of the known losses in non-residential buildings in those States.

Arson is an issue of broad scope and complexity. The arsonist's motives range from revenge to arson-for-profit. Arson schemes are designed to stop business losses, to remove low-income tenants, to create new parcels for construction, to collect over-insurance monies or to go to the head of the new apartment list. Criminal involvement, human behavior, social change, business and economic trends, urban decay -- all contribute to the national arson epidemic.







Arson is a killer. Set fires burn quickly, trapping tenants and endangering firefighters. Over 700 lives are lost each year to arson. In New Jersey, 28 people died as victims of arson fires in a one month period.

The responsibility for stopping arson rests with several agencies. Coordination among firefighters, police, prosecutors, insurance and banking representatives, municipal officials, and community groups is critical to solving this problem. Arson is a crime which crosses organizational boundaries and requires broad base countermeasures for solution.

This Report outlines the nature and magnitude of the Nation's arson problem, and makes recommendations which fall into four action areas:

- management of arson programs;
- investigation/prosecution of arson;
- removal of economic incentives to arson; and
- dealing with the psychologically-motivated arson.

In the management area, there is a need for Federal assistance to State and local agencies in analyzing their data to identify the types of arson that are occurring in their communities. There is a need for municipal arson early warning systems to predict where arson may occur and permit preventive action. There is a need for public arson education to publicize anti-arson efforts and successful prosecutions to deter would-be arsonists. There is a need for community action in high arson incidence areas, since community organizations can provide a first line monitoring of arson activities.



In the investigation and prosecution area, coordination among firefighters, police, and prosecutors is the key. Federal prosecution assistance should be provided where presence of organized crime or high incidence make it difficult for local authorities to respond to their arson problem. Training is required for firefighters, fire investigators, police officers, prosecutors, and insurance adjusters. Courses on arson detection and investigation should be distributed broadly to fire and police investigators. State and local governments need assistance and laboratory support to identify accelerants and to process criminal evidence.

In the economic area, incentives to arson in laws and policies affecting the insurance, banking, housing and commercial industries must be eliminated. Insurance underwriting and claims procedures must be modified. Fraudulent claims must be contested. Opportunities to abuse Federal and State housing and loan incentive programs in arson-for-profit schemes must be removed. Commercial arson schemes must be detected through monitoring and analysis.

In the behavioral area, communities with juvenile firesetting problems should receive training in the successful methods which have been developed. Prosecutors and fire service personnel must be trained to deal with revenge-motivated fires.



Arson is, and will remain, primarily a local problem. The principal role of the Federal Government is to provide assistance to State and local agencies to support their arson prevention and control programs. However, the arson patterns, the criminals' operations, and the magnitude of the problem extend beyond municipal boundaries. Only through a coordinated effort among Federal, State, and local agencies working together with business and the public can arson be reduced.

## TABLE OF CONTENTS

INTRODUCTION .....	v
CHAPTER I ARSON IN AMERICA: AN OVERVIEW .....	1
Why is Arson Still Growing .....	3
The Narrowness of Traditional Roles .....	4
The High Profits and Low Risks of Arson .....	5
The Complexity of the Crime .....	7
The Increase of Psychologically-Motivated Arson .....	9
The Lack of Dissemination of Effective Programs .....	10
State and Local Anti-Arson Capabilities .....	11
Management of Arson Prevention and Control Programs .....	13
Investigation/Prosecution of Arson .....	17
Economic Factors in Arson .....	20
Psychology and Behavior of Firesetters .....	22
Federal Programs for Reducing Arson .....	24
Current Federal Programs .....	24
Interagency Agreements .....	25
Opportunities for Future Federal Action .....	25
State and Federal Arson Laws .....	27
Cost-Benefit Considerations .....	29
Conclusion .....	30
Summary of Recommendations .....	31



CHAPTER II	RECOMMENDATIONS .....	39
Management of Arson Prevention and Control .....		43
Arson Task Forces .....		44
Data Collection and Analysis .....		48
Arson Early Warning Systems .....		52
Public Arson Education.....		53
Community Organizations .....		59
Investigation/Prosecution of Arson .....		60
Fire/Arson Detection .....		62
Fire/Arson Investigation .....		63
Prosecution .....		66
Training .....		72
Technology .....		80
Economic Factors in Arson .....		85
Insurance .....		86
Housing .....		130
Banking .....		135
Commercial .....		141
Psychology and Behavior of Firesetters .....		143
Adults .....		144
Juveniles .....		145
CHAPTER III	FEDERAL PROGRAMS FOR REDUCING ARSON .....	149
Bureau of Alcohol, Tobacco and Firearms .....		153
Bureau of Indian Affairs .....		156
Bureau of Land Management .....		157
Department of the Army .....		158
Department of the Navy .....		160
Federal Bureau of Investigation .....		161
Federal Insurance Administration .....		164
Internal Revenue Service .....		166

Law Enforcement Assistance Administration .....	167
National Bureau of Standards, Center for Fire Research .....	169
National Park Service .....	171
Office of the Attorney General .....	172
U. S. Fire Administration .....	174
U. S. Forest Service .....	176
U. S. Postal Service .....	179
Other Federal Agencies .....	180
 CHAPTER IV STATE AND FEDERAL ARSON LAWS .....	 185
State Laws .....	188
Model Arson Penal Law .....	188
Model Reporting-Immunity Law .....	191
Valued Policy Law .....	194
Unfair Claims Practices Act .....	195
Tax Lien .....	196
Blind Trusts or Straw Parties .....	197
Rent Withholding and Housing Code Enforcement .....	198
Conclusion .....	199
Federal Laws .....	201
Banking and Housing .....	201
Tax Laws .....	203
Criminal Laws .....	205
Other Areas of Inquiry .....	206
Conclusion .....	207

CHAPTER V COST-BENEFIT MODEL .....	209
Anti-Arson Recommendations .....	211
Cost-Benefit Simulation Model .....	212
Base Cases .....	212
Arson Scenarios .....	213
Interdependency of Initiatives .....	214
Cost Factors .....	215
Benefit Factors .....	216
Integration Across Time .....	217
Summary .....	217
APPENDIX .....	219
Bibliography.....	221
Acknowledgments .....	248

Numerous individuals representing Federal, State and local agencies, public interest groups, and private industry participated in the gathering of the information for this Report. Their contribution is acknowledged in Appendix B. We gratefully acknowledge the in-depth commentaries provided by Lou Amabili, Robert Carter, Trudy Daly, Louis Derry, Ernest Garneau, Ralph Jackson, Helene Johnson, Robert May, Robbie Robertson and John Wrend.

Principal authors for this Report were Richard Strother and Phineas Anderson. Technical support was provided by Jane Siegel, Frank Morra, Alfred Lima, John Lynch, John Sawyer, Herman Weisman, Rita Pennington, William Trencher, Stella Tsu and Betsey Davis. Special thanks go to Mary Leonard, Nancy Stone, Stacey Webber, Mary Ann Daly, Alta Wright and Mae Tucker for their editorial and secretarial support.

### ACKNOWLEDGEMENTS

A number of published sources aided immeasurably in the preparation of this report. These are listed in Appendix A. A special and grateful acknowledgement must be made to the authors of the following documents which provoked a fuller understanding of the arson problem and influenced the thinking and approach of this study:

Arson and Arson Investigation: Survey and Assessment. Washington, D.C.: National Institute of Law Enforcement and Criminal Justice, Law Enforcement Assistance Administration, U.S. Department of Justice, October, 1977.

Arson Control -- A Review of the State of the Art with Emphasis on Research Topics by Stephen J. Tauber. Washington, D.C.: National Institute of Law Enforcement and Criminal Justice, Law Enforcement Assistance Administration, May, 1978.

Arson-for-Hire. Hearings before the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, U.S. Senate, 95th Congress, Second Session, August 23-24 and September 13-14, 1978. Washington, D.C.: U.S. Government Printing Office, 1978.

Arson-for-Profit: Its Impact on States and Localities. Hearings before the Subcommittee on Intergovernmental Relations of the Committee on Governmental Affairs, U.S. Senate, 95th Congress, Second Session, December 14-15, 1977.

