



**ORGANISED  
CRIME**  
TASK FORCE

**2017**

# **ANNUAL REPORT & THREAT ASSESSMENT**

Organised Crime in Northern Ireland



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# ORGANISED CRIME...

## DON'T SUPPORT IT, REPORT IT!

### KEY CONTACTS

PSNI NON EMERGENCY NUMBER	101
CRIMESTOPPERS	0800 555 111
HMRC HOTLINE	0800 595 000
MODERN SLAVERY HELPLINE	0800 0121 700

### USEFUL WEBSITES

ACTION FRAUD	<a href="http://www.actionfraud.police.uk">www.actionfraud.police.uk</a>
BORDER FORCE	<a href="http://www.gov.uk/government/organisations/border-force">www.gov.uk/government/organisations/border-force</a>
CRIMESTOPPERS NORTHERN IRELAND	<a href="http://crimestoppers-uk.org/in-your-area/northern-ireland/">crimestoppers-uk.org/in-your-area/northern-ireland/</a>
DEPARTMENT OF JUSTICE	<a href="http://www.justice-ni.gov.uk">www.justice-ni.gov.uk</a>
HM REVENUE & CUSTOMS	<a href="http://www.hmrc.gov.uk">www.hmrc.gov.uk</a>
IMMIGRATION ENFORCEMENT	<a href="http://www.gov.uk/report-immigration-crime">www.gov.uk/report-immigration-crime</a>
NATIONAL CRIME AGENCY	<a href="http://www.nationalcrimeagency.gov.uk">www.nationalcrimeagency.gov.uk</a>
NORTHERN IRELAND ENVIRONMENT AGENCY	<a href="http://www.daera-ni.gov.uk">www.daera-ni.gov.uk</a>
ORGANISED CRIME TASKFORCE	<a href="http://www.octf.gov.uk">www.octf.gov.uk</a>
PSNI	<a href="http://www.psni.police.uk">www.psni.police.uk</a>
TRADING STANDARDS SERVICE	<a href="http://www.economy-ni.gov.uk/topics/consumer-affairs/trading-standards-service">www.economy-ni.gov.uk/topics/consumer-affairs/trading-standards-service</a>

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# FOREWORD

I am pleased to introduce the fifteenth edition of the Organised Crime Task Force (OCTF) Annual Report and Threat Assessment which reports on the collective successes of the OCTF partners during 2016/2017 and sets out the main threats looking ahead.



I want to commend the work of OCTF partners in their relentless pursuit of the organised criminals who seek to exploit and harm individuals, businesses and society across Northern Ireland. Undoubtedly the efforts of the agencies and individuals involved are helping to keep people and businesses safe and to safeguard our economy from the impact of organised crime.

The world in which we operate continues to change – politically, financially, operationally – as well as the threats posed by emerging and evolving crime types. Within this changing environment, OCTF is continuing to provide a strategic forum that brings together Government and law enforcement to work in partnership to combat organised crime. However as the threat we face shifts and adapts, so we must develop, build and enhance our strengths and learn new ways of working together if we are to keep pace with, and indeed get ahead of, the emerging threats that face us.

That is why I welcome the new developments in how we respond to organised crime that have strengthened the partnerships both in Northern Ireland and with our neighbouring jurisdictions and that are reinforcing the operational response.

Following the Fresh Start Agreement, new operational partnerships have been established

that are complementing the strategic work of the OCTF with a dynamic operational focus. The cross-jurisdictional **Joint Agency Task Force** has been operational for almost two years now, bringing together law enforcement agencies from both sides of the border to take on criminals across the whole island of Ireland. The enhanced information sharing and coordination that it provides is making a real difference in tackling rural crime, drugs, human trafficking and excise fraud – and in keeping our people and communities safer. The Executive Action Plan to Tackle Paramilitary Activity, Criminality and Organised Crime has also led to the establishment of a **Paramilitary Crime Task Force** which is delivering a focused multi-agency response to criminality linked to the paramilitaries.

The benefits of the partnership approach that is typified through OCTF and the Joint Agency and Paramilitary Crime Task Forces are evident in the operational successes that our law enforcement partners have delivered. Successes that include the dismantling of 23 organised crime groups (OCGs), with a further 106 frustrated or disrupted; 34 potential victims of human trafficking recovered; 5,546 drug seizures; and the recovery of £1.7 million of criminal assets. I particularly want to congratulate the HMRC, PSNI and Irish Revenue Commissioners teams whose collaboration on

fuel smuggling not only led to the successful disruption of a significant cross-border smuggling operation, but also was recognised at the 2016 Government Counter Fraud Awards with an award for “Outstanding Collaboration”.

However, we can never afford to be complacent. As I have observed, the environment that we work in is always changing and organised criminals are constantly adapting and seeking new ways to profit at the expense of the community. In the face of these and other challenges we need to strive to identify fresh opportunities to improve our operational and strategic responses; new ways to enhance how we work together; and build and strengthen the partnerships that we have, both here in Northern Ireland and with colleagues in other jurisdictions.

I am grateful to OCTF partners for their ongoing commitment to tackling organised crime, and want to pass on my sincere thanks and gratitude to all the agencies and individuals involved in delivering another excellent year of results.



**NICK PERRY CB**  
Permanent Secretary, Department of Justice  
February 2018

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# CHAPTER 1

## ABOUT THE OCTF

Since it was established in 2000, the Organised Crime Task Force (OCTF) has been working to reduce the harm caused by organised crime, through multi agency partnership and to help secure a safe community in Northern Ireland, where we respect the law and each other.

Since its inception it has helped to drive progress in tackling organised crime, providing collective strategic leadership that has led to a range of benefits. As a strategic forum OCTF has helped to:

- 🕒 inform legislative change;
- 🕒 identify and respond to emerging issues and threats;
- 🕒 develop effective early intervention and prevention strategies;
- 🕒 provide a space for sharing insights, expertise, information and intelligence;
- 🕒 deliver a collaborative approach to problem solving;
- 🕒 raise public awareness of organised crime threats and ongoing work and operational successes; and
- 🕒 encourage the development of operational partnerships.

### CONFRONTING THE THREAT OF ORGANISED CRIME

Whilst the OCTF does not provide an operational response to specific crime types – that role remains with individual law enforcement agencies – it provides an essential forum for strategic leadership in tackling organised crime in Northern Ireland.

Without doubt, cooperation and partnership are the bedrock of the OCTF. It provides a framework within which Government, law enforcement, policy makers and stakeholders across business and the community work together to develop the strategic response to organised crime, identify priorities, resolve emerging issues and agree actions to confront organised crime in Northern Ireland.

It also strives to support communities most affected by organised crime through education and awareness raising initiatives. Another outlet of support is by reinvesting some of the proceeds of organised crime that have been confiscated through the Courts into projects or initiatives that prevent crime or reduce the fear of crime, through the Assets Recovery Community Scheme (ARCS). Further detail on ARCS and the wider reinvestment of recovered criminal assets is set out in Chapter 3 of this report.

The current OCTF structure is set out below. A list of OCTF partners is at Appendix 1.

### STAKEHOLDER GROUP

Chaired by the Justice Minister



### STRATEGY GROUP

Chaired by the Director of Safer Communities, Department of Justice (DoJ)



### SUBGROUPS

Armed Robbery

Criminal Finance

Cross Border Fuel Fraud

Cyber Crime

Drugs

Immigration and Human Trafficking

Intellectual Property Crime

Legal

Publicity

## FORWARD LOOK: NEXT STEPS FOR THE OCTF

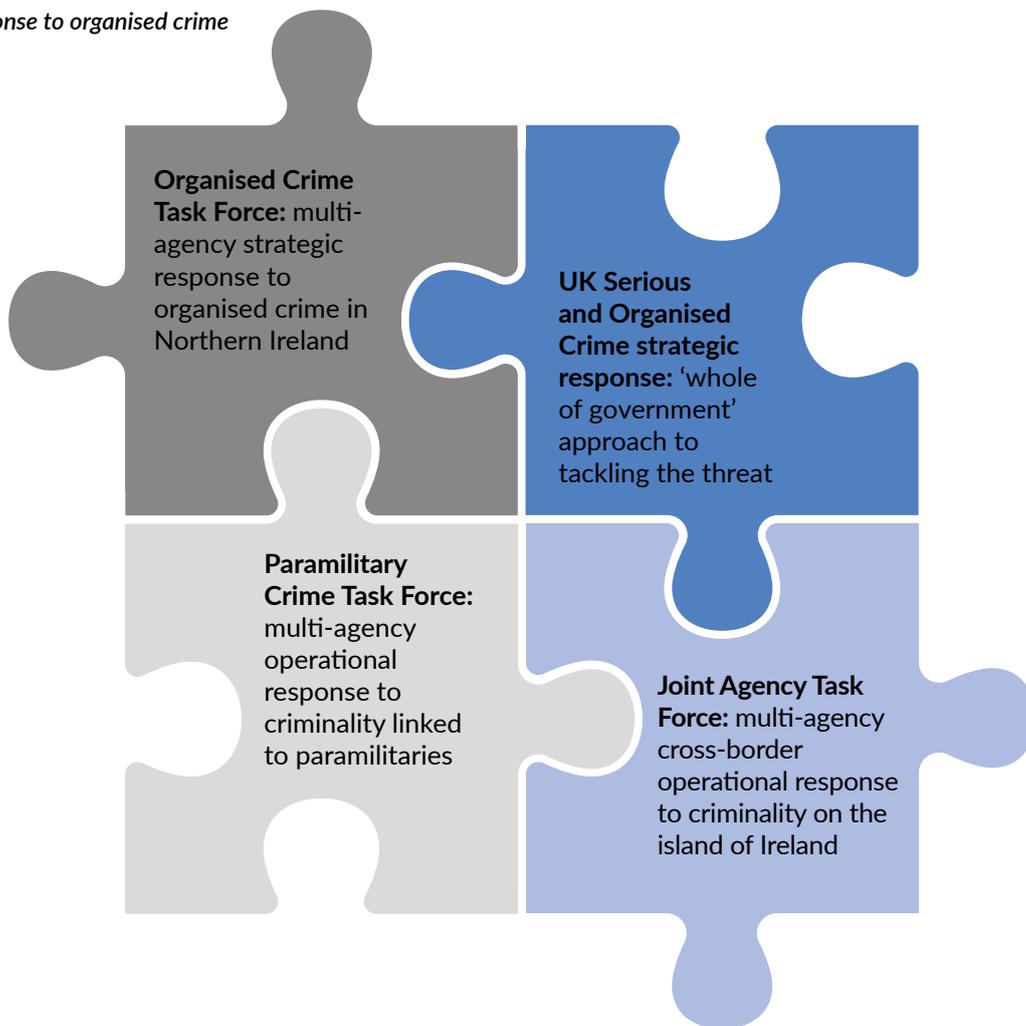
The environment in which the OCTF operates is changing: we are faced with new challenges and opportunities posed by shifting global politics, developing technologies and evolving criminal behaviour. Within this climate of change the OCTF provides strategic leadership and continuity. However, in order to remain relevant and effective it is vital that the OCTF has the flexibility to respond to emerging issues and priorities and to keep pace with the changes around us.

Organised crime is not constrained by national or jurisdictional boundaries and so we need to recognise and take account of emerging interdependencies between the work of the OCTF and other related structures and new developments.

We need to learn from how our neighbouring jurisdictions are tackling serious and organised crime and take steps to ensure that we are aligned and can work together.

In addition, we need to ensure that the strategic work of the OCTF is well placed to support and complement the work of the two new operational partnerships - the cross-jurisdictional **Joint Agency Task Force** and the Northern Ireland-focused **Paramilitary Crime Task Force** – that have been established under the Fresh Start Agreement and subsequent Executive Action Plan to Tackle Paramilitary Activity, Criminality and Organised Crime.

*A joined up response to organised crime*



The benefits of a joined-up response speak for themselves and are already evident in the OCTF results from the 2016/2017 reporting period. We now need to build on and enhance this collaborative approach. As such, as we move towards the next cycle of strategic planning we

intend to review the existing OCTF structures and priorities to ensure that they are as effective and as relevant as possible, as well as the legislative tools available to law enforcement in the pursuit and disruption of organised criminals operating in Northern Ireland.

# CHAPTER 2

## THREAT ASSESSMENT 2017 AND OCTF ACHIEVEMENTS THROUGH 2016/2017

The Organised Crime Task Force (OCTF) provides a Northern Ireland-based approach to increasing our understanding of, and response to, the organised crime landscape locally. It allows law enforcement agencies to work alongside government bodies and private industry in order to share knowledge and tackle organised crime in partnership.

