**Title:** Policing under perverse incentives: An experimental investigation.

**Summary:** When individuals transgress social norms, they may face sanctions. Indeed, there is a large literature that demonstrates that individuals are willing to impose punishments on others, even if there is a cost of doing so (Chaudhuri 2011). This wiliness to sanction is even observed when the punisher is a third party, and was not themselves affected by the violation (Fehr and Fischbacher 2004). This literature provides important insights about the willingness to punish transgressions. However, it neglects the fact that punishment is often delegated to the criminal justice system. In this system, police officers identify individuals who are thought to have committed an offence, and initiate a process which can culminate in punishment. Officers are granted considerable discretion in this role, and face a variety of incentives which may distort their behavior, and may even encourage them to make false accusations. These perverse incentives may also affect the willingness of people to commit crimes, and thus affect crime rates. We propose to systematically investigate the effects of these incentives using experimental methods. We feel that these questions are particularly amenable to experimental analysis, because in the lab the guilt or innocence of an individual would be directly observable, as would the frequency of crimes. This would allow us to directly compare the effects of various incentive schemes.

**Environments:** We propose to study the incentive structures faced by police officers in three environments: 1) public goods games; 2) the tragedy of the commons; 3) games with the opportunity for theft. Public goods games are of interest, since the participants are not directly harming others. Rather, if they don’t contribute, they are simply declining to take an action which harms themselves, but which is socially beneficial. In the tragedy of the commons this is reversed. Participants may take actions which personally benefit themselves, but are not socially optimal. Lastly, when participants are presented with the opportunity to steal, they take an action which benefits themselves, and also directly harms their victim.

**Incentive schemes:** There are many incentive schemes that are potentially perverse, which we propose to investigate. First, as a baseline of comparison, we will study an environment in which participants in the role of a police officer enforce a “law”, and receive a fixed fee for doing so. We will also consider environments in which “officers” are compensated on a piece rate basis for “arrests”, where they face a quota on “arrests”, where they are compensated based on “crime rates” (we will also investigate several ways of calculating such rates), and where they are penalized for arrests that do not result in a “conviction”.