Arson-for-Profit: More Could Be Done To Reduce It. Washington, D.C.: Comptroller General, U.S. General Accounting Office, May 31, 1978.

Arson: The Neglected Epidemic. Report and hearings of the California State Senate Select Committee on Fire Services, Los Angeles, June 29-30, 1977.

Arson Prevention and Control Strategies by the Aerospace Corporation. Washington, D.C.: National Fire Prevention and Control Administration, U.S. Department of Commerce, December, 1977.

Arson: Some Problems and Solutions. Boston: National Fire Protection Association, 1976.

Arson: A Status Report. Los Angeles: League of California Cities, Los Angeles County Division, Criminal Justice Planning Unit, May, 1977.

Arsons. Chicago: Illinois Legislative Investigating Commission, May, 1978.

Citizens League Report: We Make It Too Easy for the Arsonist. Minneapolis: April, 1978.

Fire Insurance: Its Nature and Dynamics by Gelvin Stevenson. Washington, D.C.: National Fire Prevention and Control Administration, U.S. Department of Commerce, October, 1978.

Fires in Urban Residential Neighborhoods: A Survey of Causes and Local Efforts at Prevention by Alfred J. Lima. Washington, D.C.: National Fire Prevention and Control Administration, U.S. Department of Commerce, July, 1977.

Incendiarism in Southern Forests: A Decade of Sociological Research by Alvin L. Bertrand and Andrew W. Baird. Mississippi State, Miss.: Mississippi Agricultural and Forestry Experiment Station and Mississippi State University in cooperation with the U.S. Forest Service, August, 1975.

Issues Involved with Research into the Problem of Arson by Clifford L. Karchmer, July, 1978.

The Psychology of Firesetting: A Review and Appraisal by R.G. Vreeland and M.B. Waller. Washington, D.C.: National Bureau of Standards, U.S. Department of Commerce, January, 1979.

Put the Heat on the Arsonist!!! Corporate Relations Department, Allstate Insurance Company.

Report of the Massachusetts Arson Prevention Task Force. Boston: Office of Lieutenant Governor Thomas P. O'Neill, III, December, 1978.

The Saga of Gridley: "Fire When Ready" by John P. Sawyer and Helene Johnson. Boston: Urban Educational Systems, Inc.

Seattle Arson Task Force Implementation Program. Seattle: Fire Department, 1978.

Selected Articles for Fire and Arson Investigators. International Association of Arson Investigators, Inc., 1975.

The Social Response to Incendiary Fire. Washington, D.C.: Law Enforcement Development Group, Aerospace Corporation, August, 1976.

Staff Study of the Role of the Insurance Industry in Dealing with Arson-for-Profit. Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, U.S. Senate. Washington, D.C.: U.S. Government Printing Office, 1979.

Strategies for Reducing Incendiary Fire Occurrence in the South by M.L. Doolittle, Francis Eller, and Robert S. Jackson. Southern Forest Experiment Station, Forest Service, U.S. Department of Agriculture, 1976.

Target: Arson. Insurance All-Industry Committee for Arson Control, September, 1978.

CHAPTER I

Arson in America: An Overview



## WHY IS ARSON STILL GROWING?

To stop arson, there is an army of dedicated professionals rivaling in size our military forces. Virtually every firefighter, police officer, prosecuting attorney, insurance adjuster, banker, housing director and community organizer is potentially in that army," stated the U. S. Fire Administration (USFA) in the 1976 report Arson: America's Malignant Crime.<sup>1</sup> In the past four years, special arson task forces have been formed, training programs initiated, and thousands of dollars spent by insurance companies in anti-arson efforts. Numerous hearings, studies and reports have been published by Congress, Federal agencies, State task forces, and independent researchers.<sup>2</sup>

There have been outstanding examples of successful arson prevention and prosecution programs.

- o In Boston, a coordinated effort among the Massachusetts FAIR Plan, the Massachusetts Attorney General, First Security, Inc., the Boston Fire Department, and Symphony Tenants Organizing Project, with Federal support from USFA and Law Enforcement Assistance Administration, resulted in the breakup of a 33-member, \$6 million arson-for-profit ring. Since that time, arson-related payments in the Massachusetts FAIR Plan have dropped from 40 percent to 20 percent of all payments.
- o In Seattle, the arson task force executed a coordinated anti-arson program which reduced arson losses in two years from \$3.2 million to \$1.8 million per year. The arrest rate was doubled, and the conviction/arrest ratio increased 75 percent.
- o A strike force of Federal Bureau of Investigation, Alcohol, Tobacco and Firearms, and U.S. Postal Service agents broke up a \$3,000,000 arson-for-profit ring in Tampa, Florida.
- o Insurance companies launched an aggressive campaign against automobile arson in New England. Every dollar spent on this anti-arson effort resulted in a savings of three dollars in denied (fraudulent) claims.

---

<sup>1</sup>U. S. Fire Administration, U. S. Department of Commerce, Arson: America's Malignant Crime (Washington, D. C., Government Printing Office, 1976), P. 11.

<sup>2</sup>See pages xvi-xvii for key source documents

Why, then, is arson still among the fastest growing crimes in America? Facts which provide the answers to this question are:

- A. The narrowness of traditional roles and responsibilities does not encourage the coordination and cooperation which arson prevention and control requires.
- B. High gains (profits) and low risks of apprehension and incarceration are associated with the arson crime.
- C. The complexity of the crime makes it difficult to recognize and prevent arson-for-profit schemes.
- D. Psychologically-motivated arson is on the increase.
- E. There is a lack of widespread dissemination of effective anti-arson programs.

A. The Narrowness of Traditional Roles

Arson is one aspect of America's fire problem which requires a coordinated approach, involving professionals and the public working together. Yet, each of us seems to look at arson in a different way, and in doing so we lose track of a common, achievable objective. We have defined our own jobs too narrowly.

- o The firefighter traditionally fights fire, not criminals.
- o The policeman traditionally has little time for arson investigation unless there is a homicide.
- o The insurance underwriter traditionally has not been given incentives to think of arson as his problem as well as that of law enforcement agencies.
- o The insurance adjuster traditionally has sought a quick settlement rather than risk an extended court case.
- o The fire investigator traditionally has not been encouraged to share the information with other agencies.
- o The prosecutor traditionally wants an airtight case in a hurry.
- o The neighbor traditionally looks the other way; it is safer and why bother to call attention to people burning their own property?

- o The jury member under duress traditionally prefers to help the little guy against the insurance giant; if no one is hurt in a criminal case, why care?
- o The local politician frequently wants immediate action but in providing support is hesitant to shake up time-honored traditions.
- o The housing administrator traditionally does not consider how housing rehabilitation incentive programs can be used in arson-for-profit schemes.
- o The consumer advocate traditionally seeks to protect individual rights but has difficulty describing the rights of those who are harmed by the individual arsonist.
- o Federal agencies traditionally have not placed arson prevention and control high on their lists of competing priorities.

#### B. The High Profits and Low Risks of Arson

Arson is a crime with high potential for financial and emotional gain and very low risk of detection and successful prosecution. For every 100 fires classified as suspicious or incendiary in America, there are an average of 9 persons arrested, 2 convicted, and 0.7 incarcerated. These figures compare poorly with the 21 arrests, 6 convictions, and 3 incarcerations per 100 for other major crimes. On the average, \$6,433 are lost per arson incident as compared to \$1,741 for motor vehicle theft, \$449 for burglary, \$338 for robbery and \$184 for larceny-theft.<sup>3</sup>

The potential for profits through housing subsidy schemes in which arson plays a role is staggering. A case in a Boston multi-family residential building illustrates this point.

"On May 26, Lt. Edward Callahan of Ladder Company 26 rushed to the second story of a burning building at 1391-1395 Commonwealth Avenue in Brighton and promptly fell through the floor. 'It just collapsed under me,' he said later.