The OCTF undertakes regular threat assessments to identify known and emerging trends and threats and looks at how these may be tackled. The annual OCTF Threat Assessment provides the opportunity to share more widely and publicly the key threats posed to Northern Ireland from organised crime. A key growth area throughout 2016/17 has been seen in respect of cyber crime, with other organised crime including Cash-in-Transit attacks and so-called tiger kidnaps continuing to diminish.

### 2.1 CYBER CRIME

#### THE THREAT

Cyberspace is developing at an exponential rate; therefore, so are the opportunities available to cyber criminals. Cyber crime demonstrates how the internet is changing the face of crime across the globe with a substantial number of crimes now assessed to have a cyber or digital footprint. A significant proportion of the Northern Ireland community is now online and with further connectivity being installed this is expected to continue to rise. At the same time Northern Ireland continues to emerge as a European hub for cyber security companies and investment. This has resulted in Northern Ireland becoming a highly capable online community.

Cyber crime incidents primarily fall into two categories: cyber enabled crime and cyber dependent crime.

**Cyber enabled crimes** refer to conventional crime types that can be conducted both on or offline, for example, fraud, drug supply and blackmail. When conducted online these crimes can take place at an unprecedented scale and speed. Servers which conceal a user's identity, and the dark web, facilitate the supply and acquisition of a wide range of illicit and illegal goods on a global scale. This area is particularly prevalent in schools, persons with higher public profiles plus, of course, smaller businesses. The consequences can sometimes be very severe, up to and including loss of life: for example, Op Corrin, which resulted in the tragic death of a teenager who was the victim of a "Sextortion".

**Cyber dependent crimes** are crimes that can only be committed using computers, computer networks or information communication technology. Cyber dependent crimes are occurring throughout Northern Ireland, affecting individuals and businesses alike.

Cyber dependent crimes are what are traditionally seen as "Computer Hacking" or "Viruses". These can be high profile and cause major financial loss or damage to local / national business (recent examples include Talk Talk Hack and NHS Cyber Attack).

Examples of cyber dependent crimes occurring in Northern Ireland include:

<b>Installation of Malicious Software (Malware):</b>	Malware is intrusive unwanted software that becomes installed on a computer without consent, for example concealed in an email attachment, bundled in with a free download or within a website. In Northern Ireland this has included banking Trojans (which compromises banking credentials) or Spyware (which monitors all activity on a company or user's system). Often a demand is then made for payment in order for the software to be removed and the systems to be restored (Ransomware). This type of attack has the potential to cause widespread disruption as evidenced by the significant ransomware attack on the National Health Service (NHS) in England in May 2017 which was part of a global cyber attack. There are a number of variants attacking Northern Ireland business and private users on a daily basis and there is potential for attacks to spread across networks.
<b>Business Email Compromise:</b>	These include phishing, targeted fake emails to employees, and CEO fraud which is currently a major threat to business and industry. In phishing, malicious attachments may be contained within emails, a victim may be directed to a website which has been set up by criminals and asked to enter login in or personal details. Business spoofed emails or CEO fraud typically involves the criminal purporting to be an employee, customer, company director or CEO via email and telling a member of staff to quickly transfer money to a specific bank account or to amend beneficiary accounts for a specific reason. There has been a number of these frauds across Northern Ireland over the past few months.
<b>Distributed Denial of Service (DDOS):</b>	DDOS attacks are designed to bring down websites and networks by overloading them with requests. The severity of the financial and business disruption may increase as criminal demands and the level of intrusion escalate.
<b>Network Intrusions:</b>	Network Intrusions relate to the unauthorised access of computer networks, allowing attackers to take control of servers and then manipulate data, for example, changing banking details and faking identities.

Cyber dependent crime continues to affect business and industry across Northern Ireland with multiple reports received by the PSNI and Action Fraud, often resulting in a significant amount of financial loss to the businesses targeted, in addition to a disruption to business services as well as reputational damage caused.

Cyber enabled crime continues to expand and the use of digital and cyber environments in traditional crime is becoming common place. Recent successful PSNI operations have resulted in the disruption of illegal firearms importation into Northern Ireland but the use of the dark web internet marketplaces to acquire and distribute criminal commodities continues to widen the availability and increase the ease of accessibility to the public.

## CONFRONTING THE THREAT: OCTF RESULTS

The OCTF has established a dedicated subgroup focused on responding to the evolving threat posed by cyber crime as well as a cyber crime engagement group that brings together law enforcement and government with representatives from business, academia and the cyber-security sector. Numerous partnership initiatives continue between law enforcement agencies and statutory and non-statutory bodies to raise awareness of cyber crime and provide prevention initiatives to help safeguard individuals and businesses when online.

The increased promotion of the Cyber Information Sharing Partnership (CISP)<sup>1</sup> and Cyber Essentials<sup>2</sup> to provide 'live time' threat advice and protection measures to business and industry continue to be developed across Northern Ireland and further awareness is being planned in partnership with the National Cyber Security Centre (NCSC).

## PSNI

Between April 2016 and March 2017 the PSNI Cyber Crime Centre made the following interventions: 11 searches, 7 arrests (2 voluntary attenders), 8 charged (plus 2 persons reported, 1 person cautioned and 3 Cease and Desists served).

**The National Crime Agency (NCA)** works closely with the PSNI and other law enforcement agencies to reduce the impact of serious and organised crime on the communities of Northern Ireland and deter people from becoming involved in such activity. The NCA has worked in partnership with the PSNI to investigate the online access to and sharing of indecent images of children.

## Case study

Op JARRA, which began in 2015, is a joint NCA/PSNI investigation. It was set up in response to an NCA Command - Child Exploitation and Online Protection Centre (CEOP) - investigation which led to the identification of a series of internet addresses that were being used to access and share indecent images of children on peer to peer networks. In total, 33 search warrants were executed and a number of arrests made. To date, 21 individuals have been sentenced by the Courts, delivering total custodial sentences amounting to 14 years eight months and a further 27 ½ years of probation orders. All of those convicted received Sexual Offences Prevention Orders that will remain in force for between five and ten years and all offenders have been entered on the Sex Offenders' Register, with three individuals placed on the register for life.

## Case study

Op FLUTY is a similar investigation being pursued jointly by the NCA and PSNI. So far, there have been 20 arrests and four of those arrested have appeared in court. Whilst there have been a number of custodial sentences and those involved have been put on the Sex Offenders' Register, the real success of this operational partnership between the NCA, PSNI and the Public Prosecution Service is that children and adults have avoided becoming victims, and offenders have been removed from positions of trust.

## FORWARD LOOK...

Our increasing access to and reliance on technology both as a society and as individuals delivers many benefits and opportunities but also creates vulnerabilities that cyber criminals will seek to exploit. Cyber security is a priority across Government and PSNI and DoJ are working strategically with other Northern Ireland Departments to **Defend** against cyber attack, **Deter** cyber criminals and to **Develop** Northern Ireland's cyber resilience.

In addition, PSNI is continuing to develop and enhance its operational capacity to respond to cyber crime. Work is underway on the development of a new purpose-built PSNI Cyber Crime Centre which will enhance PSNI's forensic and investigative capabilities in response to cyber crime and will strengthen public protection through a strategy based on prevention, protection and enforcement, underpinned by industry engagement.

Under-reporting of cyber crime continues to obscure understanding of its true scale and cost, however the introduction of the EU's General Data Protection Regulations (GDPR), which will apply from May 2018, may help gain a more accurate picture of the level of cyber crime in relation to data breaches or loss. These regulations apply to all organisations handling personal details of EU citizens and require certain measures to be put in place regarding data protection. One significant aspect of the GDPR is that it requires all data breaches to be reported to the relevant supervisory authority within 72 hours of any data breach and as such it is likely that cyber crime levels will see an increase after the introduction of these regulations.

<sup>1</sup> Cyber Information Sharing Partnership - a free service of vetted companies to communicate on a secure platform.

<sup>2</sup> Cyber Essentials - a free government scheme to ensure businesses have the basic cyber hygiene requirements to protect their networks and data.

## 2.2 DRUGS

### THE THREAT

Drugs offences<sup>3</sup> reached their highest level in 2015/16<sup>4</sup> in Northern Ireland. Levels subsequently fell by 2.6% between 2015/16 and 2016/2017. The PSNI, along with other law enforcement agencies, continue to conduct a wide range of drugs operations. These range from investigations targeting the importation and large scale supply of drugs to street level dealing. One example is Operation Torus, a high profile operation specifically targeted at 'street level drug dealing' which started during 2012 and has continued during 2016/2017, running twice during the year for several weeks at a time.

Deaths as a result of drugs misuse continue to be a concern for the PSNI and a number of public sector agencies, with a variety of both illegal and prescription drugs suspected of being a contributory factor in a number of deaths in Northern Ireland. Although official figures for 2016 show a reduction in drug related deaths compared to 2015, deaths linked to drug misuse were on an upward trend for the nine years prior to this. Levels reached a peak of 114 during 2015, with the highest levels recorded and levels up by 58% since the start of the data set in 2006.<sup>5</sup>

### CANNABIS

While the total number of cannabis seizure incidents reduced by 2.5% during 2016/2017 with 4,332 compared to 4,445 in 2015/16, cannabis remains one of the main drug types in Northern Ireland in terms of amounts seized. In particular, herbal cannabis and cannabis resin make up a large proportion of drugs seized during 2016/2017.

There were fewer seizures of herbal cannabis during 2016/2017 but a notable increase in the overall amount seized (up 33kg). Conversely there were more seizures of cannabis resin during 2016/2017 but a reduction in the amount seized. This reduction is likely to be attributed to an unusually large seizure of approximately 165kg during the 2015/2016 financial year.

The 2016/2017 financial year recorded a significantly lower amount of cannabis plants seized and this is likely the result of fewer cannabis cultivation facilities (farms) being discovered with 39 in 2016/2017 compared to 52 during the previous financial year, a reduction of 25%. In line with previous years, the majority of these facilities continue to be concentrated in the Belfast city area.



### HEROIN

For the second consecutive year there has been an increase in the number of seizures of heroin as well as the amount of heroin seized. Heroin seizures increased from 110 during 2015/16 to 149 in 2016/2017, an increase of 35.5%. Heroin powder and heroin wraps are the most common forms of heroin in circulation and both have noted higher levels from last year in terms of seizure incidents and amounts seized.

Heroin powder has seen the biggest increase in both categories with seizures up by 31 to 70 during 2016/2017 compared to 39 in 2015/2016, an increase of 79.5%. The amount of heroin powder seized saw a significant increase with 5,043.6g seized during 2016/2017 compared to 598.5g during 2015/2016. This is mainly due to one notable seizure in the Belfast area in September 2016 during which 3,920g of heroin powder was seized.

2015 figures show a significant increase in the number of times heroin/morphine<sup>6</sup> was mentioned in death certificates in Northern Ireland (from 11 in 2014 to 27 in 2015); figures are not yet available for 2016.<sup>7</sup>

3 Trafficking of controlled drugs, Possession of controlled drugs, Other drug offences.

4 All statistics relating to drugs seizure incidents, seizure amounts and arrests - from Police Recorded Drug Seizures and Arrests in Northern Ireland, and Police Recorded Crime in Northern Ireland - both published on 17 May 2017.

5 All statistics relating to deaths - from NISRA (January 2018) "Drug Related and Drug Misuse Deaths 2006-2016" - Date of publication 19 December 2017.

6 Heroin (diamorphine) breaks down in the body into morphine therefore a combined figure must be given.

7 All statistics relating to deaths - from NISRA (May 2017, date published 29 March 2015). "Drug related deaths and deaths due to drug misuse by sex and registration year, 2006-2015". "Drug related deaths where selected substances were mentioned on the death certificate by registration year, 2006-2015".

Public toilets in Belfast city centre continue to be common locations for heroin users resulting in needles and other paraphernalia being discarded at the scene. This poses a notable risk to members of the public and as a result all city centre public facilities are due to have needle boxes installed, giving drug users the opportunity to safely dispose of their needles and in turn helping to reduce the risk to the general public. Belfast City Council run a waste needle collection service. Anyone, including businesses in the city centre, can report the find of needles to the council and they will have them collected and disposed of safely. Officers also regularly call in to check public toilets.

## FENTANYL

Fentanyl has recently been introduced as an additive to heroin in England and is assessed as a likely contributory factor in multiple heroin associated deaths. Fentanyl is a very strong opioid which is significantly more potent than morphine and anyone who uses heroin which contains even a small amount of fentanyl is at very high risk of overdose. The PSNI confirms that fentanyl has reached Northern Ireland and is already suspected of being a contributory factor in a small number of deaths. Levels of overdose and deaths linked to fentanyl will likely see an increase. This drug also poses a significant health and safety risk to those who come into contact with it and as such guidance is needed for officers and those who may be at risk of exposure.

