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INSURANCE MOTIVE FIRES

RAYMOND L. STRAETER

This paper was presented at the Arson Investigation Course, University of Southern California, School of Public Administration, where the author is an instructor for this course. He has served with the Los Angeles Fire Department since 1936 and with the Arson Bureau since 1938 and for the last three years has been in charge of the bureau. His instruction work in the field of arson investigation has included appearances at the 9th and 10th Purdue University Arson Seminars and the first arson seminar which was held by the University of California at Berkeley.—EDITOR.

The crime of arson, while occurring with less frequency than many other major crimes, is perhaps the most difficult to solve. There are various reasons for this. First, the fire aligns itself with the perpetrator and obligingly destroys clues. If the fire gains the headway that is intended the building is usually a total loss or its contents so completely destroyed as to make the search for evidence extremely laborious and discouraging. Another fact which tends to make the crime of arson a difficult one to detect is the character of the criminal, particularly with reference to the insurance fire. In this type of case the arsonist may be, and probably is, a taxpayer citizen, and an influential member of a lodge or church. This makes it difficult to obtain information of any incriminating nature from his associates who naturally would not believe that the suspect could commit a crime. It may be true to some extent, for we find that any persons who commit arson would not think of committing any other crime but who, it appears, would be driven to arson in an effort to salvage their financial structure.

A wide variety of motives exist for the insurance fire; behind them all, however, is the wish to realize a profit from the fire. To begin with, and perhaps the most common motive, is a precarious financial condition brought on by business reversals, or brought on by other conditions, among which is high living. The suspect may be living beyond his means. This may be readily ascertained by inquiring into his living expenses, how much is he paying each month on his car, his home, furniture, loans, notes, and other expenses. It is surprising to note the number of people who neglect to pay their water, electric, and telephone bills before having a fire.

He may have overstocked the store with seasonal articles, and the articles failed to move as he anticipated. Various styles of clothing enter into this; or he may have overstocked anticipating a rising market, whereas the prices dropped, and he is left with a surplus stock and little or no cash.

The need for ready cash is another motive for a fire. A mortgage or note may be due, he may need money to pay a judgment or forestall a foreclosure. It is well to keep in mind that a burn-out or total loss is not necessary in many of these cases. Frequently, a comparatively small fire will accomplish this purpose.

And again, the fire may be motivated by the desire of the owner to quickly liquidate the business, or the motive may be the settlement of an estate, or the dissolution of a partnership.

Sometimes the owner is unable to keep abreast of his competitors due to his obsolete machinery, and it is his desire for new machinery which is behind the fire.

Or again, expected orders may have failed to materialize or he is unable to obtain raw materials.

A fire may be an easy way out if the manufacturer has a contract to fulfill and is unable to perform his part, and the contract contains a clause to the effect that in the event of a fire the manufacturer is not to be held responsible for unfilled orders.

A fire may be motivated by the fact that the concern has outgrown its present quarters and must move to a larger place, or the present building may have been condemned for sanitary reasons or due to the type of occupancy, or there may be other reasons why the firm wants to move. The owner may have the opportunity to sell the land without the buildings.

Obviously, behind all of these motives is the desire for economic gain. There is another class of fires for economic gain, wherein the insured may be an innocent party. These fires may be caused by insurance adjusters, who anticipate securing the adjustment of the loss for a fee, or by an insurance agent, to stimulate business. Or they may be caused by some person seeking the contract to rebuild or wreck the building, or to obtain employment in the rebuilding or overhauling. These motives are, however, extremely rare. Another motive where the insured is innocent is where the fire is caused by a competitor to eliminate competition. These fires have also been set by persons seeking employment as watchmen, firemen, or policemen.

Of course, it is not necessary to prove the motive, but it is important that the investigator understands the motive while pursuing the investigation. Also the proving of a strong motive goes a long way in securing a conviction. In many arson cases the motive is the most obvious part of the investigation, and the easiest part of the case to establish, while in other cases the motive may not develop until many months after the investigation starts.

Regardless of the motives in the insurance fires, the fire will follow a certain pattern. The modus operandi will vary as to the desired results. In a large building where a complete loss was desired, something must be done to aid the progress of the fire, such as various plants, trails, and inflammables. In a smaller establishment, such as the retail stores, mercantile establishments, garment factories, and other similar businesses, there is seldom the elaborate preparation as would be necessary in larger places. In bygone days the owners of the smaller places used the method of trails and inflammables, but through the passing of time their methods have been greatly improved. In the ordinary type of small business, a quick, hot fire will cause a total loss of most materials such as drug stocks or clothing. This type of fire is easily arranged, and an effort is made to make it appear accidental. Rubbish and litter may be left in a paper carton, the carton placed adjacent to wooden shelving, and a cigarette or match can be tossed into the plant.