The call to 1391-1395 must have had a touch of 'deja vu' for the firefighters. They had responded to an earlier 'suspicious' fire there which caused roughly \$10,000 in damage last October 12. The more recent blaze added another \$75,000 to the toll. Asked about the coincidence, Deputy Chief Walter McCarty of the Arson Squad could only comment, 'That particular building has been a problem.'

---

<sup>3</sup>Federal Bureau of Investigation, Uniform-Crime Report, Washington, D.C., Government Printing Office, 1977.

But the problem with 1391-1395 Commonwealth Avenue goes far beyond the suspicious fires. Over the past three months, the rehabilitation project for 1391-1395 Commonwealth Ave. and its companion buildings have benefitted from enormous public assistance. On close examination the justifications for funneling public funds to these buildings are so paper thin it is incredible they haven't collapsed completely — just like the second floor at 1391-1395 Commonwealth Ave.

A \$20 million subsidy might seem a bit much for a \$4.2 million rehabilitation project (amounting to \$10.8 million over the life of the mortgage), but it was not enough to make the project 'financially feasible,' or so it was argued in appealing for further public assistance. They asked for, and received, an outstandingly favorable tax break. Under terms of the agreement, it is likely that the rehabilitated buildings will never achieve a yearly tax payment equivalent to \$150,000 per year which the city required from the previous owner.

At the bottom line, then some \$20 million in Federal subsidies and \$2.8 million in city subsidies (the \$70,000 yearly tax break carried out over 40 years) is being used to assist a project which will actually decrease the supply of affordable housing in good conditions."<sup>4</sup>

There is a direct correlation between the amount of risk and the amount of potential economic or psychological gain perceived by the arsonist which influences his decision to burn. The probability that an arsonist will set a fire decreases in proportion to the perceived criminal risk. However, if the gain is perceived as outweighing risk, the probability is that the arsonist will set a fire.

By far, the greatest potential for reducing arson is possible where the arsonist is motivated by financial gain. Arson-for-profit would not exist without financial incentives. Therefore, incentives to arson found in insurance, banking, housing and commercial practices must be identified and removed.

Arson motivated by psychological gains is more difficult to prevent and control, but some programs dealing with juvenile firesetting have proven effective.

---

<sup>4</sup>Boston Ledger, June 10, 1979, p. 3.

### C. The Complexity of the Crime

Arson-for-profit is a meeting point for a variety of crimes and actors: stolen goods fences, failing business brokers, juvenile delinquents, housing exploiters, corrupt officials, and torches. USFA has identified 24 different "brands" of arson, each with its own characteristics, each with its own motivations. They include:

#### Organized Crime

- o Loan Sharking -- High risk clients are granted mortgages in the anticipation that they will not be able to make payments. When they seek a deferment, they are put in touch with a "fire repair" company who leads them through a series of arson fires in lieu of mortgage payment.
- o Extortion -- Arson is used for extortion, business takeover, and terror.
- o Cover Crime -- Arson is used to cover-up a secondary crime.
- o Strippers -- Strippers go into a newly or partially renovated building and pour accelerants down pipe chases, which they ignite. To extinguish the fire, firefighters have to expose the plumbing, wiring, etc. Following extinguishment, the strippers return and remove wiring, plumbing, and fixtures.

#### Insurance/Housing Fraud

- o Over-insurance -- Property values are artificially inflated by trading a building among a ring of associates, with little actual cash changing hands as the value of the building increases on paper. Insurance is written for each "paper" stage.
- o Parcel Clearance -- Arson is used to destroy a building to create land for a new building or to expand an existing building adjacent to the parcel.
- o Gentrification -- Low income tenants are "evicted" through a series of small fires permitting the landlord to collect insurance money to rehabilitate the property for high income ("gentry") tenants paying increased rent.
- o Blockbusting -- Arson is used to remove stable tenants to permit speculators to purchase housing at low cost and to justify rehabilitation support monies.
- o Tax Shelters -- Buildings are purchased in order to sell the tax depreciation allowance to persons seeking tax shelters. After the building is depreciated, it is burned for insurance money.

- o Stop Loss -- Speculators purchase property in anticipation of rapidly inflating housing markets. When the market does not develop, the owner turns to arson to earn a profit.
- o Anti-preservation -- Buildings which cannot be torn down due to historic preservation restrictions are torched to provide the justification for demolition.

#### Commercial

- o Stop Loss -- Restaurants, retailers, car dealers, and supermarkets use arson to stop business losses and pay off indebtedness.
- o Inventory Depletion -- The small stable business can be purchased by persons of criminal intent. The good will of the business is used to over-order supplies and goods which are then removed from the store. Utility bills and taxes are allowed to go unpaid. The arson fire is used to cover-up the absence of the original inventory.
- o Modernization -- Businessmen with outmoded machinery modernize their plants with the proceeds from an arson fire.

#### Residential

- o Relocation -- Homeowners who have difficulty finding buyers turn to arson. This practice is particularly prevalent among mobile home owners in remote construction sites.
- o Redecorating -- Smoky grease fires causing little structural damage but depositing grease and soot in the kitchen are used to collect insurance monies to finance redecoration.
- o Public Housing -- Arson puts the "victim" at the head of the waiting list for an apartment and results in a furniture allocation.
- o Automobile -- Automobile arson is used to pay off indebtedness, to finance the new car, or to cover a theft.

#### Psychological

- o Children -- Children are motivated by curiosity or by emotional problems to play with matches and set fires.
- o Juveniles -- Juveniles are motivated by curiosity, peer pressure, or challenges of other adolescents to set fires.
- o Revenge -- Adults motivated by revenge, spite or jealousy "get" their opponent by burning a dwelling or personal property.



- o Pyromania -- Persons suffering severe emotional problems set fire under delusionary influences.
- o Political -- Extremist groups use arson as a method of intimidation and expression of anger, or to collect insurance to finance their political activities.
- o Wildlands -- Fires are set to clear brush lands for grazing or for agricultural purposes.

#### D. Increase of Psychologically Motivated Arson

In many inner-city neighborhoods, the gasoline splashed on an apartment door has replaced the gun as a way to settle quarrels. Juvenile firesetters torch buildings to show they are "one of the gang." Psychologically-motivated arson accounts for a major portion of our national arson problem. However, in some jurisdictions, arson by juvenile firesetters or revenge-motivated arson accounts for as high as 70 percent of the local problem. Despite extensive research on the issue of firesetting, relatively little is known about practical solutions to preventing or controlling revenge, anger, or psychologically-motivated arson.

Noteworthy exceptions are in New York, New York; Seattle, Washington; Los Angeles County, California; and Upper Arlington, Ohio.

In New York City, prosecutors have developed techniques for interviewing witnesses at the scene of suspected revenge or anger-motivated fires. Information and statements are collected from witnesses who would be reluctant to talk a few hours later when their anger had cooled. Similarly in Seattle, a "Tipster" program has been effective in getting information on suspicious behavior of residents prior to fires.

Both Los Angeles County and Upper Arlington, Ohio have developed methods to identify and counsel juvenile firesetters. They are able to differentiate the boy who is motivated by peer pressure, from the one who is experimenting with fire, from the mentally disturbed. Part of the program is a diagnostic questionnaire which permits referral to appropriate authorities.

Many of the research studies on firesetting have had a psychoanalytic bias. Current research and clinical data indicate that firesetting behavior is best defined by patterns of characteristics rather than a single dominant feature.<sup>5</sup>

<sup>5</sup>National Bureau of Standards, U. S. Department of Commerce, The Psychology of Firesetting: A Review and Appraisal, by R. G. Vreeland and M. B. Waller (Washington, D. C., Government Printing Office, January, 1979).

#### E. The Lack of Widespread Dissemination of Effective Solutions

Numerous programs and methods for reducing arson have been used effectively by States and cities. Due to lack of funding, staffing, and priority, these programs and training opportunities have not been made available on a broad basis to significantly impact the national arson problem. Technological tools, data analysis methods, and programs now under research and development for treatment of juveniles must be broadly distributed through training and technical assistance programs.

The key to the successful adoption and implementation of anti-arson programs is clear assignment of responsibility. To this end, four categories of actors have been identified.