## COCAINE

The overall number of cocaine seizures increased from 566 during the 2015/16 financial year to 620 for 2016/2017, an increase of 9.54%. Cocaine powder continues to be by far the most popular form of cocaine circulated in Northern Ireland and during 2016/2017 both the number of seizures and the amount of cocaine powder seized increased compared to 2015/2016. Seizure incidents increased by 62, with 594 seizures during 2016/2017 compared to 532 during 2015/2016, an increase of 11.65%. The amount of cocaine powder seized increased by 21.1kgs during 2016/2017 compared to the previous financial year.

## NEW PSYCHOACTIVE SUBSTANCES

The number of different types of New Psychoactive Substances (NPS) and the wide availability of these substances, especially online, make it extremely difficult to tackle the issue. The rate at which new chemical formations are devised means that regulating the substances under legislation such as the Misuse of Drugs Act 1971 is very problematic. This also means that the person taking the drugs is unaware of the effect and dangers they could be exposing themselves to or those they give the drugs to. The Psychoactive Substances Act 2016 commenced on 26 May 2016 and prohibits the production, distribution, sale and supply of psychoactive substances, often incorrectly called 'legal highs'. It is hoped that the Act will reduce the supply of, and demand for, these drugs.

## PRESCRIPTION DRUGS

There continues to be a significant amount of prescription medication, in particular diazepam, being brought into Northern Ireland, with the internet continuing to facilitate suppliers and users by making these drugs more accessible. Prescription drugs are also suspected of being linked to a number of drugs deaths across Northern Ireland, however official figures for deaths linked to prescription drugs during 2016/2017 are not currently available.

## CONFRONTING THE THREAT: OCTF RESULTS

Possession of drugs offences fell by 2.1% during the 2016/2017 financial year compared to 2015/2016 financial year which experienced the highest level recorded since the start of the PSNI data series. Trafficking of drugs also fell by 5% during the 2016/2017 financial year compared to 2015/2016.

A slight reduction in drug seizure incidents was noted in the 2016/2017 financial year with seizures reduced by 0.9% compared to 2015/16. There was also a reduction in the number of drugs related arrests during the 2016/2017 financial year with arrests down 8.5% compared to the 2015/16 financial year.

## DRUG SEIZURE INCIDENTS SINCE 2006/07

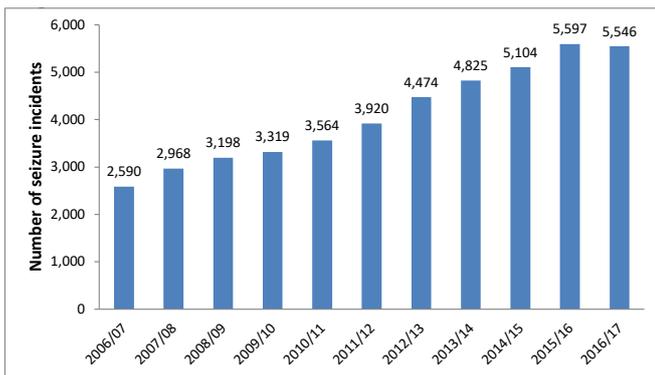


Figure 1: Source PSNI

### Case study

Op Akela - on 12 November 2016 Police stopped a lorry and a car at Ballygawley Road, Dungannon. The vehicles were searched and officers found approximately 40kg of cannabis resin, approximately 1kg of white powder (believed to be Class A drugs, cocaine) and a 25kg drum of mixing agent. Three individuals were arrested for drugs and money laundering offences and follow up searches resulted in a further 11kgs of cannabis resin, 3kgs of herbal cannabis, grinders, a vacuum packing machine and related paraphernalia being recovered along with over £60,000 cash. All three persons were charged with drugs and money laundering offences.

### Case study

Op Delafield - on 23 September 2016 PSNI Officers stopped a vehicle travelling along the Westbank Road, in the docks area of Belfast. This vehicle was towing a flat-bed style trailer and it had just disembarked from the ferry from Scotland.

Police uncovered a concealed hide underneath the floor of the trailer and located 4kg of heroin, 16kg of cocaine and two blocks of cannabis resin with an estimated street value of £1.3 million. The driver of the vehicle was arrested and subsequently charged with drugs offences.

### Case study

Op Wundt - on 7 May 2016 police stopped and searched a vehicle at Moorfield Road, Ballymena and located a large cardboard box in the cab of a lorry containing approximately 15kgs of suspect herbal cannabis. The vehicle had recently disembarked from the ferry at Larne Harbour. The driver of the lorry was arrested and subsequently charged with drugs related offences.

### Case study

Op Meris - as part of an investigation into the activities of an organised crime group suspected of importing controlled drugs into Northern Ireland police made six intelligence led interventions across Northern Ireland between September 2013 and August 2014 and seized consignments of cocaine and cannabis valued in excess of £2.2 million. In a series of initial trials nine persons were convicted and sentenced for their role in each of the consignments. In December 2016 a total of 12 further defendants pleaded guilty to their respective roles in the above six consignments and received sentences ranging from nine years imprisonment to three years imprisonment with three defendants receiving suspended sentences. Serious Crime Prevention Orders were obtained in respect of three of the persons sentenced.

### Case study

Op Reyan - on 22 April 2016, as part of a proactive joint investigation with An Garda Síochána in respect of an organised crime group involved in the importation and supply of large quantities of controlled drugs, police searched three vehicles at Derrymacash Road, Lurgan and recovered herbal cannabis with an estimated street value of £300,000 in 15 vacuum packed plastic bags. All three occupants of the vehicles were subsequently arrested and charged with possession and possession with intent to supply Class B controlled drugs.

### Case study

Op Conjoined was an international drugs investigation led by the NCA, supported by PSNI. A Birmingham-based OCG had smuggled cannabis into Northern Ireland, however, they were under surveillance and were observed packing 167kg of cannabis resin into a white van at a retail park in Camlough, Co. Armagh. The drugs, which had a potential street value of £800,000, had been hidden among orange juice cartons in pallets imported from Spain via Dublin. A further 122Kg of an amphetamine precursor was seized in Spain. Three members of the OCG were jailed for a total of three and a half years after pleading guilty to importing a Class B drug and possession of a Class B drug with intent to supply.

### Case study

**Cocaine seizure at Belfast City Airport** - in May 2016 an Irish national was intercepted by a Border Force Officer at Belfast City Airport on his arrival from Heathrow having started his journey in Peru, South America. A search of his baggage revealed 15 polo shirts which were wrapped around 15 packages suspected to contain controlled drugs. The suspected drugs were seized and the passenger was arrested on suspicion of being knowingly concerned in the illegal importation of controlled drugs. The substance was field-tested and gave a positive indication for the Class A controlled drug cocaine. The drugs seized were forensically analysed and were confirmed to be cocaine with a weight of 10kgs and a purity of between 64-89%. These drugs have an estimated street value in Northern Ireland of approximately £3 - £3.7 million. The offender was sentenced to seven years imprisonment at Laganside courts.



### Case study

Op Torcel is a NCA investigation into the postal importation of high-purity cocaine into Northern Ireland. In August 2016, a Nigerian male was sentenced to six months' imprisonment, suspended for 12 months, for money laundering offences. The offences were connected to the detection and seizure of high-purity cocaine with a street value of £2.3 million. The cocaine was hidden inside Ferrero Rocher chocolates, glass vases and shoe brushes. The cocaine, weighing 2.2kg was sent through the postal service and was destined for addresses in Belfast. A second individual is currently wanted in connection with the drugs importation.

### Case study

**Class C prescription drug seizure at Belfast International Airport** - in January 2017 Border Force officers at Belfast International Airport intercepted a British female passenger who had arrived on a flight from Alicante in Spain. A search of her baggage revealed 24,000 Zopiclona tablets, commonly known as sleeping pills. She held no prescription from her GP for the goods and no import licence. She was arrested and the case was adopted by the NCA. The passenger was charged with importing a controlled drug and is currently awaiting trial.



### Case study

**Cannabis seizures in freight at Belfast Docks & Belfast International Airport** - over 37kg of cannabis was seized by Border Force Officers working at Belfast Docks and Belfast International Airport in the last year. Seizures were made from air freight and parcel depots arriving from a variety of countries including Germany & Italy. Seizures have been adopted by the NCA and PSNI for further investigation.



## 2.3 MODERN SLAVERY AND HUMAN TRAFFICKING

### THE THREAT

Northern Ireland's most recent anti-slavery legislation, the Human Trafficking and Exploitation (Criminal Justice and Support for Victims) Act (Northern Ireland) 2015 came into effect in 2015. The purpose of the Act is "to make provision about human trafficking, slavery and other forms of exploitation, including measures to prevent and combat such exploitation and to provide support for victims of such exploitation; and for connected purposes".

The PSNI Modern Slavery Human Trafficking Unit (PSNI MSHTU) has designed its own screening assessment to safeguard victims through early recognition and subsequent intervention. If deemed to be a potential victim of human trafficking<sup>8</sup> (PvOT) the PSNI will refer the person to the National Modern Slavery Human Trafficking Unit (MSHTU), formally known as the UK Human Trafficking Centre (UKHTC).



### CONFRONTING THE THREAT: OCTF RESULTS

During the 2016/2017 financial year, the PSNI MSHTU conducted 308 screening assessments. This is an increase from the 2015/2016 financial year which saw 252 persons screened. From the 308 screening assessments in 2016/2017, 34 potential victims of human trafficking were recovered in Northern Ireland and referred into the National Referral Mechanism (NRM).

Countries with more than one potential victim of human trafficking rescued during 2016/2017 were Romania, China, Lithuania, Albania, Bulgaria, Nigeria and Vietnam. Other countries with single victims include Zimbabwe, Zambia, Mongolia, Taiwan, Sierra Leone, Somalia, Iran, Republic of Congo, Afghanistan and Pakistan.

The main issues for law enforcement continue to centre on sexual and labour exploitation, with 15 and nine victims rescued from these two exploitation types respectively in 2016/2017. Five victims were rescued from criminal exploitation, two from domestic servitude and three victims from unknown forms of exploitation.

The PSNI continues to work in collaboration with national and international law enforcement and other statutory and non-statutory agencies to combat human trafficking and modern slavery in Northern Ireland.

The following case studies provide an illustration of the work the OCTF has undertaken to combat human trafficking and modern slavery.

#### Case study

Op Flaxy - a multi agency operation involving Border Force, PSNI MSHTU and HMRC which targeted human trafficking and immigration abuse in the fishing industry. Border Force detained 13 non EU workers from various fishing vessels.

#### Case study

Op Outrun - a series of multi-agency operations involving Border Force, PSNI's Human Trafficking Unit, HMRC and the NCA targeted flights at Belfast International & Belfast City Airport for human trafficking. A number of referrals were made to HMRC and PSNI for further investigation. Activity involved speaking to travellers as well as raising awareness around human trafficking/modern slavery when travelling or in the local community. Leaflets were also distributed to passengers.

<sup>8</sup> Within the "Human Trafficking and Exploitation (Etc.) Act (NI) 2015" the offence of human trafficking is defined as the following; "A person ("A") commits an offence if A arranges or facilitates the travel of another person ("B") with a view to B being exploited". "A person is exploited only if one or more of the following subsections apply in relation to the person: slavery, servitude and forced or compulsory labour; sexual exploitation; removal of organs etc.; securing services etc. by force, threats or deception; securing services etc. from children and vulnerable persons.

### Case study

Op Burgrave - this was a proactive investigation into the human trafficking for sexual exploitation of vulnerable females across Europe by a Romanian organised crime group. 12 victims were identified, six arrests were made in Belfast, Stockholm and Bucharest and assets recovered in Romania. In January 2016, PSNI extradited two Romanian nationals from Sweden for their involvement in a two year human trafficking investigation for sexual exploitation. This was a joint investigation between PSNI and Swedish law enforcement through Europol and Eurojust. The defendants were initially prosecuted in Sweden and were sentenced to four years' imprisonment. In Belfast, in May 2016, both suspects pleaded guilty to human trafficking in Northern Ireland. Each defendant was sentenced to two years' custodial sentence in June 2016. Deportation orders are in place for the suspects when they are released from custody.

