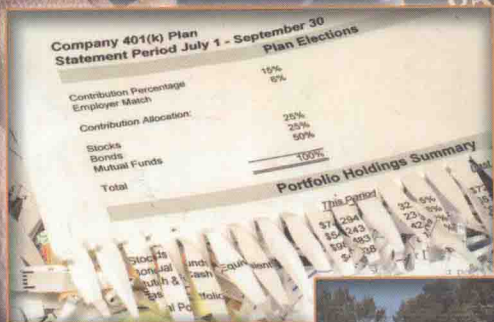


# PRACTICAL HANDBOOK FOR Professional Investigators



SECOND  
EDITION



RORY J. McMAHON, CLI, CFE



CRC Press  
Taylor & Francis Group

PRACTICAL HANDBOOK FOR  
**Professional  
Investigators**

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Boca Raton London New York

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CRC Press is an imprint of the  
Taylor & Francis Group, an informa business

CRC Press  
Taylor & Francis Group  
6000 Broken Sound Parkway NW, Suite 300  
Boca Raton, FL 33487-2742

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CRC Press is an imprint of Taylor & Francis Group, an Informa business

No claim to original U.S. Government works  
Printed in the United States of America on acid-free paper  
10 9 8 7 6 5 4 3 2 1

International Standard Book Number-10: 0-8493-7045-0 (Hardcover)  
International Standard Book Number-13: 978-0-8493-7045-8 (Hardcover)

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#### Library of Congress Cataloging-in-Publication Data

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McMahon, Rory J.  
Practical handbook for professional investigators / Rory J. McMahon. -- 2nd ed.  
p. cm.  
"A CRC title."  
Rev. ed. of: Practical handbook for private investigators. c2001.  
Includes bibliographical references and index.  
ISBN-13: 978-0-8493-7045-8 (alk. paper)  
ISBN-10: 0-8493-7045-0 (alk. paper)  
1. Private investigators--United States--Handbooks, manuals, etc. I. McMahon, Rory J. Practical handbook for private investigators. II. Title.

HV8093.M36 2007  
363.28'9--dc22

2006024566

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Visit the Taylor & Francis Web site at  
<http://www.taylorandfrancis.com>

and the CRC Press Web site at  
<http://www.crcpress.com>

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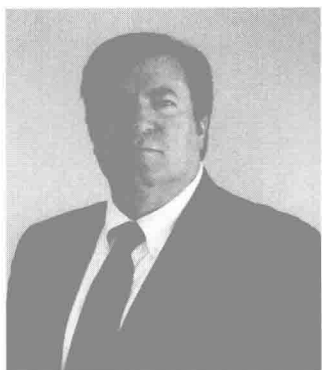
# PREFACE

This book is designed for individuals studying to become investigators, as well as investigators of all types and with all levels of experience. The author shares what his research and experience have taught him in his 33 years as an investigator. He does not claim to have all the answers, as there is something new to be learned about investigations and people every day. From his perspective, this is one of the most attractive features of this career. The book is primarily for use in the academic realm for the many private and community colleges offering classes in investigation, and as a perspective that may be useful to professional investigators in terms of evaluating their approach to working cases. It is certainly not meant to be the definitive thesis on how all investigations should be performed.

Most of the author's research was performed while he was a college teacher at a small private junior college in Fort Lauderdale, Florida, and during his many years as an investigator. Much has been borrowed from a wide variety of academic and professional sources over the years. It is hoped that the information will be useful to both students and professionals in the field of professional investigation.

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## THE AUTHOR



**Rory McMahon** has been an “investigator” of some sort for most of his adult life. In 1973 as a probation officer in Westchester County, New York, he investigated and supervised persons convicted of state crimes. In 1978 he was appointed a federal probation officer in the Southern District of New York, which comprises New York City and the surrounding area, investigating and supervising persons convicted of federal crimes. He transferred to the Southern District of Florida in 1982, where he conducted pre-sentence investigations on persons convicted of federal

crimes in Miami, and subsequently supervised convicted career criminals — primarily organized crime members, major narcotics traffickers, and white-collar offenders — as a member of the Special Offender Unit in Fort Lauderdale.

McMahon left government service in 1990 to become a private investigator, working a wide variety of investigations. In 1991 he opened and operated a successful investigative agency based in Fort Lauderdale, Florida. He still owns and operates this very successful agency today. He specializes in both fraud and legal investigations, and does work throughout the United States. He also conducts training seminars — most recently a one-day fraud seminar conducted in various cities in the United States. He has also written articles that appeared in *PI Magazine* and various professional association newsletters and journals throughout the world.

McMahon became a Certified Legal Investigator (CLI) in 1997, specializing primarily in legal investigations. In 2000, he became a Certified Criminal Defense Investigator, and in 2005 he became a Certified Fraud Examiner. Based upon his professional, academic, and personal experiences, he has written this book.