Managers are responsible for providing administrative and political leadership for:

- o arson task forces
- o arson data collection and analysis,
- o arson early warning systems,
- o public arson education,
- o community anti-arson organizations.

Investigators/prosecutors are responsible for:

- o arson detection,
- o fire investigation,
- o criminal investigation,
- o prosecution,
- o training,
- o technology.

Officers of housing and economic institutions are responsible for preventing abuses of programs related to:

- o insurance,
- o housing,
- o banking,
- o commerce.

Counselors, social workers, ministers, and psychologists are responsible for improving prevention and programs for:

- o juvenile firesetters,
- o adults, and
- o schools.

To stop arson from growing, we must increase interagency cooperation, remove economic incentives, increase the risk of apprehension, improve our ability to analyze arson-for-profit schemes, treat the psychologically-motivated arson and effectively disseminate new anti-arson programs and methods to State and local agencies.

## STATE AND LOCAL ANTI-ARSON CAPABILITIES

The principal role of the Federal agencies in arson prevention and control is to support, assist and, as necessary, supplement State and local agencies which have the primary responsibility for arson mitigation.

To determine the capability of State and local agencies to carry out arson detection, investigation, and prosecution responsibilities, an independent study was undertaken<sup>6,7</sup> to assess the resources, programs, workloads, and special problems of those agencies.

The study was organized to determine State and local capacities in the four key anti-arson areas:

- A. Management of arson prevention and control programs,
- B. Investigation and prosecution of arson,
- C. Removal of economic and financial incentives to arson, and
- D. Development of and implementation of solutions to the psychologically-motivated arson.

The study included interviews with officials from all 50 States who have responsibility for fire investigation; with a sample of municipal manager, prosecutors, police chiefs, and fire chiefs for large, medium, and small cities; and with representatives of community organizations and insurance, banking, and commercial associations who will be affected by the Federal anti-arson initiatives.<sup>8</sup>

---

<sup>6</sup>American Institutes for Research, Inc., Washington, D.C.

<sup>7</sup>Assistance provided by senior staff of Public Technology, Inc., Washington, D.C.

<sup>8</sup>The Joint Council of National Fire Service Organizations (International Association of Arson Investigators, International Association of Fire Chiefs, National Fire Protection Association, Fire Marshals of North America, International Society of Fire Service Instructors participated in the review), the National Volunteer Fire Council, International Association of Chiefs of Police, the Insurance All-Industry Task Force (Alliance of American Insurers, Property Loss Research Bureau, Allstate Insurance Co., Aetna Insurance Co., the Hartford Insurance Co., the American Insurance Association), the National Association of Insurance Commissioners, the New York FAIR Plan, Kemper Insurance Companies, the Connecticut Commission on Fire Prevention and Control, National League of Cities, the Urban Consortium, Council of State Governments, National Governors Association, National Conference of State Legislatures, National Association of Regional Councils, U.S. Conference of Mayors, National Association of Counties, International City Managers Association, and STOP (Symphony Tenants Organizing Project) of Boston.

Eighty-five percent of the city officials contacted stated that incendiary fires are a major problem. For large communities, arson as a percent of all fires ranged from 24 percent to 71 percent. In medium-sized cities, the reported range was 12 percent to 50 percent. The small communities reported arson ranging from 4 percent to 64 percent of their fire incidence.

Data gathered from this study was compared with two recent reports which substantiated the findings and conclusions which follow and provide the basis for the anti-arson recommendations found in Chapter II of this Report.

---

<sup>9</sup> A survey of State officials responsible for arson investigation was conducted by an FBI agent. Forty-two States responded to 21 questions about their authority, resources, laws, and technology available in each State.

<sup>10</sup> A second study was conducted by ABT Associates, Inc., Cambridge, Mass., for the National Institute for Law Enforcement and Criminal Justice, LEAA. This 58-item survey was mailed to 480 cities.

## A. Management of Arson Prevention and Control Programs

### 1. Arson Task Forces

State and local officials reported that increased arrest and conviction rates, and the reduced incidence of incendiary fires in certain cities are directly attributed to the improved coordination among fire, police, and prosecutors brought about by arson task force operations. Numerous examples were cited, including Seattle, Los Angeles, Omaha, Phoenix, and New Haven.

Some States have leadership and policy-making bodies such as A Texas Advisory Council on Arson.

Forty percent of the States responded that they have interagency organizations that work on arson-related activities within the State. Thirty-one percent of the cities assessed reported that they have an interagency organization that works on arson investigation and prosecution, all but one of which fall into the arson squad category. In only limited instances have rural and volunteer fire agencies been able to support arson task forces with success.

Conclusion: Approximately half of the States and many local jurisdictions do not have interagency leadership groups to target and coordinate resources coordinate resources to address their arson problems. Federal technical assistance should be provided to States and cities to support the formation of arson task forces. Since jurisdictional responsibilities and resources vary significantly, alternative models of arson task forces should be documented which can be adapted to local needs. Arson task force models which can be used by volunteer organizations should be given particular attention.

### 2. Data

Policy makers at all levels need reliable data on the incidence and causes of incendiary fires to formulate programs that effectively combat the arson problem, and to make informed decisions about resource allocation. State Fire Marshals have responsibility for collection, aggregation, and reporting of routine fire incidence data in 70 percent of the States. However, in 18 percent of the States, officials reported that no one agency collects the fire incidence data at the State level. In the remaining States (12 percent) the state law enforcement agency handles fire data processing.

The States which collect incidence data use a variety of fire incident report forms but most of which are based on National Fire Protection Association (NFPA) 901 or 902 incident report forms. In 33 percent of the States, use of non-standard incident forms by municipalities was reported to make statewide information tabulation a costly, tedious, and almost impossible task.

Fifty-seven percent of the States reported that they have automated (computer) systems for data processing, while 30 percent of them handle data manually. The remaining 13 percent reportedly have no centralized fire data collection systems. In the States where data must be tabulated by hand, aggregation and analysis of information is a sizable and expensive undertaking particularly since many States have thousands of fire incidents per year. The personnel time and expense required to operate either manual or automated systems and the difficulties of isolating essential information for use by policy makers were mentioned as areas of concern.

Most States were unable to readily provide information about turn-around time required for aggregating data. Thirty States indicated that they participate in the National Fire Incidence Reporting System (NFIRS), while several others indicated that they expect to join NFIRS shortly.

Fire incidence data is collected at the local level on a routine basis by the fire prevention bureaus in all but one of the communities assessed. In that case, the local police department is assigned this responsibility. Seventy percent of the communities polled have only manual data processing capability. In most of these locales, information about the time it takes to collect and analyze was unavailable.

Conclusion: Use of standardized fire and arson incident report forms by states and municipalities would result in improved capability to tabulate and aggregate data about incendiary fires. Greater use of automated data processing systems is sorely needed if timely, accurate information on incendiary fires is to be provided to managers. A reliable national arson data base should be established which can issue reliable statistics on suspicious and incendiary fires to guide Federal, State, and local policy makers.

### 3. Arson Early Warning Systems

Few States or communities have the trained staff or the methods to conduct the extensive "paper chase" required to identify arson-for-profit schemes. The gathering and analysis of data related to insurance, ownership history, abatement, code violation, subsidies, and history of fires is a complex and time consuming process.

A model Arson Early Warning System has been used effectively in a Massachusetts State arson investigation and is now being prepared for national dissemination.

The community members researched the deed titles and financial history of buildings. What they found was a pattern of title transfers among "straw" owners, with inflated sales prices and "paper" mortgages. Little cash was traded in these transactions. In one transaction, an apartment building doubled in sales value within a 4-year period, from \$230,000 in 1970 to \$545,000 in 1974. Shortly thereafter, the building was destroyed in three successive fires of suspicious origin. (See Chart I.)