### Case study

Op Chabeta - this is an investigation into the trafficking of 22 Romanians for labour exploitation in August 2014 in the Craigavon/Portadown area. The victims were brought to Northern Ireland willingly to work in the food processing industry. They were provided with accommodation and found legitimate work through an employment agency by an illegal gangmaster. The illegal gangmaster either received the pay cheques from the employment agency and took the victims to the bank to cash a cheque and then took the money, or had the wages paid into their own bank. In July 2016, three suspects pleaded guilty to human trafficking and were sentenced in September 2016 at Craigavon Crown Court. Ioan Lacatus was sentenced to two and a half years for conspiracy to traffic within the UK for exploitation and for five counts of trafficking of people into the UK for exploitation, converting criminal property and acting as an unlicensed gangmaster. His partner Christina Covaci was sentenced for two years, suspended for converting criminal property and entering an arrangement to acquire criminal property. Christina's brother, Samuil Covaci received a conditional discharge for conspiracy to traffic within the UK for exploitation, due to the time he already served on remand.

### Case study

Human trafficking at Belfast City Airport - in October 2016 two Taiwanese females arrived from Amsterdam seeking leave to enter as visitors. During questioning they stated that a taxi was going to pick them up and the driver would be taking them to various tourist locations throughout their eight day stay. A baggage search revealed items that suggested they would be involved in the sex trade. Border Force officers suspected that both females were potential victims of trafficking and liaised with the PSNI MSHTU. After checks were conducted the taxi driver was wanted by the PSNI for various human trafficking offences. He was an Irish national from Dublin, originally from Malaysia. Border Force and PSNI worked closely together to facilitate the arrest of the taxi driver when he arrived anticipating to collect the females. Both passengers were refused leave to enter; they were interviewed by the PSNI Human Trafficking Unit and detained pending further investigation and removal. The taxi driver was subsequently charged with human trafficking offences.



Photograph Courtesy of Gangmasters and Labour Abuse Authority.



The DoJ produced the second annual Human Trafficking and Modern Slavery Strategy, covering the period 2016/2017, in line with section 12 of the Human Trafficking and Exploitation (Criminal Justice and Support for Victims) Act (Northern Ireland) 2015. The strategy built on the 2015/16 Human Trafficking and Exploitation Strategy with an overarching aim of equipping Northern Ireland to eradicate human trafficking and modern slavery and identifying and protecting victims.

This aim was supported by the following four strategic priorities:

- ❶ **Pursue:** effective detection, disruption, investigation, prosecution and conviction of offenders;
- ❷ **Protect and support:** improved identification of victims and the provision of effective protection and support;
- ❸ **Prevent:** prevent and reduce risk of modern slavery offences in Northern Ireland; and
- ❹ **Partnership:** effective, collaborative and joined-up partnership response.

Work has been progressed on a multi-agency basis. During the reporting period, PSNI's dedicated Modern Slavery Human Trafficking Unit made 10 arrests, conducted 27 searches under warrant and carried out 52 safeguarding visits/non-warrant operations for labour and sexual exploitation. Four persons were charged with modern slavery/human trafficking and/or related offences and nine persons reported to the PPS for modern slavery/human trafficking and/or related offences.

Other key achievements have included:

- ❶ further work to engage with key sectors who may interface with victims, for example, solicitors and prison staff, to develop capacity, raise awareness of signs and indicators and ensure that victims are identified and suspicions reported to PSNI;
- ❷ focus on engagement with at-risk communities, including migrant workers to mitigate risk of exploitation and reduce vulnerabilities;
- ❸ the introduction of the Slavery and Trafficking Prevention Order (STPO) regime on 1 April 2016; and
- ❹ hosting a cross-border forum on modern slavery and trafficking for labour exploitation, which took place on 22 June 2016, to raise awareness amongst employers of responsibilities, risk and of the requirements under the new 'Transparency in Supply Chain' regulations that came into force in October 2015.

## FORWARD LOOK...

Work has commenced on the development of a Modern Slavery and Human Trafficking Strategy for the 2017 - 2019 period. This will build on and develop work to deliver against the existing strategic priorities. Partnership is key to an effective response to modern slavery and a whole-society response is needed. That is why, looking forward we are likely to see a renewed focus on training and awareness across key sectors and the wider public, as well as measures to enhance the experience of victims who are referred into the NRM and provisions to improve data collection, as part of the wider NRM reform programme.

## 2.4 ORGANISED IMMIGRATION CRIME

### THE THREAT

Various OCTF partners are working to disrupt organised crime involving the movement of people, goods and money in and out of Northern Ireland.

Immigration Enforcement, a Directorate of the Home Office, is responsible for protecting the public by removing immigration offenders, prosecuting the criminals who facilitate immigration crime and driving cross-sector action to increase compliance with immigration law.

Immigration Enforcement conducts enforcement operations against a range of immigration crime in Northern Ireland, including facilitation, document fraud, sham marriages, rogue employers and illegal workers. In Northern Ireland, Immigration Enforcement also has an important role to play in protecting our borders and working in partnership to strengthen the Common Travel Area (CTA) which is open to exploitation by illegal migrants.

### CONFRONTING THE THREAT: OCTF RESULTS

During 2016/2017 enforcement activities with OCTF partners has strengthened Northern Ireland's capacity to tackle immigration crime and, in doing so, has disrupted and dismantled the organised criminals behind it. **53 convictions** were secured in addition to civil penalties running into hundreds of thousands of pounds; and losses to the exchequer of potentially hundreds of thousands of pounds were uncovered.

Immigration Enforcement uses all available powers to intercept, arrest and prosecute immigration offenders, including foreign national criminals seeking to circumvent UK immigration controls due to their criminal histories.

### Case studies

**May 2016:** A Romanian national sought to travel to Scotland having entered the UK in breach of a Deportation Order. He had previously received a six year custodial sentence in the UK for causing death by dangerous driving. He has been deported to Romania.

**July 2016:** An Afghan and a Pakistani national who had attempted to circumvent UK border controls by entering across the land border were found to be travelling with forged UK driving licences; both were prosecuted and sentenced to six months in prison.

**October 2016:** An investigation into the employment of illegal workers in a restaurant identified three illegal workers; they were the first in the UK to be prosecuted under new illegal working legislation and each received a three month custodial sentence.

**January 2017:** A Romanian national sought to travel to Scotland having entered the UK in breach of a Deportation Order. He had previously received a seven year custodial sentence in Romania for fraud, theft and carrying an offensive weapon. He has been deported to Romania.

**February 2017:** A Romanian national sought to travel to Scotland; he would have been refused entry to the UK had he presented himself to a Border Force Officer at a UK port having previously received a twelve year custodial sentence in Italy for murder and robbery. He has been removed to Romania.

**March 2017:** A Lithuanian national sought to travel to Scotland; he would have been refused entry to the UK had he presented himself to a Border Force Officer at a UK port having previously received a nine year custodial sentence in Sweden for drugs offences. He has been removed to Lithuania.

## FORWARD LOOK...

In the coming year, increased partnership working combined with legislative and technological advances will provide many opportunities for Immigration Enforcement to extend its reach, making it increasingly difficult for people to live or stay in Northern Ireland illegally and for criminals to commit immigration related crime.

Immigration Enforcement will continue to intervene upstream through its overseas networks to disrupt organised criminals abroad and provide intelligence to the visa issuing process to prevent inadmissible passengers from travelling to the UK, including building on the work that it conducts with immigration officials in Ireland to ensure that individuals who would not be admissible to either jurisdiction are unable to travel to the CTA.

Immigration Enforcement will seek to fully exploit all the measures in the Immigration Acts 2014 and 2016 to tackle illegal immigration; **the team in Northern Ireland was the first in the UK to convict an individual (rather than an employer) for the offence of illegal working.**

Immigration Enforcement will build on its work with Northern Ireland's OCTF partners and Ireland's law enforcement agencies to target foreign national offenders and organised immigration crime. Immigration Enforcement will continue to play its part in the cross border organised crime structures under the Fresh Start agreement and continue its work with An Garda Síochána and UK Border Force in conducting intensification campaigns to tackle cross border and wider immigration crime.

## 2.5 BORDER CRIME

### THE THREAT

**Border Force** is responsible for securing the UK border and controlling migration at maritime ports and airports. Border Force strategic objectives are to deter and prevent individuals and goods that would harm the national interest from entering the UK; to facilitate the legitimate movement of individuals and trade to and from the UK and to protect and collect customs revenues from trade crossing the border. Border Force are responsible for: checking the immigration status of people arriving in and departing the UK; searching baggage, vehicles and cargo for illicit goods or illegal immigrants; patrolling the UK coastline and searching vessels; gathering intelligence and alerting the police and security services to people of interest.

### CONFRONTING THE THREAT: OCTF RESULTS

Border Force results during 2016/2017 include seizures of:

- 15kg Class A drugs
- 37kg Cannabis
- 1.1million cigarettes
- 588kg Hand Rolling Tobacco
- £12000 cash under the proceeds of crime
- 47 offensive weapons
- 7 Strategic Exports
- 23 Forged travel documents detected
- 113 people refused leave to enter the UK

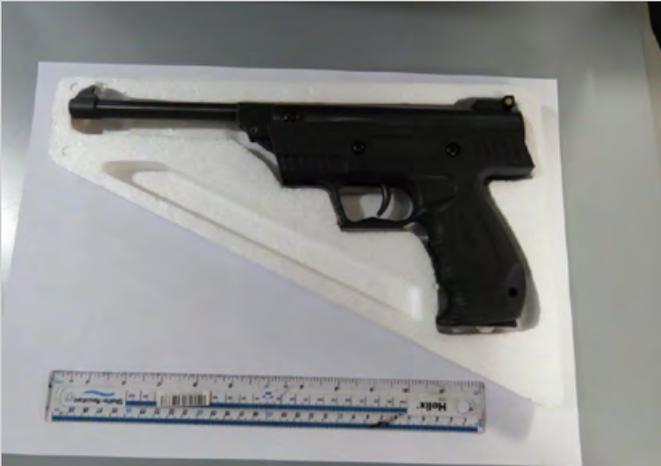
### Case study

**Op Boxed** - A series of multi-agency operations involving Border Force, the NCA and PSNI targeting Class A drugs and cash movements at Belfast City Airport, Belfast International Airport and Belfast Central train station. Trains from Dublin were targeted to coincide with Tennents Vital at Boucher Road Playing fields for Class A drugs & cash movements. Border Force and the PSNI also provided detector dog support.



### Case study

Border Force officers have intercepted 45 offensive weapons and two imitation firearms from passengers arriving at Belfast International Airport in the last year. Most commonly flights from Bulgaria have seen the largest seizures as the weapons are openly for sale in the markets and shops of the popular holiday resorts. Prosecutions have been adopted by the NCA for a number of seizures.



### Case study

Op Anakin - In early January 2017 in a joint planned Border Force and HMRC operation, Border Force officers intercepted and arrested four passengers and seized 24,000 cigarettes at Belfast International Airport. Non EU one - way flights to Turkey were purchased to obtain boarding passes so duty free cigarettes could be bought. Domestic flights to Glasgow were also purchased. The intention was to divert the goods onto the UK market without exporting them out of the EU. Border Force officers intercepted the passengers as they were about to board a flight to Glasgow. A further three arrests were made by Border Force in relation to duty free scams and 13,000 cigarettes were seized in late January 2017. Liaison with HMRC in this area continues.

### FORWARD LOOK...

Border Force has seen an increase of undocumented arrivals due to the European migrant crisis. This is being facilitated by organised criminal groups who are exploiting individuals.

### Case study

In September 2016, six Iranian nationals and two Pakistani nationals were detected at Belfast International and City Airports using forged documents to gain entry into the UK. In relation to the Pakistani nationals, two British nationals were arrested for facilitating illegal entry and charged with immigration offences.

## 2.6 CRIMINAL FINANCE

### THE THREAT

Financial gain is very often, although not always, the driver behind organised criminal activities. Criminal finance covers a variety of organised crime activities including money laundering and fraud and a range of OCTF partners are engaged in responding to the threat posed.

### MONEY LAUNDERING

In acknowledging the importance and the significance of the need to combat financial crime and specifically money laundering, the PSNI recently reformed their Economic Crime Unit (ECU). A specifically dedicated Asset Confiscation & Enforcement (ACE) Team is located within the ECU Central Team in Belfast. They provide a service throughout the PSNI with the objective of identifying criminal benefit and property and having it removed from criminals.

The PSNI's ACE Team regularly works with partner agencies to assist in identifying all assets belonging to defendants. The Team will pursue assets that are not readily available, such as pensions, which involves working with HMRC in relation to tax liabilities in early termination of policies.

In addition, the ECU has Area Hubs located throughout Northern Ireland who have financial investigators trained in restraint and confiscation. The hubs provide a similar service to the ACE Team but on a more localised scale.



### SCAMS

Many organisations and agencies work in partnership to tackle the growing number of scams and educate the public in the latest methods used by offenders.