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# ACKNOWLEDGMENTS

I would like to thank all of the professional investigators who helped me begin my career as an investigator, especially Bill Courtney, Kerry Farney, Dave Oppenheim, Kitty Hailey, Herb Simon, Reggie Montgomery, John Lajoie, Brian McGuinness, Dave Wasser, Bill Vincent, Brandon Perron, Mark Murnan, as well as those involved with me in the formation of the Florida Association of Licensed Investigators and my friends and associates in the National Association of Legal Investigators. I would like to thank all of my students from 1990 to 2000, who have been the source of inspiration for my writing, and for whom I hope this book will be the culmination of all the areas of learning from their City College careers.

I would like to thank my friends, clients, and associates who have been with me for many years, including Richard Harris, Celia Hochtman, Doug Haas, Terry Levix, Steve Aasterud, Tony Gagliardi, Glenn and Bev Horowitz, Bill Rohloff, Jim Bender, Lonnie Neal, Mark Silverberg, Jim Mintz, Terry Lenzner, Jeff Jacobs, Albert Levin, and all of my past and present interns and other employees.

Finally, to my family, without whom I would be lost: Kelly, for her independence, loyalty to her friends and family, and dedication to her career; Tara, for her encouragement, her journalistic spirit and integrity, and her love and support; Conor, who is becoming a man and discovering his own world; Joseph Patrick, my beautiful six-year-old son; and my gorgeous wife, Fran, for her constant encouragement, support, and love.

---

# DEDICATION

To my mother, Patricia Maguire McMahon, and  
my father, Judge Daniel F. McMahon,  
both of whom have passed to their eternal reward.

Together they indelibly instilled a sense of integrity and work ethic  
in all of their six children.

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# 1

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## INTRODUCTION

Since the trial of O.J. Simpson, the business of professional investigation has risen to a new level of respect among both the legal community and the public at large. The success of O.J.'s "Dream Team" was largely a result of the brilliant work of the defense investigators. The Dream Team found the witness who exposed Mark Furman's racism. They fashioned successful responses to everything that the prosecution witnesses testified about.

From there we entered into the era of corporate fraud that has been unparalleled in history — Enron, Tyco, and Health South have become synonymous with greed that would have embarrassed even Gordon Gecko (Michael Douglas in the movie *Wall Street* — "Greed is good"). From there, government entered a new era of accountability and oversight of corporate conduct in the banking sector and the accounting industry. This has been a great source of increased work for legal, fraud, and professional investigators.

Combine that with the world-changing events of September 11, 2001, and the need for professional investigators has never been greater!

### JOB OUTLOOK

According to the *Occupational Outlook Handbook* published by the U.S. Bureau of Labor Statistics, employment of private detectives and professional investigators is expected to grow much faster than the average for all occupations through the year 2014. Demand for investigators is expected to be generated by fear of crime, increased litigation, and the need to protect confidential information and property. The proliferation of criminal activity on the Internet, such as identity theft, spamming, e-mail harassment, and illegal downloading of copyrighted materials, will increase the demand for investigators. Employee background checks will

become standard for an increased number of jobs. Growing financial activity worldwide will increase the demand for investigators to control internal and external financial losses and to monitor competitors and prevent industrial spying. As crime continues to increase, more firms will hire or contract for the services of private detectives. Additionally, professional investigators will be needed to meet the need for information associated with criminal defense and litigation for companies and individuals.

### EARNINGS

Earnings of professional investigators vary greatly depending on their employer, specialty, and the geographic area in which they work. According to studies done in May 2004, professional investigators averaged about \$24,080 to \$43,260 per year, earning an estimated \$20,000 per year to start, with experienced investigators earning more than \$58,000. Entry-level corporate investigators earn \$40,000 to 45,000, with experienced corporate investigators earning \$50,000 to 55,000. However, a successful self-employed PI can earn \$100,000 and more.

Investigators bill their clients \$50 to \$350 per hour to conduct investigations. Most investigators, except those working for law firms and corporations, do not receive paid vacation or sick days, health or life insurance, retirement packages, or other benefits. Investigators are reimbursed for expenses and receive pay for mileage.

In my experience in South Florida, intern investigators earn from \$15 to \$25 per hour. Investigators with 2 or more years experience earn from \$35 to \$60 per hour.

The potential earnings for those entering the field are unlimited. There has never been a greater need for these services than right now. Investigators are finally receiving the professional recognition that they deserve. Business is good, and the prospects for the future are incredible!

# 2

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## **SKILLS NEEDED TO BECOME A SUCCESSFUL INVESTIGATOR**

All investigations, regardless of type or purpose, depend on the gathering of factual information. Gathering factual information is the main purpose of any investigation, without which no case would be solved, no stolen property recovered, and no missing person located. Factual information in a concise written report is the product that we sell to our client.