CHART I  
INCREASING PAPER VALUE BY RESELLING  
37, 41 & 43 SYMPHONY ROAD, BOSTON\*

<u>Date</u>	<u>Cash Paid</u>		<u>Cash Invested</u>	<u>Paper Value</u>
1935	unknown amount paid	Gordon	no mortgage	
1952		Ball Apts. (A Gordon Corporation)		
1970	\$10,000	Mary McHugh (a front for D. Brown)	\$10,000 + 1st mortgage (\$220,000)	\$230,000
1970	\$ 1	David Brown	\$1 + 1st mortgage	\$230,001
Feb. 1971	\$30,000	Niakaros Realty Trust	\$30,000 + 1st & 2nd mortgage (\$98,846)	\$340,000**
Aug. 1973	\$ 1	Lee Davis	\$1 + 1st & 2nd mortgage	\$340,001
			*8 affidavits filed for illegal rehabilitation and bad conditions (Oct. 1973)	
Feb. 1974	\$ 1	Donald Corey	\$1 + 1st & 2nd mortgage	\$340,002
Oct. 1974	\$16,280	DD&F Realty (Liakos/Fraime)	\$16,280 + 1st, 2nd & 3rd mortgages (\$220,000)	\$545,000
Oct. 24, 1974 Oct. 27, 1974 Nov. 19, 1974		FIRES		

\*\*part of principal on first mortgage paid, therefore amount is \$340,000 rather than \$348,846

\* Information gathered by Symphony Tenants Organizing Project (STOP), Boston, Massachusetts

These fires were also often preceded by overcrowding of the structures through illegal subdivisions, a drastic decrease in operations and maintenance expenditures, and the non-payment of municipal real estate taxes. The buildings were also over-insured.

The data-gathering methods used to develop the Boston Arson Early Warning System are being tested and packaged for national distribution. Four cities and one State (New Haven, New York, Phoenix, San Francisco, and Washington State) are expanding their arson information management systems to include the methods developed by the Boston group, under a program sponsored by the U.S. Fire Administration.

Conclusion: Model arson early warning systems should be developed, tested, and disseminated.

#### 4. Public Arson Education

Fifty-six percent of the States indicated that they have public arson education programs. In these States, broadcast media, speeches, and brochures are used to disseminate arson information to the public. Some States report using billboards, t-shirts, posters, and slide shows.

Programs to reward the public for aiding arrest and conviction of arsonists were reported in 10 States. The reward costs of "tipster" programs are frequently supported by the insurance companies; however, operational costs (personnel) are provided by fire and/or police departments. Nine States indicated that they have telephone "hotlines" available to the public.

Thirty-eight percent of the cities indicated that they presently operate public arson education programs. One large jurisdiction described a door-to-door education program that is targeted to specific areas where incendiary fires have just occurred.

Three of the large jurisdictions studied operate hotline and tipster programs. The tipster programs offer a reward if the suspect is convicted and, in one case, a \$5,000 reward is available. The funds for these rewards are provided by insurance associations. None of the medium or small-size jurisdictions included in the study reported operating hotline or tipster programs.

Conclusion: Only one half the States and one third of the communities studied operate public education programs related to arson. Since public education plays a key role in gaining community support for anti-arson efforts and reducing the perceived gain to would-be arsonists by publicizing arrests and effective prosecution, technical assistance to the States and cities should be provided to establish public arson education programs.

## 5. Community Organization

In all the large cities, and in thirty percent of the medium cities studied, community organizations are initiating arson prevention activities. These activities include neighborhood watch programs to monitor businesses or residential buildings which are suspected of being set up for arson schemes, conducting data collection from public records which permits analysis of potential arson-for-profit, providing information from investigators and prosecutors on behavior of persons prior to arsons and enlisting church and neighborhood leaders to dissuade the use of arson as a means for settling quarrels or taking revenge.

Conclusion: Technical assistance should be provided to community organizations to implement anti-arson programs. Effective methods which can be used by community volunteer organizations should be documented and widely distributed.

## B. Investigation/Prosecution of Arson

### 1. Detection and Investigation

Since accurate detection and investigation of arson are the first steps to a successful prosecution and deterrence of arson, the lack of adequately trained staff to perform these functions has been a major deterrent to prosecutors who wish to pursue arson cases.

According to the Center for Urban Environmental Studies in New York, arson is a problem of scale and dimension. In New York City during 1978, there were 425,000 fire calls, 210,000 false alarms and 55,000 structural fires. Set fires were no less than 20 percent of the total, 60 percent in some neighborhoods.

Nationally, the average case load for State fire investigators is 66 per year. In Nevada, Arizona, and Alaska, the annual case loads were 80, 20 and 20 respectively in 1977. In Delaware, the caseload was 150 per year. The range in arson case loads can in part be attributed to the total numbers of fires investigated. Florida had 1,800 fire investigations by State officials whereas Massachusetts, had 2,792 fire investigations during the same period. This wide variation in the number of investigations is explained in part by geography and population but also by different legal authorities which determine when State fire officials will be called in on fire investigations.

Eighty-seven percent of the State fire officials indicated that the largest amount of State assistance goes to rural areas. Fire investigation assistance in suburban areas is provided by only 53 percent of the State and only 21 percent indicated any involvement in urban investigation. The primary reason for these low levels of State assistance to large cities is that most of these municipalities have effective local units.

Arson investigation can run from one to several weeks. On the whole, State fire marshals are not adequately staffed to carry out in-depth investigations lasting on the average two to six weeks per case, in high arson impact areas.

Conclusion: In most major cities, there is insufficient manpower to determine causes of fire alone, much less conduct in-depth investigations of all suspicious or incendiary fires. The number of fire investigators and firefighters trained in arson detection and preservation evidence should be increased.

## 2. Prosecution

Successful prosecution is one of the most vital, yet most difficult steps in combatting arson. Many district attorneys find it very difficult to prosecute a crime where much of the evidence is burned up, and there are generally no witnesses. Some prosecutors don't even feel qualified to try such cases. Frequently, judges let arsonists off with only very light sentences, perhaps because they are not aware of the serious social and economic impact of arson.

In civil cases, insurance company attorneys are sometimes unfamiliar with effective methods to prepare the cases against suspected arsonists, the successful prosecution of which would allow the insurers to refuse to pay a claim.

In certain cities, an extremely heavy caseload, or the presence of organized crime or municipal corruption precludes effective prosecution of arson.

Conclusion: Research to develop profiles of successful arson prosecution methods is needed. A Prosecutor's Handbook should be developed and distributed to prosecutors and judges who deal with arson cases. Training seminars should be initiated for attorneys representing underwriters and the Federal Government should, on request, assist municipal and state agencies in prosecuting arson in their jurisdictions.

## 3. Training

Most States offer some form of training in arson detection and investigation. The courses vary greatly in terms of: availability, agencies responsible for delivery, content, cost, and perceived quality. Thirty-four percent of the States do not now provide arson detection training for first on-scene firefighters. Only 20 percent reported that they provide formal courses or seminars for arson investigators at least once a year. However, 70 percent of the States stated that they provide some degree of training in arson detection and investigation for State police and sheriffs.

A few States reported offering training in arson investigation for insurance agents. The major deliverers of formal training are private organizations, State fire training agencies, institutes of higher education, and State police academies. Most States indicated that on-the-job training is an important supplement to formal instruction. Three States reported that the primary and only affordable means to prepare arson detection and investigation personnel was on-the-job training. Only 23 percent of the cities surveyed provide detection training for firefighters.

Eighty percent of the States reported that they use training programs developed by State training agencies. Twenty-four States reported that they used programs developed by the USFA, and 18 indicated that they use NFPA investigation training programs developed by a variety of local, state and national private organizations and government agencies. The States reported two levels of training -- a short course of one day or less and the longer course of more than one day. The duration of State level arson programs varies from a few hours to one week. Intensive seminars offer college credit or some kind of academic credit. Cost of training ranged from \$300 to \$400 for room and board for programs that run from two to four days. Information on expenses incurred developing or delivering training programs was not readily available.

Conclusion: Further studies are needed to determine the quality of existing arson investigation programs. Also, more accurate information about the number and kinds of personnel participating in training programs would be useful. It is clear, however, that training must be provided on a cost-effective basis to firefighters and fire investigators. This can best be done by the establishment of quality model programs and the packaging and dissemination of existing outstanding effective detection and investigation and prosecution methods developed by local groups.