Examples of scams noted in Northern Ireland during the past year include:

- 🕒 **Computer Software Service Fraud** – Persons purporting to be from legitimate companies, such as Microsoft, TalkTalk or BT, contact victims via telephone claiming that there is an issue with the victim's computer or broadband service which they can fix for a fee. Victims may be asked to provide remote access to their computer which may enable malware to be installed, or they may be directed to a payment site. There have also been instances where offenders have told victims that they are entitled to a refund or compensation, but have been overpaid and need to reimburse the overpayment to the company. As no original payment was ever made the victim is thereby defrauded of any monies paid. There were 376<sup>9</sup> reports of this type of fraud in Northern Ireland during the 2016/2017 financial year which is an increase of 36% compared to the previous financial year (275).
- 🕒 **Holiday Fraud** – Persons claiming to be from legitimate holiday companies target all aspects of holidays, from setting up fake booking websites to issuing false airline tickets. This type of fraud has noted a significant increase in the UK and Northern Ireland consumers are just as vulnerable to falling victim to this type of fraud.
- 🕒 **ATM Fraud** – Skimming devices and card catching devices continue to be noted sporadically at ATM machines across Northern Ireland, often with multiple machines in the same town being targeted. These crimes can result in substantial financial loss to an individual, and significant gains to the organised criminal groups who are fitting and monitoring these devices.
- 🕒 **Vehicle Fraud** – Victims who are genuine sellers who have listed vehicles for sale on online car sales or auction sites are contacted by persons purporting to be interested purchasers who may agree to purchase the vehicle on the condition that the seller pays shipping or

transport fees first. Once this payment has been made the purchaser cannot be contacted. Alternatively, victims may pay upfront for a vehicle listed for sale only to find that the vehicle does not exist, and the seller cannot be contacted.

- **Mass marketing mail scams** – Each year these scams, which often target vulnerable or disadvantaged consumers, cause approximately £3.5 billion worth of detriment to UK consumers.

## CONFRONTING THE THREAT: OCTF RESULTS

### Case study

Officers from the Department of Health commenced a criminal investigation into the unauthorised supply of veterinary medicines by a practising vet. Following discussions at an OCTF meeting, the services of a Financial Investigator from the PSNI's Economic Crime Unit was offered to progress a confiscation application.

On 9 October 2015 the vet pleaded guilty to four counts of Supply of Unauthorised Veterinary Medicinal Product contrary to Regulation 27(1) of the Veterinary Medicines Regulations. In essence the vet was supplying farmers with drugs, including antibiotics, which can only be administered by a vet with the animal's passport then being updated. This is to prevent the immediate slaughter of the animal and risk of contaminated meat entering the human food chain. He was also selling other veterinary medicines without a licence. On 16 October 2015 the vet pleaded guilty to two counts of money laundering contrary to section 329 of the Proceeds of Crime Act 2002. A restraint application was made to Belfast High Court and granted prior to conviction and then a lengthy confiscation process commenced which included engaging the services of forensic accountants. At Antrim Crown Court a confiscation order was granted with the vet's benefit assessed at £515,000 and his available amount assessed at £515,000. The vet had the means to pay this order and signed over authority to have approximately £400,000 paid immediately from a restrained bank account, he was given three months to pay the order or two years in default. The full £515,000 was paid.

## ACTION FRAUD

All incidents of fraud and related cybercrime in Northern Ireland should now be reported directly to Action Fraud, unless requesting a call for service.<sup>10</sup> During the 2016/2017 financial year Action Fraud recorded a total of 3,170 offences compared with 2,230 in 2015/16 which equates to **an increase of 42%**.

## TRADING STANDARDS SERVICE

The Trading Standards Service (TSS) works to tackle mass marketing scams and disrupt the operations of perpetrators behind mail scams. It works in partnership with agencies across the country and with the Trading Standards National Scams Team to identify and support victims of mass marketing fraud and reach out to all the known scam victims in Northern Ireland – names that appear on a 'Sucker's List' - a list of people that have sent money off to scammers. In the majority of cases victims have lost thousands of pounds and have been identified as incredibly vulnerable. TSS officers visit victims and provide invaluable advice and support to each person as well as investigating, where possible.

Ongoing criminal investigations, as well as a robust education and awareness-raising policy, has brought the problem of scams to the fore of the public's attention.

TSS continues as a member of the UK Mass Marketing Scams Group which shares intelligence and helps formulate policy on protecting vulnerable consumers in the UK from being caught out by sophisticated and extremely detrimental scams. The group contains members of all the major enforcement bodies such as the TSI National Scams Team, The Competition and Markets Authority, The NCA and Regional Scambusters.

<sup>10</sup> 'Call for Service' – when a fraud is being committed, or recently occurred (within 24 hours); or, were you know the suspect and they reside in Northern Ireland; or, were the victim is perceived to be vulnerable (this may be through age, or by way of mental, or physical impairment, or in need of care and support); or, finally were you believe that it is important to report the incident to police in order that police can secure and preserve evidence, or prevent loss (i.e. CCTV, recover large amounts of money transferred from bank accounts before the criminal can remove it). <https://www.psnipolice.uk/crime/fraud/Reporting-Fraud/>

In 2016/2017 pro-active work to combat mass marketed scams include:

- ❶ involvement in ScamwiseNI with the PSNI, DoJ, Commissioner for Older persons, the Consumer Council and Age Sector Platform. Publicity is given on websites and in the media and by advertising about ScamwiseNI and particular campaigns are launched targeting scams. Individuals who have been scammed have come forward and videos made of how they have been scammed and the impact on them;
- ❷ work with advertisers to try and stop scammers from posting adverts;
- ❸ actively participating in the COSLA/NTSST initiative involving the training of local Royal Mail staff which will enable postal workers to identify scam posts and make referrals to their internal security team. These referrals help the Trading Standards Service to identify potential scam victims;
- ❹ presenting at major charity/government events to local community groups on the issue of mass-marketed scams;
- ❺ meetings with a wide range of organisations/ stakeholders to highlight the detriment caused to citizens by scams e.g. PSNI, Church Leaders, Health and Social Care Board, Safeguarding Teams in the Health Care Trusts, Older Persons Commissioner's Office, Carer Groups, the Rural Community Network, Dementia Care and others;
- ❻ identifying opportunities for a more 'joined up' working approach to combating scams e.g. TSS has been working with local Crime Prevention Officers as it appears that scam victims are also targeted by a rogue doorstep traders;
- ❼ undertaking educational work with social workers, carers, dementia groups to help them identify a scam victim. This has already proven to be very worthwhile in that scam victims have been identified by care workers. This has resulted in referrals to TSS that has enabled the service to provide the victims with one to one advice and to persuade them to stop responding to scam mail;
- ❽ assisting the National Scams Team by participating in a pilot project relating to the use of 'call blockers' as a means to disrupt telephone scammers (These are devices which block scam phone calls while allowing legitimate callers to get through);

- ❹ contributing to the PSNI initiative to produce 'No Cold Calling' Stickers. The display of such stickers is to prevent a person from becoming the victim of a rogue doorstep trader; and
- ❺ working with the National Trading Standards "Friends Against Scams" campaign in presenting talks to a variety of partners and in publicising on local television.

## SOCIAL SECURITY BENEFIT FRAUD

**Counter fraud activities** within the Department for Communities (DfC) remain a high priority. During 2016/2017 financial year the Department's Single Investigation Service (SIS) carried out **4,138 benefit fraud investigations**. During the same period there were **280 convictions** for benefit fraud and **573 Administrative Penalties** (similar to a fine) imposed.

The SIS Organised Fraud Unit (OFU) investigates any incidence of potential organised criminality against the benefit system. During 2016/2017 the OFU completed investigations on **177 serious and complex fraud allegations** and raised overpayments totalling £404,000.

The focus for OFU has shifted towards organised and identity fraud. The OFU continues to undertake various assurance exercises in order to assess any potential risk associated with hijacked identities. OFU also investigates and disrupts the activities of criminals in order to mitigate these potential risks to the Department's systems. During 2016/2017 these exercises and activities involved:

- ❶ the establishment of a National Insurance number (NINo) forum within DfC to share best practise in matters relating to the security of the NINo Gateway;
- ❷ examination of potentially forged employment documents provided as evidence of low income or to satisfy the Habitual Residence Test when claiming social security benefits and tax credits;
- ❸ issuing Intelligence Reports to other law enforcement agencies in order to detect and prevent wider criminality; and
- ❹ multi-agency joint operations and investigations with our partners aimed at disrupting criminals who seek to exploit the NINo Gateway and the social security benefit system through hijacked identities, counterfeit documents and identity fraud.

The OFU maintains close working relationships with other law enforcement agencies. This close working relationship has led to joint operations with the PSNI, HMRC, Gangmasters Licencing Authority<sup>11</sup> and Home Office Immigration Enforcement. These joint operations have allowed for the sharing of intelligence and disruption of criminality.

The OFU maintains a close working relationship with colleagues from both the Department for Work & Pensions (DWP) and the Department of Social Protection in the Republic of Ireland with regard to possible cross border benefit frauds. During 2016/2017 the Department investigated a total of **26 cases with an element of cross border fraud, uncovering overpayments amounting to £131,000.**

Following on from the Northern Ireland Audit Office report “Tackling Social Housing Tenancy Fraud in Northern Ireland”, a key recommendation of the Public Accounts Committee was that the Department should urgently drive forward efforts to establish a baseline figure for the level of tenancy fraud in social housing in Northern Ireland. The exercise was conducted by the Department’s Housing Division and Housing Associations with assistance from OFU. The exercise proved beneficial in raising awareness of Housing Benefit and other social security benefits within Housing Associations. The exercise has acted as a foundation for building good relations between Housing Associations and OFU; with partnership working facilitating the sharing of best practice to help mitigate the risk of fraud and encourage the reporting of potential frauds to SIS for investigation.

The Department continues to work with DWP colleagues in order to utilise HMRC information in respect of earnings and non-state pension income to enhance its fraud and error prevention and detection capability. Information received from Real Time Information data enhances investigations allowing for quicker outcomes helping to reduce the loss to the public purse.

### Case study

Acting on suspicions raised by Maternity Allowance colleagues, SIS identified a number of claims with potential fraudulent activity. Investigating further, OFU uncovered a number of applications where the customer was allegedly employed through a recruitment agency for just long enough to qualify for Maternity Allowance but not long enough for the employer to have to pay Statutory Maternity Pay. The suspicious claims appeared to relate to customers living in England but the applications stated a Northern Ireland address. Working with colleagues in DWP, OFU identified twelve individuals connected to this emerging fraud. Liaising with Home Office, as some individuals were under investigation for other offences, DWP and SIS OFU uncovered a conspiracy involving Maternity Allowance fraud, forgery and sham marriages. The Northern Ireland cases attracted a Monetary Value Adjustment of £8,000 and to date the courts have handed down over 52 years in prison sentences.

### CONFISCATION/ INCENTIVISATION BY SSA FIU

During 2016/2017 SIS referred 236 cases to the Department’s Financial Investigation Unit (FIU) for consideration. The FIU secured **19 confiscation orders** to the value of £210,658.38, and voluntary payments from 19 people totalling £195,824.96, **giving a total recovery of £406,483.34.**

During 2016/2017 £207,297.82 was paid into the Northern Ireland Courts and Tribunals Service, and this earned incentivisation of £49,868.79 which continued to fund a Financial Intelligence Officer at EO2 grade and an Administrative Officer to undertake on-going employer data cleansing exercises.

11 Now known as the Gangmasters Labour Abuse Authority

**Case study**

The DfC Financial Investigation Unit obtained a confiscation order for £19,500 against a man who sold 10 acres of land adjoining his home for the sum of £165,000 while claiming social security benefits. The man had failed to report this to the Department. The benefit fraud came to light when it was discovered that the defendant had lodged the proceeds of the sale into his bank account.

**Case study**

The DfC Financial Investigation Unit obtained a confiscation order for £24,500 against a man who owned a driving school and worked as a self-employed driving instructor. The man was claiming benefits on the basis that he was unfit for work, and had failed to report his self-employment to the Department. Assets identified by the Financial Investigation Unit included six vehicles, shares, and equity in the defendant’s home.