If a hotter fire is desired the material to be burned may be saturated with some vegetable oil, or the common fly or moth spray. Frequently the fire is caused by leaving an electric iron on with paper trails leading from the iron to the desired location. Candles and other means to cause a delayed fire may also be used.

The vegetable oil is used because its odor is not noticeable to the firemen on entering the building, nor to the investigators in going through the debris. Its presence on partially burned or unburned material is also difficult to detect by sight or smell, and suspected materials should be analyzed by a chemist. Likewise, the moth spray can be sprayed heavily on the materials and after burning it is hard to detect without a chemical analysis.

It must not be overlooked that most establishments customarily have on hand certain substances that will speed combustion. Machine oil, alcohol, benzine, fly spray, and mothballs are some examples of these. An effort should be made to determine when such supplies were purchased, and in what quantity, and what the normal amount used is. Thus, a comparison can be made with the present supply to determine if any unusual amount of it was used.

In this type of fire the stock is sometimes rearranged shortly before the fire to aid in more complete destruction. Cabinets, tables, and display racks will be moved closer to the point of origin of the fire. Racks of clothing may be covered with paper to insure damage to all garments. Boxes and cartons should be examined to see what is contained therein. Frequently, the contents have been previously taken to another location. Attention should also be paid to the nature of the materials destroyed to determine if it was some out-of-season material. Windows are sometimes plastered over with posters advertising a sale, and this aids the fire in that its discovery is delayed.

In all insurance fires it is necessary to determine who was the last person to leave the premises, and if the door was locked, and who had keys to the doors. It may be necessary to subpoena the persons who have keys, in order to prove that they were not responsible for the fire. Also check the sprinkler system to see if it was tampered with. If the place has a burglar alarm system ascertain if it was put in operation, and if it was in fact set off by the fire or by the entry of the firemen. The interrogation of the suspect in the insurance fire is conducted with the end in view of establishing the motive, and of course, to fix the blame for the fire.

The questions asked include: How much stock does he carry? Is this the normal amount of stock? How much insurance is carried? Of course, it is a suspicious circumstance if the amount of insurance greatly exceeds the value of the stock. When was the policy to expire? Was the amount of the policy recently increased or decreased? How does the number of employees he has now compare with the number he had six months or a year ago? Has anyone been recently discharged? If so, why? Were there any threats made? Is there any labor difficulty? Does he have any enemies? (Some of these questions are intended to prevent him from placing the blame for the fire elsewhere at a later time.) What is the monthly gross business? What is the margin of profit? How do the recent months' business compare with the same months last year?

And then, of course, his financial condition is ascertained from the suspect through questions pertaining to his indebtedness, salaries of employees, accounts payable and receivable, etc.

Also, it is well to find out if he has ever suffered a previous fire, robberies, or bur-

glaries, or if he has ever gone through bankruptcy. Sometimes it is necessary to take him about the place and ask him when and where each particular piece of equipment was purchased, and how much it cost.

To determine his true financial condition it may be necessary to gain possession of his books and have an audit made by a C.P.A. These books may be seized at the time of the fire, if there is reason to believe that the fire is of incendiary origin, or a grand jury subpoena may be obtained for the same purpose. Many criminals of this type maintain more than one set of books.

In most cases the suspect will feign a favorable financial condition, and the audit of his books is necessary to establish the motive. However, he must be given the opportunity to make as many false statements as he cares to, for these, when proved false, indicate a consciousness of guilt. During the interview the suspect may produce orders for large quantities of merchandise. These orders are frequently obtained by making up expensive samples and sending a salesman out to take orders on these at a price far below their value, so that the person ordering cannot overlook the opportunity to buy such a grade of merchandise at the reduced figure. Of course, the seller never intends to fill the orders.

As a general rule, in the insurance fires, there need be no hurry to make the arrest. Seldom is there an open and shut case at the time of the original investigation. Confessions are rare in this type of fire, as the criminal has so much at stake. He prefers to take his chances in court, and because there is such a large amount of money involved, usually in the thousands of dollars, he gets the best legal talent available. However, one of the most important and successful ways to combat fires of this type is to have trained arson investigators available twenty-four hours a day, so they can respond at the time these fires occur. The reason for this is that the investigators can take photographs of the evidence, and secure same before it is disturbed by the fire fighters.

Today in the Los Angeles City Fire Department the fire fighter is also being trained as a fire detector, so situations such as this will be detected by them, and an investigation instituted immediately. A picture was made by the Los Angeles Fire Department, titled, *KNOW THE CAUSE*, and it is in the process of being shown to every fire fighter in the department, and an arson man is sent to each engine house to lecture on the points shown in the film.