Support should be given to State fire training agencies so that they can provide long-term sustained delivery of arson investigation and training courses.

#### 4. Technology

Availability of timely forensic laboratory support is critical to successful arson investigation. Forensic laboratory support for arson investigation was reported in 82 percent of the States. Fifty States indicated that they use the laboratory services of the Bureau of Alcohol, Tobacco and Firearms (ATF) and the Federal Bureau of Investigation (FBI). Four States indicated frequent use of private laboratory facilities for analysis of arson evidence.

Turnaround time (time required from submission to completion of analysis) varied from 2 to 90 days. Turnaround time depended heavily on the urgency of the case and type of analysis required. Most officials stated that when they requested fast service, they received it, particularly in cases involving deaths or substantial evidence of arson. Those laboratories which had the poorest reported turnaround time were heavily committed to analysis of substances related to drug abuse.

Conclusion : An assessment should be made of the availability of forensic laboratory support services for each State and each major metropolitan area. Assistance should be provided to bring those facilities up to a standard where they can effectively serve the arson investigation and prosecution occurring in their jurisdictions.

### C. Economic Factors in Arson

The economic aspects of arson are complex. Few, if any, States or cities have the capability or expertise to systematically analyze and remove financial incentives to arson. Much has been learned by reviewing the case histories of arson-for-profit incidents, but a more rigorous, comprehensive analysis is essential to the formulation of long-term policies and programs. This section contains recommendations in four major areas: insurance, housing, banking, and commercial arson incentives.

Large-scale insurance fraud is the easiest type of arson to understand, and it is the most spectacular when exposed. The strategy is simple: buy a building in an area where real estate values are unstable or rapidly changing for as little as possible; "milk" the building for all it's worth by charging the highest rents possible, pay no taxes and make no repairs until the building's tenants begin to move out; during this period, transfer the property several times between fake or "straw" owners to raise the "apparent" value of the building on paper; insure the building for this paper value; finally, burn to collect the insurance proceeds. This type of insurance fraud usually involves several people. In Boston, one ring had 33 members, including lawyers, bankers, insurers, real estate agents, investigators, etc.

Small scale insurance fraud is less spectacular, involves far less money, and probably occurs far more frequently than anyone realizes. This type of arson involves kitchen fires where a decision is made to remodel at the expense of the insurance company; or automobile arson where a rapidly depreciating gas guzzler is "traded in" for a new compact with the help of the insurance.

Indirect profits are also incentives for arson. Here the main goal is not simply the insurance proceeds, and in some cases may not even involve insurance. These cases include such examples as arson to facilitate expansion of a business to an adjacent lot, or to clear a lot more cheaply than through demolition. Where "historic" buildings block the path of an expanding business, arson may remove the problem. The extent of this sort of arson is very hard to estimate, for the motive is much harder to detect.

Arson, as a product of economic disinvestment and exploitation of urban housing, is easy to identify and difficult to halt, as there are many contributing forces. Most of the methods used in this type of exploitation are within the letter of the law. However, the intent of the owner is to exploit the law for maximum gain with minimal return of service.

The Bushwick-Ridgewood section of Brooklyn, New York is an excellent example of how a wave of exploitation followed by arson, like a cancer, can destroy a neighborhood and sound housing stock. The following statement vividly describes the extent of this problem.

"The information I am about to give deals with the conflagration in the Bushwick community of Brooklyn, and the imminent threat to areas like Ridgewood, Woodhaven, Cypress Hills, and Ozone Park.

The same set of circumstances which caused Bushwick's desolation can and will be repeated in other communities unless corrective measures are taken. The Federal Government must consider the Nation when enacting bills. In the final analysis Bushwick is a microcosm of the Nation.

Practices such as widespread razing, welfare dumping, unrelated housing plans and dislocation of community residents are the seeds of arson. Take a walk along Central Avenue and you can see, feel, and smell the abomination of this desolation. 'What' happened is easy to see; 'why' it happened is just beginning to emerge.

The absentee landlords which flourished in Bushwick and appear in any area where decay is beginning are not concerned with maintaining their property. The main concern is 'milking' money from the building. We question the validity of placing welfare clients in houses where the owner manifests a history of tax arrears, flaunts violations, and provides minimal services. These are public funds, portions of which are derived from the Federal Government.

The competition for welfare clients and their inflated rent allotments is big business to the real estate speculator. The higher rental allotments provided by the Welfare Department make it impossible for the working poor to compete for housing in any community. Slumlords seek welfare tenants and when the unsupervised members of this group vandalize and destroy, the owner simply walks away

---

<sup>11</sup> Statement of Maureen Wolthers, Reporter, Ridgewood Times and member of Ridgewood/Bushwick Community Action Group before Hearings of Rep. Addabbo of New York on Arson Control Act of 1979, New York, New York, March, 1979.

with the fire insurance proceeds. Welfare abuses and decreased housing maintenance can be measured in direct proportion to the incidence of fire in any neighborhood."

Conclusion: The basic intervention points for reducing economic incentives to arson can be easily described, but deciding how to intervene is much more complex and controversial:

- a) Eliminating or reducing the potential insurance profits at the point where an insurance commitment is made, by changing the underwriting procedures and standards.
- b) Increasing the risk that the potential insurance profits will not be collected by changing the claims procedures to insure more careful investigations are undertaken prior to payment of a claim and changing regulations which hamper good investigations.
- c) Where the decision to resort to arson is triggered by decisions of public agencies or private institutions, implementing new procedures which would minimize the risk that those decisions would not trigger arson.
- d) Finding alternative solutions to resolving the economic stress on a building which are more attractive than arson, particularly where the risk of detection is greatly increased.
- e) Determining how Federal and State housing and rehabilitation subsidy programs have been used in arson-for-profit schemes can lead to policy statements which will remove those financial incentives.

#### D. The Psychology and Behavior of Firesetters

Forty-four percent of the States indicated that they have programs at the local level to deal with children playing with matches. Just 16 percent of the States reported that they have local programs to work with juvenile firesetters. Forty-six percent of the cities contacted indicated they have programs targeted at the problem of young children playing with matches. Thirty-one percent of the cities reported that they operate programs for juvenile firesetters.

Four jurisdictions reported on effective programs for juvenile firesetters with evidence of low repeater rates. These programs are operated in Los Angeles County, California; Marion County, Indiana; Mt. Prospect, Illinois; and Upper Arlington, Ohio. One jurisdiction indicated that there has been a reduction in recidivism by 40 percent over the past four years as a result of its juvenile firesetter program.



Currently, little is known about the sociological characteristics of persons engaged in arson-for-profit. Profit-motivated arsonists range from members of organized crime to lawyers, landlords, and fire marshals. No states reported special programs to deal with the adult psychologically-motivated arson.

Conclusion: Programs for arson prevention should be widely disseminated to schools and firefighters. These programs should have materials targeted to both the juvenile firesetters and children who play with matches. With a better understanding of the psychology of adult arsonists, fire and law enforcement officials would be better equipped to develop more effective arson prevention and control programs.

In summary, State and local capabilities were assessed and certain findings and conclusions were reached as outlined above. The 67 recommendations for federal action based on this study can be found in Chapter II of the main report.

## FEDERAL PROGRAMS FOR REDUCING ARSON

Arson is primarily a local problem. Government can provide assistance to State and local agencies charged with the responsibility for arson prevention and control.