**PUBLIC PROSECUTION SERVICE (PPS)**

The **Public Prosecution Service for Northern Ireland (PPS)** is responsible for applying to the Court for restraint and confiscation orders. Confiscation is an essential tool in the prosecutor’s toolkit to deprive offenders of the proceeds of their criminal conduct; to deter the commission of further offences; and to reduce the profits available to fund further criminal enterprises.<sup>12</sup> A confiscation order is made after conviction to deprive the defendant of the benefit obtained from crime. A restraint order has the effect of freezing property anywhere in the world that may be liable to confiscation following the trial and the making of a confiscation order. It may be made both against the defendant or person under investigation, and any other person holding realisable property.<sup>13</sup>

Confiscation orders made over the 2016/2017 financial year are broken down as follows:

Confiscation Orders:	
PSNI	13 cases with a total value of £1,721,533.83
Northern Ireland Environmental Agency	5 cases with a total value of £510,210.11
Department for Communities	19 cases with a total value of £210,658.38

Cash seizures in 2016/2017 are outlined below:

Cash Seizures:	
PSNI	98 seizures with a total value of £736,288.21
HMRC	11 seizures with a total value of £241,058
Border Force	£12,000

**NATIONAL CRIME AGENCY (NCA)**

The NCA’s Civil Recovery and Tax Team continues to support Northern Ireland’s law enforcement partners by receiving referrals and undertaking casework in order to reduce the impact of serious organised crime by recovering assets derived from unlawful conduct. Beyond making sure that crime does not pay, targeting criminal money flows and working capital can derail conspiracies, prevent further crimes taking place, damage criminals’ reputations with each other and by ‘shaking the tree’, connect higher level players to crime. Focusing on activity which delivers the best result in terms of cutting or disrupting organised crime, and using both civil recovery and taxation powers under POCA, the NCA targets the proceeds of crime where the criminal process is perhaps unable to, or, as part of a wider law enforcement response to the activities of an organised crime group.

12 CPS Proceeds of Crime Guidance [http://www.cps.gov.uk/legal/p\\_to\\_r/proceeds\\_of\\_crime\\_act\\_guidance/](http://www.cps.gov.uk/legal/p_to_r/proceeds_of_crime_act_guidance/)

13 CPS Proceeds of Crime Guidance

## Case study

Op CRINOLINE reflects the NCA's ability to attack the assets of criminals who operate across more than one part of the UK. This investigation centred on the finances of a large family-based organised crime group (OCG) who operated in Birmingham and Northern Ireland. The OCG was believed to be one of the UK's leading traffickers of heroin. The case was referred to the NCA by the PSNI and initially focused on the assets of an individual who ran an Indian take-away restaurant in Bangor, Co Down. The investigation swiftly expanded to include dozens of criminal associates and family members in Birmingham who had been used by the OCG to launder their criminal proceeds. Assets worth in excess of £2 million were recovered from the OCG, including three residential properties. Summary judgment was obtained against three Defendants who failed to engage with the proceedings, five Defendants agreed to a consent order under POCA, but the remaining three Defendants opted to take the matter to a three day trial and lost, which means they will also be pursued for substantial legal costs.

## FORWARD LOOK...

The UK's legislative, policy and operational frameworks for tackling money laundering and terrorist financing are currently subject to a Mutual Evaluation by the international Financial Action Task Force (FATF). It is important that these frameworks and operational responses are robust in order to prevent criminal abuse of the financial system. A strong response to money laundering will also reinforce our economic reputation internationally.

OCTF partners, particularly PSNI, PPS and DoJ are working with UK Government authorities to ensure that the arrangements to tackle money laundering in place in Northern Ireland are properly reflected and taken into account in the FATF Mutual Evaluation.

## 2.7 INTELLECTUAL PROPERTY CRIME

### THE THREAT

Intellectual Property Crime (IPC) is also known as "IP crime", "counterfeiting" or "piracy". Counterfeiting can be defined as the manufacture, importation, distribution and sale of products which falsely carry the trademark of a genuine brand without permission and for gain or loss to another. Piracy can be defined as the unauthorised use or reproduction of another's work.

There has been no real shift in the types of counterfeit goods being seized in Northern Ireland. They include clothing, alcohol, cosmetics, sunglasses, handbags, footwear, DVDs, CDs, electrical items and car accessories, for which a number of offenders were sentenced to time in prison.

The scale and distribution of IPC continues to grow through the use of the internet, with goods frequently advertised for sale via social media (e.g. Facebook), auction sites (e.g. eBay), and online classifieds (e.g. Gumtree).

The issue of Internet Protocol Television (IPTV) remains one of the main IPC concerns in Northern Ireland with homeowners purchasing various forms of "boxes" to stream digital TV channels, box sets and films, instead of entering into a contract and paying a monthly subscription to a registered broadcaster. A new law, the Digital Economy Act 2017, which received Royal Assent in April 2017, could mean stricter sentences for those using and profiting from streaming services such as Kodi. The copyright measures included are primarily targeted at those committing a serious offence, meaning anyone financially benefitting from/running a business selling illegal content could potentially face up to ten years in prison rather than the previous maximum of two years. It is unlikely that individuals who casually stream content on a sporadic basis would be prosecuted to the same extent.

## CONFRONTING THE THREAT: OCTF RESULTS

The Department for the Economy's Trading Standards Service (TSS) has been active in its attempts to tackle the effects of intellectual property crime in Northern Ireland in the past 12 months. TSS has carried out seizures of counterfeit goods. Investigations are ongoing and are expected to result in the prosecution of a number of offenders. Among the items seized by TSS in the last year are:

- 🕒 Designer clothing merchandise
- 🕒 Children's costumes
- 🕒 Make-up
- 🕒 Perfume
- 🕒 Jewellery

There has been an increase in the sale of counterfeit goods online and in social media sites, and TSS has concentrated hard on tackling this problem area through enforcement and removal of these sites. TSS has carried out a number of raids on business premises found to be selling fake goods.

TSS routinely works with other law enforcement agencies and OCTF partners to carry out seizures and share intelligence, ensuring that the most effective action is being taken against the rogue traders. TSS also continues to work very closely and successfully with trade mark owners and licensees, in gathering information for successful prosecutions.

TSS leads a multi-agency initiative to tackle the problems of fake alcohol in Northern Ireland with the successful prosecution of the business owner of a bar in Londonderry who was fined £1,500 for selling counterfeit vodka.

### Case study

Op LICINO - PSNI officers worked with FACT to target the illegal distribution of pay for view TV services. A search operation was carried out in February 2017 involving FACT and PSNI. One commercial and three domestic properties were searched. Technical equipment, computer equipment, and £77,000 in cash was seized. The investigation is ongoing with FACT analysing the technical and computer equipment seized. Two suspects have been interviewed and financial enquires and technical reports will be finalised before further interviews are carried out.

### Case study

Op Callander was a proactive investigation into the sale of counterfeit goods throughout Northern Ireland. During the initial phase of the investigation numerous Facebook sites were identified as selling suspect counterfeit goods. Trained officers were assigned to carry out covert internet investigations and gather evidential material contained on these sites. As a result of this activity several searches were carried out at residential properties in the greater Belfast area as outlined below:

#### 18 November 2016

Police searched a property in the Greater Belfast area and identified a large shed which was effectively being used as a showroom for counterfeit goods. A large quantity of brands such as Converse, Nike, Adidas, Ugg, Jo Malone, MAC, Molton Brown, Polo and others, were recovered. Two persons were reported for prosecution, one of them being a repeat offender. 332 items were seized at the address with a potential retail value of over £22,000.



#### 29 November 2016

Following Facebook identification a search was carried out in the North of Belfast. A bedroom was being used to store and display counterfeit items for sale. One person was reported to the Public Prosecution Service. There were 150 items seized, the majority Nike and Adidas, which would have achieved a retail value of over £15,000.

#### 1 December 2016

Officers researching Facebook identified an address in North Belfast and a search was carried out. Boxes of products were located at the address, including items carrying Ugg, Adidas, Hollister,

Ralph Lauren, Jack Wills branding. 113 items were seized with an estimated value of over £8,500 with one person recommended for prosecution.

### 5 December 2016

An active Facebook site was identified and an officer tasked to conduct a test purchase operation. This involved an online interaction with the seller and a face to face meeting to receive the goods. Following the handover, the seller was arrested, items seized from his vehicle, and a follow up search carried out at his home address. At the address, police recovered more counterfeit goods, plus records of customers, and pricing details. 64 items were seized with a potential value of over £5,000.

### 12 December 2016

During early December 2016 PSNI Crime Support Team, carried out a number of plain clothes operations at locations where it was suspected counterfeit goods would be on sale. During the course of these operations a number of vehicles were noted, and eventually linked to a business premises in Belfast Docks. Through in-depth investigation and research, a number of residential addresses linked to the business were also identified. On 12 December 2016, Crime Support Team, assisted by PSNI Tactical Support Group Officers, carried out simultaneous searches at four residential addresses and one commercial premise. As a result of these searches a large quantity of suspect counterfeit goods was seized, including brands such as Nike, Adidas, Converse, Canterbury, Louis Vuitton, Hollister, Jack Wills, Superdry, Timberland, North Face and Radley. Liaison with Brand Protection Managers is ongoing, and prosecution files in respect of four persons are being prepared. The total number of counterfeit goods seized during this part of the operation was in the region of 2,800 items, with a potential retail value in the region of £225,000. Just under £90,000 in cash was also seized and this is currently being reviewed under Proceeds of Crime legislation. One of the subjects of this investigation has 15 previous convictions for similar offences, and could potentially face a custodial sentence.



The PSNI Crime Support Team provided assistance to the DoJ, which commissioned a media campaign on behalf of the Northern Ireland Executive to raise public awareness around issues of organised criminality and its links to paramilitary activity. It highlighted how the purchase of counterfeit goods can fund criminal behaviour, such as drug dealing, and sought to challenge behaviours in this regard. The 'I am your money' campaign, #EndTheHarmNI, consisted of TV, radio, online, cinema and outdoor advertising; it ran from December 2016 to end of January 2017, and again in August-September.

Evaluation findings show that the campaign was successful in raising levels of awareness, even where such awareness was already at a relatively high level: there was an increase in the percentage agreeing that organised crime is a problem in Northern Ireland and 83% agreed that the advertising would influence them to think about the true consequences of buying illegal or fake goods. It is hoped that it will lead to increased reporting of intellectual property crime.

An officer within Crime Support Team has been tasked to liaise with the Intellectual Property Office in Wales. This collaborative working involves the production of 'aide memoires' which feature the 'I am your money' strapline, PSNI crest, and partner agency identities. These will be distributed through the PSNI, including District Training offices. It is also hoped that a National Centre for Applied Learning Technologies distance learning package can also be developed in the near future. This initiative is solely for the educational benefit of PSNI officers and will also assist in raising the profile of partners in the Intellectual Property Office.



## 2.8 ARMED ROBBERY AND EXTORTION

### THE THREAT

#### Cash-in-Transit (CIT) attacks

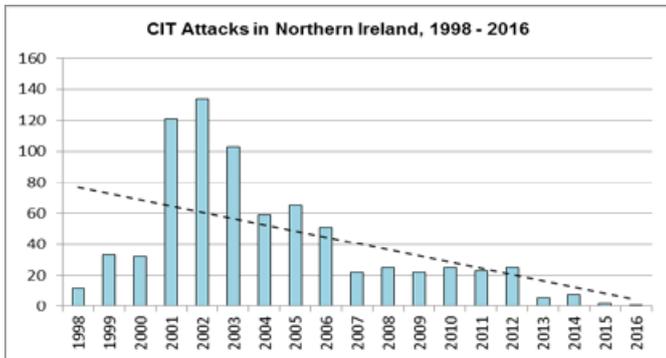


Figure 2: Source PSNI

CIT levels in Northern Ireland have been on a significant downward trend since 2007. The 2016 calendar year saw the lowest levels recorded since 1998 with only one successful CIT attack in February 2016. This is a major reduction from the record high of 134 attacks during the 2002 calendar year.

There are a number of issues which may be assisting in the continued low levels of CIT attacks noted in Northern Ireland. SaferCash has now been in operation for over a decade. This national network aims to reduce the number of CIT attacks through the sharing of information between law enforcement and industry partners.

#### Physical ATM Attacks

During the 2016 calendar year there were three physical attacks<sup>14</sup> on ATMs in Northern Ireland; two of which occurred in February 2016 and the third in December 2016. All three attacks were of a much less sophisticated nature than those that have been seen in previous years with no large scale plant machinery such as diggers used to facilitate the thefts. Only one of the three attacks was successful and resulted in the ATM being completely removed from the scene. In the other two incidents, damage was caused to the ATMs however no entry was gained.

#### ATM Gas Attacks

ATM gas attacks continue to be noted throughout the Republic of Ireland and the rest of the UK however there were none recorded in Northern Ireland during the 2016 calendar year. These attacks involve an attempt to fill the ATM with gas to blow the machine open. Such attacks present serious dangers and are potentially life threatening and the PSNI remain vigilant, with guidance procedures in place to deal with any future incidents.