Today's professional investigator must learn to think of him- or herself as a highly sophisticated camera with the lens always open, recording and observing everything. Regardless of the case, the investigator wants answers to the questions "who," "what," "when," "where," "how," and "why." The professional investigator is often the last hope for many people.

### **THREE METHODS THAT INVESTIGATORS USE TO OBTAIN INFORMATION**

1. Researching public records
2. Interviewing individuals with relevant information
3. Surveillance of individuals to learn about their behavior

Investigators must use one, two, or all three of these methods in order to obtain the information needed by the client. To excel as an investigator, one must know how to do all three very well.

### **WHAT IS AN INVESTIGATOR?**

An investigator is a professional researcher who uses observation, inquiry, examination, and experimentation to obtain evidence and factual information

upon which sound decisions can be made. In order to achieve success as an investigator, certain basic guidelines must be observed:

- Ask many questions when seeking information. Often, this means repeating questions in order to uncover discrepancies and following up on initial questions with more detailed ones. You can never gather too much information. It is easy to eliminate nonessential information later on.
- Recognize that suspects, criminals, and other subjects of investigation come from all walks of life and are represented by all races, both sexes, and an endless variety of lifestyles.
- When investigating the crime scene, do not commit yourself to the guilt or innocence of anyone at the scene whom you may question. Remember, your purpose is to gather facts; judgments will come later.
- Do not be overconfident. Be certain that you have gathered all the information. Before you conclude the investigation, ask yourself, "Is there more information I should attempt to obtain? Have I overlooked anything that could make a difference in the outcome of the investigation?"
- Do not jump to conclusions.
- Never take things for granted — make no assumptions about how much information is needed before you begin searching. False assumptions often lead to the loss of valuable information and evidence.
- Work with evidence you find at the scene. Examine all evidence carefully — pieces of paper, documents, tools, fragments of cloth, or personal items belonging to a possible suspect or other person involved in the incident that you are investigating — any physical evidence can provide an important investigative lead.
- Develop informants and sources of information before you need them. No investigator can get along without sources, because they can provide shortcuts to many investigative problems.

### ATTRIBUTES OF A SUCCESSFUL INVESTIGATOR

The following attributes are the special qualities that will help you achieve success. And, in my humble opinion, if you possess the skills listed, not only will you be successful as an investigator, but more importantly, you will be successful as a human being.

## **Suspicion**

Be cautious of obvious things and wary of persons who are quick to provide alibis and identification. Demand verification whenever possible.

## **Curiosity**

Develop your own curiosity and follow up on it. Have the desire to learn the truth. An inquisitive mind is essential to the investigator.

## **Observation**

Your five senses are important tools of the trade. It may be important for you to remember unusual things about an individual (i.e., his or her manner and posture or the way he or she dresses). Learn to observe details.

## **Memory**

The ability to accurately recall the facts and events or the physical characteristics of a suspect is a valuable skill.

## **An Unbiased and Unprejudiced Mind**

Bias and prejudice will result in a poor investigation, unfairness to suspects, and clouding of facts that need to be uncovered objectively. Do not let personal likes or dislikes interfere with investigations.

## **Ability to Play a Role**

This skill is especially important for private investigators who work alone most of the time. Using his or her own identity could expose the investigator to recognition and danger. The ability to assume convincing identities is particularly valuable in surveillance, undercover activities, and a variety of confidential inquiries.

## **Persistence and Capacity for Hard Work**

Many times, you will find yourself working late into the night to follow up a promising lead or question a particularly valuable witness.

## **Resourcefulness**

An investigator must be able to adapt to all types of stressful situations that may demand technical or other skills.



### **Ability to Obtain the Cooperation of Others**

In the course of your work, you will make many contacts. Some will be clients, some will be witnesses, some will be suspects, and some will be well-meaning citizens who can provide information. It is essential that you obtain cooperation from as many people as possible in order to secure the vital facts and information that you will need to conclude an investigation. You will need patience, courtesy, tact, and understanding. A suspect or witness who has been intimidated, frightened, or angered by an impatient investigator is of no value.

### **Interest in Your Work and Pride of Accomplishment**

True success in any profession is based on sincere interest and pride in a job well done. The knowledge that your efforts can bring a criminal to justice, locate a missing loved one, or save a business large sums of money can bring you immense satisfaction.

### **Street Sense**

You should have an intuitive understanding of the way the world works and how people move through it. This can be developed and refined. The more time you spend on the street and the more attention you pay to detail, the sharper your street sense will become. This can be learned and honed as you work in the investigative field.

### **Good Listening Skills**

You need to be a good listener in order to effectively communicate. To be a good interviewer, you must be able to understand the person you are questioning. If you do not have good listening skills, you will never be an effective interviewer. Therefore, you will not be a successful legal or corporate investigator.

### **Ability to Put People at Ease**

In order to convince people to submit to interviews, you need to be able to “schmooze,” which means to make people feel comfortable talking to you. This is a necessary skill to have in order to conduct successful interviews.