### A. Current Federal Programs

Eight key agencies are involved in Federal anti-arson programs. They include:

1. U.S. Fire Administration -- USFA is coordinating Federal assistance in arson prevention and control. It is conducting training programs in arson detection and investigation, developing a municipal arson early warning system for predicting and preventing arson, compiling national arson statistics, promoting the establishment of arson task forces throughout the Nation, and analyzing ways to remove economic incentives to arson.
2. Law Enforcement Assistance Administration -- LEAA provides incentives for police-fire arson prosecution coordination through Federal assistance to State and local law enforcement agencies. LEAA is supporting training programs for arson prosecutors and is focusing on arson by organized and white-collar criminals. LEAA will support arson task forces in high arson impact cities.
3. Department of Housing and Urban Development -- HUD will examine its housing program policies to determine how they can address arson and fire prevention. HUD will encourage neighborhood and tenant organizations to involve themselves in local arson control projects. HUD will promote smoke detectors and other fire prevention and control measures in their housing rehabilitation and construction programs. Under HUD's new urban initiatives anti-crime demonstration project, participating public housing agencies will receive anti-arson assistance.
4. Federal Bureau of Investigation -- The FBI Special Investigative Arson Program is aimed at investigation and prosecution of large scale, organized crime and other issues of such magnitude that Federal presence is required. The FBI provides arson prosecution training, collects arson crime data, and operates a laboratory which evaluates arson crime scene data.
5. Bureau of Alcohol, Tobacco, and Firearms -- ATF is investigating cases of arson involving explosive devices. It assists local law enforcement agencies through establishment of arson strike forces, cooperates with Justice Department attorneys on prosecution of arson, and provides laboratory assistance for analyzing crime scene evidence.

6. Federal Insurance Administration -- FIA is conducting hearings on redlining incentives to arson, and fair access to insurance. FIA will revise Fair Access to Insurance Requirements Plan regulations which impact arson, join with other agencies on demonstration arson prevention/urban revitalization projects, and support vigorous prosecution of arson cases.
7. The Postal Service -- The U.S. Postal Inspection Service investigates violations of mail fraud statutes which relate to arson-for-profit. They compile statistics on arson fraud.
8. Internal Revenue Service -- IRS investigates and cooperates in the prosecution of persons who fail to report taxable income received from committing arson.

#### B. Interagency Agreements

Coordination at all levels of Government is key to solving the arson problem. To date, cooperative anti-arson programs are being planned and implemented among several Federal agencies.

Interagency agreements are designed to maximize the impact of the available resources, such as the following:

- o USFA and LEAA are coordinating technical and financial assistance to States and cities. LEAA is supporting USFA training courses in arson detection, investigation and prosecution and supporting the establishment of arson task forces in the States and major metropolitan areas.
- o LEAA, ATF, and FBI are coordinating Federal assistance for prosecution of arson. FBI and ATF are using their authority to attack arson involving organized crime.
- o USFA, HUD, and LEAA are working on community anti-arson programs. HUD and USFA are analyzing Federal programs which provide financial incentives for housing and rehabilitation to determine how they have been used in arson-for-profit schemes.
- o Federal Insurance Administration (FIA) and USFA are reviewing insurance policies and programs which can provide incentives.

#### C. Opportunities for Future Federal Action

In addition to continuing existing programs, the Federal Government can assist anti-arson efforts in a number of areas.

The Legislative Branch can:

- o enact or amend laws to provide disincentives to arson;
- o enforce, amend, or abolish Federal programs which provide incentives or disincentives to arson;
- o provide financial assistance to State or local agencies that do not have sufficient funds to address their arson problems;
- o provide funding for prosecution assistance in instances where organized crime, the magnitude of the problem, or corruption make it difficult for local authorities to cope with their arson problems;
- o provide funding for projects which will generate model programs for investigation, prosecution, data analysis, etc., which can be adopted by State and local agencies; and
- o provide funding to disseminate existing materials and programs which have proven effective in reducing arson.

The Executive Branch can:

- o direct that economic development projects of the Federal Government are examined to maximize neighborhood stability and revitalization and where appropriate, to alter policies which provide incentives to arson;
- o balance the need for information required to effectively prosecute arson or to monitor transactions used to set up arson-for-profit, with the intent and requirements of the Privacy Act and individuals' rights to protecting personal information;
- o direct U.S. Department of Justice agencies to provide financial and technical assistance to communities which are unable to solve their arson problems due to lack of manpower or resources, presence of organized crime, or municipal corruption;
- o direct agencies with responsibility for monitoring banking practices to work with banking associations to examine those policies which provide incentives to arson and to establish remedies; and
- o direct the U.S. Department of Housing and Urban Development (HUD) to examine its programs and policies that may provide incentives to arson, and to develop corrective programs to amend those policies which are found to be incentives to arson.

## STATE AND FEDERAL ARSON LAWS

States operate under a variety of different arson statutes, case laws, and other laws relevant to arson. The Federal Government, operating under a variety of banking, housing, criminal, and taxation laws, has the authority to significantly affect the arson problem by removing financial incentives to arson.

Laws assign criminal penalties, permit civil redress, set standards and procedures for administration, establish jurisdictional responsibilities, delegate authority to further regulate, prescribe prosecution procedures, and establish standards of conduct and liability for professionals. They also provide for incentives and sanctions for compliance.

Reviewing the legal issues related to arson, one must consider:

1. Are the laws strong enough to act as a deterrent? Are they clear? Do they provide for proper grading of offenses? Do they treat related offenses?
2. Do the laws facilitate or hamper investigation and prosecution of arson? Do they permit exchange of information and data?
3. Do laws clearly assign authority or responsibility for exchanging information, for carrying out investigations and prosecutions, or enforcing regulations?
4. Do laws eliminate or provide incentives for arson?
5. What legislative changes are required to eliminate identified problems without infringing on privacy and other civil rights or on public policies aimed at social good?

To address these issues in detail and to make substantive recommendations is beyond the scope of this report. Our approach has been to identify model statutes, to represent the pros and cons which are argued in favor of and against the enactment of these statutes, to provide guidance to legislators who are considering such statutes, and to provide a basis for further study and analysis.

Federal legislation enacted to stimulate one segment of the economy can serve as an invitation to criminal activity unless carefully monitored. Federal laws passed or promoted in the context of social programs, are subject to abuse in arson-for-profit schemes when the laws are not monitored and modified to pace with change.

Within the context of the Federal laws, the analysis focuses on those laws which are subject to abuse and therefore, provide incentives to arson. It also examines those laws which can be utilized in the investigation and prosecution of arson.

The Federal laws reviewed relate to: Mortgage insurance, Federal insurance, casualty losses, depreciation, tax shelters, tax subsidies, fire insurance, and privacy.

The State statutes reviewed include: the Model Arson Penal Law, the Model Reporting Immunity Law, the Valued Policy Law, the Unfair Policy Law, the Unfair Trade Practices Act, the State municipal tax lien law, the proposal for disclosure of "blind trust" and "straw parties," and the Rent Withholding and Housing Code Enforcement Act.

The reviews of State and Federal laws which impact arson are found in Chapter IV of this Report.

## COST-BENEFIT CONSIDERATIONS

Solutions to the arson problem fall under several different types of recommendations: laws, programs, research, training, technical assistance, data analysis, etc. All play a significant role in contributing to arson reduction. Estimating the cost and benefits of implementing these recommendations requires the establishment of methods and criteria for determining the impact of each recommendation, plus development of a system for quantifying their interdependence.

Benefits resulting from improvements in any one recommendation can be measured in terms of its own outcomes and in terms of its impact on other recommendations. For example, improved training of arson investigators will improve job performance and improve the quality of evidence available to a district attorney to prosecute the case. Public awareness of improved investigation and successful prosecution of arson will act as a deterrent.

For each recommendation, therefore, it is necessary to:

- o Identify an applicable cost-benefit model, e.g., Resource Supply Forecasting, which takes into account a wide variety of factors in predicting the effect of complex policy options on incentives to enter (or leave) fields of activity.
- o Establish benchmarks for measuring outcomes, e.g. the current percentage of insurance payments in arson fires, the current rate of tax loss from burned buildings, and the current incidence of arson.
- o Estimate the program costs, e.g., costs of training; costs of data collection and analysis; and costs of administration.
- o Estimate benefits, e.g., decreased loss of property; and decreased rates of insurance.

To estimate the costs and benefits which would result from interdependent influences of the arson initiatives, a cost-benefit simulation model was developed.<sup>12</sup> The simulation model provides a method for estimating impact of arson prevention and control initiatives. It is designed to be applied at the Federal, State, or local level. The model shares the same conceptual underpinnings as similar systems used by the Office of Management and Budget, Federal agencies and private industry.