#### Black Box Attacks

These attacks involve the offenders drilling holes into the fascia of the ATM to reveal the wiring before computer hardware is attached which instructs the ATM to empty itself of all the cash, known as ‘jackpotting’. Attacks involving this modus operandi have emerged in Great Britain and the Republic of Ireland and increased in mainland Europe in the last 12 months. However to date there have been no such attacks reported in Northern Ireland.

#### Tiger Kidnaps

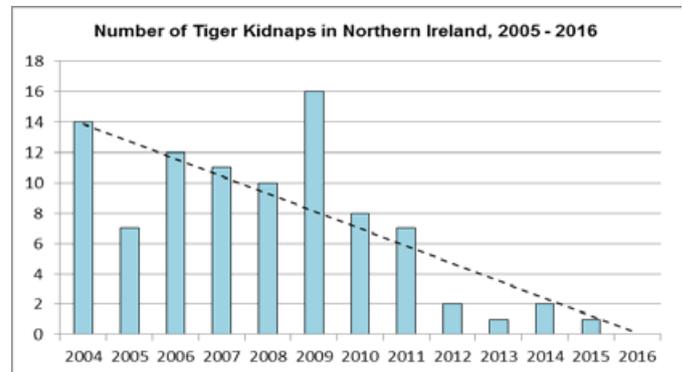


Figure 3: Source PSNI

Given the name “tiger kidnap” due to the predatory nature of the crime, this type of incident is terrifying for victims.<sup>15</sup> The sophisticated, calculated planning and the often violent execution of the attack, lends it to being carried out by the more organised criminal groups who are targeting the victims for a substantial gain (primarily cash). Since 2012 lower levels of tiger kidnaps have been noted in Northern Ireland and encouragingly there were no such incidents recorded during the 2016 calendar year.

14 These attacks refer to: the theft of ATM machines; attempts being made to remove a whole ATM machine; the forced opening of or attempt to break open an ATM machine to steal the money contained within it; they do not include incidents of criminal damage or the fitting of skimming devices.

15 Tiger kidnap definition - “A tiger kidnap/situation is the abduction or holding of a hostage (or claim of having done so) with the intention of forcing another person to facilitate the immediate theft of any valuables or concede some other form of ransom from an institution or business organisation.”

Historically victims have been linked to a number of financial institutions including banks and post offices, and a wide variety of retail outlets. As well as the more traditional forms of tiger kidnapping, it is important to be mindful of the possibility of attacks with a cyber-link, named “cyber tigers”. In this type of attack money may be moved by virtual processes rather than physically changing hands.

### Extortion

Information held by PSNI would suggest that paramilitary groups (both Loyalist and Republican), or individuals claiming to be from these groups, continue to be actively involved in extortion attempts, particularly the racketeering of small businesses and building sites in towns and cities across Northern Ireland. It is believed that significant underreporting occurs due to an unwillingness of victims to come forward to PSNI. Illegal money lending/loan sharking is also believed to continue; however, it is also rarely reported to police.

As with a number of other crime types, offenders are increasingly utilising the internet and social media sites to carry out offences. For example, extortions are being facilitated by way of ransom demands placed on businesses via ransomware attacks or individuals being extorted as a result of activity they have engaged in via social media, webcam or chat platforms.

### CONFRONTING THE THREAT: OCTF RESULTS

The NCA supported PSNI operations both in the United Kingdom and overseas. During the year, the NCA’s Specialist Operations Centre lent support and provided advice to the PSNI on 60 occasions and there were 44 reports of kidnap, extortion or blackmail related to Northern Ireland that were reported to the agency’s Anti-Kidnap and Extortion Unit.

## 2.9 PUBLIC SECTOR FRAUD – EXCISE AND TAX

### THE THREAT

Although the tax gap for 2014/2015 was 6.5% this still represents an estimated £36 billion in uncollected taxes, money needed to fund UK services. HMRC’s Fraud Investigation Service (FIS) is responsible for the department’s civil and criminal investigations. FIS ensures that HMRC has an effective approach to tackling the most serious tax evasion and fraud.

FIS is home to a wide range of people with a variety of skills and professional backgrounds – including accountants, cybercrime specialists, criminal justice professionals, tax professionals and operational delivery support teams to name but a few. FIS uses a range of powers and approaches to protect funding for UK public services, investigating the most harmful tax cheats and ensuring nobody is beyond reach.

FIS strategic aims are to maximise revenue and bear down on evasion by:

- ❶ promoting public confidence and voluntary compliance in the tax system, by demonstrating there is a level playing field for everybody, and that there are likely and serious consequences for committing tax fraud;
- ❷ changing customer behaviours by making tax fraud harder to commit, riskier, less profitable and socially unacceptable; and
- ❸ identifying, stopping and recovering losses from the most harmful attacks on the tax system.

HMRC continues to observe fraudsters attacking a range of HMRC repayment regimes. The priority targets for organised criminals are Value Added Tax (VAT) and Income Tax Self-Assessment (ITSA). Fraudsters continue to register for VAT using bogus identities although improvements to HMRCs VAT registrations procedures, has seen a decrease in successful false claims.

## CONFRONTING THE THREAT: OCTF RESULTS

In the financial year 2016/2017, FIS Northern Ireland prosecuted 41 people for a range of criminal offences relating to income tax and PAYE fraud, excise evasion, falsely claiming tax credits and associated offences under the Fraud Act 2006 and money laundering legislation. In addition £228,778 cash was seized with £319,110.51 from that year and the previous year's seizures, forfeited under Proceeds of Crime legislation.

There were 58 civil settlements with a tax yield including deliberate penalties of £21 million.

### Case study

During a routine VAT inspection suspicions were raised that a restaurant was evading VAT by under-declaring the value of sales. As part of the HMRC FIS case the till was forensically examined and the data extracted showed at the end of each day of trading, the sales figure had been deleted and replaced with an amount approximately 50 % lower than the actual sales. The Director was interviewed and when confronted with this evidence, admitted that in an 18 month period he had only declared approximately 50% of his sales, resulting in £70,000 VAT evaded. The Director pleaded guilty to VAT evasion and was jailed for 7 months, followed on his release by 7 months on licence. Confiscation proceedings are ongoing.

In 2016/2017, the overall level of VAT repayment fraud has decreased compared with previous years, but it is almost certain that fraudsters will continue to target VAT online services in the future. ITSA repayment fraud was increasingly facilitated by the use of compromised identities in 2016/2017. It is unclear whether this indicates greater fraudster intent, reflects HMRC's improving capability to detect and prevent organised attacks, or is a reflection of the increased percentage of the population now using online accounts.

## TOBACCO

### Tax gap: £2.4 billion

The threat to UK tobacco excise duty continues to be the smuggling of illicit tobacco products (including counterfeit products, cheap white cigarettes, and non-UK duty paid products) into

the UK through various modes, and importation of raw/unprocessed tobacco for the production of counterfeit tobacco products.

Smuggling of counterfeit and cheap white cigarettes into UK and Irish ports from Eastern Europe is the greatest threat to the UK market.

The threat from organised crime groups (OCGs) producing counterfeit cigarettes in illicit factories within the EU, specifically within Eastern Europe and the near-continent is increasing.

Intelligence suggests that illicit tobacco products continue to be imported, distributed and sold in Northern Ireland by OCGs, based within Northern Ireland, mainland UK and Ireland. HMRC assess that OCGs most commonly import illicit tobacco into UK/Irish ports, then across the land border or by ferry from Scotland. Distribution of illicit tobacco products are also sold from home addresses or delivered by middle market criminals.

Other common transport methods include the smuggling of illicit tobacco via postal services to addresses in Northern Ireland and through the International and City airports within passenger luggage. Tobacco products are seized from air passengers exceeding Minimum Indicative Limits (MILs). It is assessed that these products will be sold without duty being paid on return to the UK. Tobacco products continue to be imported into Northern Ireland via fast-parcel post, in packages varying from 200-1500 cigarettes and up to 1.5kg of hand rolling tobacco (HRT). HMRC sees the threat from abuse of fast-parcels to the UK illicit market as a high threat due to the ease of sending the illicit product in high volumes quickly.

### Case study

An operation targeting distribution of illicit cigarettes in Northern Ireland led to the arrest and interview of three men in Co Tyrone. In follow up searches of residential and storage sites, 557,000 non UK duty paid cigarettes, 143 kgs of hand rolling tobacco and in excess of £36,000 cash were seized. Three men were reported to the Public Prosecution Service.

### Case study

In January 2017, the PSNI stopped a vehicle in Belfast and found it contained 15,920 Chinese cigarettes. HMRC FIS were contacted and the occupant was arrested and the car and cigarettes seized. A follow up search at two premises associated to the driver and vehicle resulted in the seizure of a further 74,520 illicit Chinese cigarettes and the identification of a list of track and trace references in Mandarin which enabled the identification and seizure of a further 279,200 cigarettes in the postal system. This individual was charged for offences for excise evasion, released on bail and ordered by the court to appear again in February. He failed to appear and an arrest warrant was issued.

### Case study

HMRC FIS officers arrested four individuals at Belfast International Airport in possession of 24,000 non UK duty paid cigarettes which had been purchased at the airport duty free shop. The four had each booked a one way ticket to Turkey as well as same day return tickets to Glasgow. They then used their Turkey boarding cards to purchase the duty free cigarettes, destroyed the Turkey boarding cards and proceeded to board the domestic flight to Glasgow. They were intercepted by Border Force Officers as they passed through the boarding gate and subsequently arrested by FIS Officers and interviewed. It had been their intention to fly to Glasgow and then return to Belfast later that afternoon through domestic controls with the cigarettes. It is suspected that the four concerned are part of a large scale fraud headed up by a Northern Ireland based OCG who book flights for approximately 40-50 individuals in order for them to purchase the duty free cigarettes. Whilst the purchases are for relatively small amounts, the four individuals have been reported to the PPS and investigations are ongoing to establish the full extent of the fraud.

## ALCOHOL

### Tax gap: £1.8 billion

There are four main types of alcohol fraud: inward diversion, outward diversion, smuggling and production of counterfeit alcohol. Inward diversion involves alcohol loads moved, usually by HGV or container, in a duty suspended state (UK taxes not

yet paid) from the EU to the UK. Several loads carrying duplicate paperwork do not go to its UK tax warehouse destination, but are instead diverted to UK retail for sale without paying tax. HMRC assess that inward diversion remains the greatest revenue risk to UK alcohol revenues. This is due to the prevalence of established OCGs using this fraud type, the low probability of detection and the potential for high quantities to be moved without payment of duty.

In outward diversion alcohol is declared as being moved in duty suspension from the UK to the EU, but the load is diverted to UK retail without taxes being paid and never leaves the UK. Criminals also abuse HMRC's 'duty paid' systems in which excise goods can be imported from the EU directly to the UK market, bypassing the need to use tax warehouses.

Intelligence suggests that illicit alcohol continues to be imported into, distributed and sold in Northern Ireland by OCGs. Counterfeit and smuggled alcohol continues to be sold primarily in Belfast and larger cities/towns, where the concentrated population offers a larger market for the illicit product. Illicit alcohol is predominantly sold in smaller retail outlets.

HMRC introduced the Alcohol Wholesaler Registration Scheme (AWRS) in January 2016 to tackle illicit alcohol trading within the UK. All businesses that supply alcohol to others must be approved with HMRC and this includes breweries, importers and wholesalers. Enforcement agencies may see increased suspect activity at storage facilities as wholesalers who cannot obtain AWRS approval or who do not intend to apply for approval go 'off record'. Criminals could open and close businesses more regularly to avoid registration or begin supplying local retailers, pubs or restaurants directly without HMRC approval. Seizures of alcohol have been made in Glasgow using AWRS powers not available to HMRC prior to this scheme. Businesses selling alcohol without having submitted for approval on this scheme could have penalties imposed by HMRC from 1 April 2017, as will any traders buying alcohol from a non-registered trader.

## HYDROCARBON OILS

### Tax gap: £100 million

Although there has been a significant reduction in fuel fraud since 2010/2011 when the illicit diesel market share was estimated by HMRC at £160 million, it

is still estimated to cost the taxpayer in excess of £50 million in Northern Ireland alone. The highest risk to the UK oils excise regime is the laundering and straight misuse of rebated diesel. Other risks include adulterated fuels and fuel smuggled between Northern Ireland and the Republic of Ireland. Rebated fuels are subject to a lower rate of excise duty when they meet certain legislative criteria, such as diesel used for fuel in agricultural vehicles. If used for this purpose the difference in duty can be claimed, and indeed falsely claimed, as a relief or repayment. Straight misuse refers to rebated fuels used directly in road vehicles without any kind of laundering treatment. Adulterated fuels have had their chemical make-up altered, such as the addition of lubricants and biofuel blends. This allows them to be declared as a product other than diesel although they are ultimately intended for use as road fuel.