---

<sup>12</sup> Frank Morra and Associates, "An Arson Cost-Benefit Simulation," Washington, D.C. 1979.

The simulation model takes any initiative (arson task force, increased training, etc.) and estimates the minimum, anticipated, and maximum:

Costs:	Start-up cost
	Fixed operating cost
	Variable cost (increases with caseload)
Benefits:	Decreased financial gain
	Increased criminal risk
	Decreased psychological gain
Interdependency:	Enhancement of benefits by interdependency with other initiatives

These factors are weighed and analyzed to estimate the cost-benefit ratio for each initiative. USFA plans to develop this system to monitor the impact of arson initiatives.

#### CONCLUSION

The United States Congress directed the U. S. Fire Administration to prepare a report which assessed State and local capabilities in arson prevention and control and the desirability for Federal supplementation and assistance. A summary of existing Federal anti-arson programs, an analysis of Federal and State anti-arson laws, recommendations for reducing arson in the United States and an assessment of the costs and benefits of the proposed recommendations were mandated.

This overview of arson in America provides a framework for the Report to Congress on the Federal role in arson prevention and control. The chapters which follow are organized to provide a detailed analysis of recommendations, laws and programs through which the Federal Government can assist State and local agencies to plan and implement anti-arson programs. A summary of the recommendations of the Report follow.



## Summary of Recommendations

### A. Management of Arson Prevention and Control

#### Arson Task Force

- o Provide support to State and local "Arson Task Forces" through regional seminars and technical assistance.
- o Develop models of effective investigation and enforcement programs.
- o Provide volunteer fire organizations with assistance in planning and implementing anti-arson programs.

#### Data

- o Standardize definitions and forms for collection of arson data.
- o Expand the U.S. Fire Administration data base to include all States.
- o Develop statistical estimates of percentage of fires listed as having undetermined causes that are actually arson.
- o Publish annually a report on arson and incendiary fires in the United States based on the data compiled by the National Fire Data Center (NFDC) and the Federal Bureau of Investigation (FBI).

#### Arson Early Warning System

- o Develop and distribute Arson Early Warning Systems.

#### Public Arson Education

- o Establish public arson education programs at the State and local levels.
- o Establish a National Arson Resource Center.
- o Publish an Arson Resource Exchange Bulletin.

- o Identify models of effective hotline and arson reward programs, and encourage State and local agencies to implement such programs.
- o Develop and support person-to-person "contactor" program models for arson prevention.

#### Community Organization

- o Support community organizations as a focus of neighborhood anti-arson efforts.

### B. Investigation/Prosecution of Arson

#### Fire/Arson Detection

- o Improve arson detection and preservation of arson evidence by firefighters.

#### Fire/Arson Investigation

- o Develop and distribute a Fire Investigation Reference Handbook.
- o Support implementation of State and local arson investigation programs.
- o Develop a comprehensive motor vehicle arson investigation program.

#### Prosecution

- o Develop profiles of arson arrests and convictions.
- o Develop, publish and distribute a Prosecutor's Arson Handbook.
- o Increase judges' knowledge of the social and environmental impact of arson.
- o Prepare civil attorneys to defend against fraudulent insurance claims.
- o Provide Federal assistance to State and local arson investigators and prosecutors when assistance is required due to the presence of organized crime, the caseload or municipal corruption.

## Training

- o Increase arson detection training opportunities for paid and volunteer firefighters.
- o Increase arson investigation training for fire and police officers.
- o Develop and distribute an arson training program for prosecutors.
- o Develop a training program to provide forensic chemists with the required skills to conduct tests and analyses of arson evidence.
- o Encourage State implementation of professional certification programs for fire investigators.
- o Provide organizational models for fire investigation staffing to States and localities.
- o Support State fire service training delivery systems.

## Technology

- o Establish performance standards for equipment utilized in arson detection.
- o Establish consensus standards for arson laboratory practices and for collection and preservation of evidence.
- o Develop guidelines and specifications for forensic laboratory equipment required to analyze arson evidence.
- o Establish guidelines of optimum workload levels for forensic laboratories.
- o Improve or establish new forensic laboratories, which conform to newly established workload guidelines.

### C. Economic Factors in Arson

#### Insurance

##### Insurance Underwriting Recommendations

- o Develop a model fire insurance application form that will provide sufficient information to signal if further investigation of the applicant or property is warranted.
- o Evaluate the cost-effectiveness of conducting site inspections and financial evaluations based on validated indicators of risk (or risk in excess of a certain valuation) prior to the binding of the policy.
- o Develop reliable procedures for avoiding property overinsurance for use by the insurance industry.
- o Develop methods for notifying insurers when buildings incur serious housing and health code violations.
- o Analyze the impact of overinsurance that results from mortgage requirements to provide fire insurance that covers land as well as building value.
- o Promote greater underwriting flexibility and cancellation prerogatives in State FAIR Plans.
- o Analyze the effectiveness of building condition surcharges in correcting housing code violations and reducing fire hazards.
- o Study the role of "surplus lines" insurance markets in arson-for-profit.

##### Insurance Claims Adjustment Recommendations

- o Increase the current efforts of the insurance industry to challenge suspicious claims.
- o Accelerate insurance industry efforts to coordinate with public authorities investigation and prosecution of arson-for-profit.
- o Establish guidelines for State insurance departments that will allow flexibility in interpreting the Unfair Claims Settlement Practices section of State Unfair Trade Practices Acts.
- o Improve oversight and monitoring of insurance company, independent, and public claims adjusters.

- o Evaluate the impact of "rebuilding endorsements" as a disincentive to arson.
- o Determine feasible sanctions in instances where an owner demonstrates clear intent to disinvest a property as part of an arson-for-profit scheme.
- o Place municipal liens on fire loss claim proceeds, with such liens having precedence over payments to both the policyholder and the mortgagee.
- o Expand present industry efforts that have proven successful in curbing automobile arson.

#### Legislative Insurance Recommendations

- o Revise State statutes regarding adjusters' reporting requirements to conform to the Property Insurance Loss Register (PILR) Adjusters Reporting Form.
- o Revise State statutes to shorten the insurance companies' cancellation notice period to five days if a building becomes abandoned or represents a serious fire risk.
- o Require public and insurance adjusters to be licensed in each State, develop a uniform adjusters' licensing law, and set standards for revoking licenses.
- o Encourage the Commonwealth of Massachusetts and the State of Minnesota -- the only two States that have not done so -- to adopt the provisions of the New York Standard Fire Insurance Policy that give insurers the right to examine the books, accounts and damaged property of the insured as often as may be reasonably required, and require the insured to submit to examinations under oath by any person designated by the insurers.
- o Consider the adoption of State legislation which would give insurance companies immunity from suit when they provide arson-related information to law enforcement officials.

#### General Insurance Recommendations

- o Continue the development of educational programs and training aimed at arson prevention and control for insurance producers, underwriters, adjusters, and private investigators engaged in the insurance business.
- o Establish procedures and criteria which can be used by industry and State insurance departments in evaluating the efforts of individual insurance companies to reduce arson.

#### Housing

- o Enact measures to counteract tactics being used in housing exploitation and arson-for-profit schemes.
- o Analyze Federal tax policy as it relates to arson incentives and neighborhood stability.

#### Banking

- o Implement existing effective strategies that provide alternatives to foreclosure and abandonment for urban residential rental structures in fireprone neighborhoods.
- o Review mortgage banking and government insurance programs as they impact on arson.
- o Determine strategies to deter the use of corporate real estate vehicles in arson-for-profit schemes.

#### Commercial

- o Develop effective strategies and programs to identify, prevent, and investigate commercial arson-for-profit.

#### D. Psychology and Behavior of Firesetters

##### Adults

- o Develop psychological profiles of arsonists to be used in arson investigation and prevention.

##### Juveniles

- o Validate the Juvenile Firesetters Counseling Manual.
- o Distribute model programs for preventing juvenile firesetting.

**END**