### Case study

January 2017 saw the conclusion of a lengthy investigation into a Belfast based fuel supply company, with the two principals sentenced for their part in the laundering, concealing and distribution of an estimated 4.5 million litres of red diesel after an HMRC criminal investigation. Evading duty and taxes of £2,554,329, this Organised Crime Group (OCG) headed by the owner of the Fuel Company and his right hand man, laundered millions of litres of red diesel for sale as legitimate road fuel to unsuspecting motorists. HMRC FIS began investigating the OCG in 2010 and over the next two years traced their illegal laundering activities, false paperwork trails and fuel distribution network, revealing a sophisticated organised criminal network. As part of the investigation into the group HMRC officers carried out searches of 13 commercial and private premises in Belfast and County Antrim in June 2011 uncovering a mobile laundering plant, seizing more than £285,000 in cash and 72,000 litres of illicit fuel. The investigation uncovered how the owner had abused his position as a Registered Dealer in Controlled Oils to purchase huge quantities of red diesel, which was then laundered. His accomplice overseeing the fraud, working with others to launder the fuel, dispose of the waste and hide the fraud behind a false paper trail. In total nine people including the bookkeeper were convicted with the two principals receiving custodial sentences of 12 and 16 months and will remain on periods of licence once released from prison.

### Case study

In Op DESENSITIZE, two properties in County Tyrone and a property in Nottingham were seized by the NCA. Operating a haulage business, the defendants had come into frequent contact with HMRC who believed that they had acquired their properties as a result of being involved in the smuggling, laundering, sale and distribution of illegal fuel and cigarettes between the Republic of Ireland and Northern Ireland since 2004. Following an investigation into the defendants' finances, which included a search of their home address, the NCA also discovered evidence of mortgage fraud and undeclared and untaxed sources of income. In response to the NCA's civil recovery investigation, the defendants agreed to settle the NCA's claim at the earliest stage to avoid also being liable for substantial legal costs.

In 2015 the UK and Ireland introduced a new fuel marker, Accutrace, which is significantly more resistant to laundering than the old markers. Reports published after six and twelve months of Accutrace in operation concluded that the shifts in fuel supply ratios between Diesel and Marked Gas Oil across the UK and the Republic of Ireland; the reduction in laundering plants discovered; falls in illegal use detected and the reduction in waste products associated with fuel laundering all point to a shift away from fuel laundering by fraudsters. HMRC is continuing to monitor criminal reactions to the marker with the twenty four month report on Accutrace due later in 2017.

HMRC works closely with partners across UK and Irish law enforcement agencies and further afield to tackle fuel related criminality utilising a range of measures to identify emerging trends / diversification of fuel fraud. Increasingly fuel either misdescribed as another commodity or adulterated to adjust its chemical composition is being smuggled into Northern Ireland via the near continent. Whilst the high diesel content of the adulterated fuels makes it possible for them to be used as road fuel, their make-up means that they are classified as lubricants under specific Customs Tariff codes. As these tariff codes fall outside the scope of intra-EU movement controls, the fuels may move across EU borders without supervision, using only commercial documentation. Excise fraudsters take advantage of this to import these fuels with the intention of putting them to road use, without payment of excise duty.

## Case study

In June 2016, Irish Revenue Commissioners advised HMRC FIS that they had identified some 80 plus movements of isotanks (each capable of holding 26,000 litres) into Dublin and Belfast ports, which they suspected to be misdescribed diesel as opposed to the manifested description of 'Korn2' or 'Crude Oil'. Working closely together the two agencies identified patterns of transport and movement of containers which confirmed that once collected from either Dublin or Belfast ports these containers were transported to a 'cooling off' location just inside the Irish side of the land border, an attempt to thwart surveillance, before being moved at a later stage to premises in South Armagh. It was estimated that almost 2 million litres of diesel had been successfully smuggled by this means before the method was identified.

Later that month Revenue Commissioners and FIS, the latter supported by PSNI, mounted surveillance on one such container and when it moved to premises in South Armagh, FIS arrested two men and seized 28,000 litres of smuggled diesel at those premises, a further 13 isotanks at Dublin and Belfast ports containing another 338,000 litres of smuggled diesel and a vehicle. It is conservatively estimated that this fraud if allowed to continue would have cost the taxpayer just under £7million in lost revenue. Investigations continue in conjunction with Dutch, German and Polish law enforcement agencies tracing the routing, false companies, bank accounts and further perpetrators of this smuggling OCG. Members of the HMRC / Revenue Commissioners and PSNI teams who worked on this investigation won the award for 'Outstanding Collaboration' at the Government Counter Fraud Awards ceremony in London in September 2016.

## 2.10 ENVIRONMENTAL CRIME

### THE THREAT

#### Northern Ireland Environment Agency – Environmental Crime Unit

Illegal waste disposal is a high-profit, low-risk activity with inherent consequences for the environment and human health. This is reflected in the detailed legislation controlling the collection, treatment and disposal of waste at authorised waste sites regulated by the Northern Ireland Environment Agency (NIEA). These controls stipulate minimum engineering standards, facilities to collect by-products from waste decomposition such as liquids and gases, and contingency measures to address potential problems. Such controls are expected to remain effective even after a licensed waste disposal site has closed.

The decomposition of waste in illegal landfill sites produces gasses such as carbon dioxide hydrogen sulphide and methane as well as leachate which is a polluting liquid caused by rainwater percolating through waste and removing soluble compounds.

The legitimate waste industry, faced with significant costs associated with engineering, environmental consultancy, security, salaries (including those of competent persons) and fees due to NIEA in connection with a licensed regulatory regime, face unfair competition and may struggle to compete against such illegal operators. Legitimate business suffers as a result. Should remediation or clear up of sites be necessary, costs will be highly significant.

### CONFRONTING THE THREAT: OCTF RESULTS

Between 1 April 2016 and 31 March 2017, NIEA's Environmental Crime Unit (now Environmental Crime Section – ECU/ECS) secured **26 convictions** against individuals and businesses carrying out persistent, industrial or commercial-scale illegal waste activities.

Sentencing outcomes produced  **fines** totalling £25,300 with a range imposed between £250 and £5,000 and **suspended terms of imprisonment**.

In addition, in the same period, ECU/ECS financial investigators secured **five confiscation orders**, totalling £510,210.11 with a range imposed between £1 and £200,000. Clearly the imposition of confiscation orders carries with it a strong crime

prevention message, discouraging further offending by those convicted and by others and serves to remove the means by which offenders might re-offend.

The NIEA ECU/ECS and PSNI Strategic Partnership was formed in 2012. In order to continuously improve the quality of partnership working and operational interventions, the partnership was refreshed in 2015, reflecting significant structural change within the PSNI. Reactive & Organised Crime Branch assumed PSNI ownership of the partnership. As a result, the partnership has developed structurally at a district & organised crime level, resulting in mutually beneficial operational interventions, both locally and province-wide. The partnership has also resulted in developments with regard to joint training & operational policy to support effective partnership working.

**Case study**

A County Tyrone man had a confiscation order imposed against him on 10 March 2017 in the sum of £137,841.62. The confiscation outcome followed earlier conviction for the unauthorised or harmful deposit, treatment or disposal, etc., of waste in which the prosecution presented evidence of 600 vehicles stored at an authorised treatment and storage facility for end of life vehicles.

The court heard evidence as to the exact number of vehicles and the corresponding benefit from criminal conduct arising from the storage of each vehicle. There was no planning permission or waste management licence in force authorising the activity. The default term of imprisonment imposed in this case was one of five years imprisonment.



**Case study**

A County Londonderry man had a confiscation order imposed against him on 3 February 2017 in the sum of £125,000. The confiscation outcome followed earlier conviction for the unauthorised and harmful deposit, treatment or disposal, etc., of waste in which the prosecution presented evidence of 52,000 tonnes of waste having been deposited other than in accordance with a waste management licence authorising the deposit. The wastes included PVC window frames, wood, plasterboard, concrete blocks, floor tiles, food packaging, textiles and plastics layered between clay and stone and with a top cover of stone in order to disguise the nature of the waste buried at the site. Evidence was also presented of pollution in the form of leachate escape at the site. The ‘benefit from criminal conduct’ was substantially higher than the confiscation order imposed. The courts will not impose financial penalties in sums that defendants can clearly not afford to pay, as the consequences of non-payment of confiscation orders can be severe in terms of the default terms of imprisonment that must be imposed in the event that defendants do not satisfy confiscation orders. The default term of imprisonment imposed in this case was one of 18 months imprisonment. The defendant paid the confiscation order on 3 May 2017.



**FORWARD LOOK...**

NIEA is encouraging early interventions to address the remediation (clean-up) of illegal waste sites. In a recent significant case, an agreement by convicted defendants (companies and individuals) to clear up/remediate a site on which tens of thousands of tonnes of waste had been unlawfully deposited was helpfully encouraged by the courts. These kinds of helpful interventions by the courts in many instances are particularly effective in protecting the environment. In this example, the defendants segregated and recycled certain wastes and arranged (at significant cost) for residual wastes to be sent to licensed waste facilities for lawful disposal. In addition to securing conviction, this approach ensures that the polluter pays and simultaneously achieves the strategic goal of protecting the environment.

## 2.11 PROSECUTION DECISIONS

The **Public Prosecution Service for Northern Ireland (PPS)** has a statutory function to take prosecution decisions and conduct criminal proceedings which are instituted in Northern Ireland in relation to matters investigated by the police. The PPS also takes decisions and conducts prosecutions in respect of files submitted by a range of other bodies such as HMRC and the NIEA.

The PPS receives investigation files and determines if the Test for Prosecution is met. Where this is the case, criminal proceedings will be brought by the PPS either in the Magistrates Court (summary prosecution) or the Crown Court (indictable prosecution).

### CONFRONTING THE THREAT: OCTF RESULTS

Statistics on key offence group cases before the PPS over the 2016/2017 period are provided below.

#### Files Received with a complaint relating to the Relevant Offence Groups (based on Files Received between 01/04/2016 and 31/03/2017)

Offence Group	Number of Cases	Number of Suspects
Money Laundering	130	184
Controlling Prostitution	2	2
Child Prostitution	1	1
Drugs	3,986	4,552
Drugs (excluding simple possession)	867	1,119
Human Trafficking	7	9

#### Files Received from NIEA or HMRC

(based on Files Received between 01/04/2016 and 31/03/2017)

File Source	Number of Cases	Number of Suspects
NIEA	53	77
HMRC	34	57

#### Decisions Issued for offences relating to the Relevant Offence Groups

(based on Most Serious Decision Issued between 01/04/2016 and 31/03/2017)

Offence Group	Indictable Prosecution	Summary Prosecution	Diversion	No prosecution	Total
Money Laundering	96	21	0	61	178
Controlling Prostitution	1	0	0	0	1
Child Prostitution	0	0	0	1	1
Drugs	374	2,484	1,025	580	4,463
Drugs (excluding simple possession)	311	247	31	296	885
Human Trafficking	3	0	0	7	10

#### Decisions Issued on Files from NIEA or HRMC

(based on Most Serious Decision Issued between 01/04/2016 and 31/03/2017)

Offence Group	Indictable Prosecution	Summary Prosecution	Diversion	No prosecution	Total
NIEA	15	56	0	27	98
HMRC	35	17	0	7	59

# CHAPTER 3

## ASSETS RECOVERY

### ASSETS RECOVERY INCENTIVISATION SCHEME

Criminal assets confiscated in Northern Ireland under the Proceeds of Crime Act 2002 are shared between the law enforcement agencies bringing prosecutions, the Northern Ireland Court Service and the PPS, under the Assets Recovery Incentivisation Scheme (ARIS).

Approximately 50% of the remaining funds are distributed through the Assets Recovery Community Scheme (ARCS). During 2016/2017 the total value of criminal recovery receipts in Northern Ireland was approximately £1.7million.

Figure 4 sets out the value returned to each law enforcement agency and the PPS and Courts Service under the ARIS scheme in 2016/2017:

Agency	ARIS Payments 2016/2017
Police Service of Northern Ireland	£177,042.07
HM Revenue & Customs	£43,184.70
Northern Ireland Environment Agency	£93,049.24
Social Security Agency	£49,144.18
National Crime Agency	£3,150.00
Public Prosecution Service	£375,642.96
Home Office Immigration Enforcement	£10,072.77
Northern Ireland Courts and Tribunal Service	£83,476.21
<b>Total Paid</b>	<b>£834,762.14</b>

Figure 4

During 2016/2017 the agencies used incentivisation money for a number of purposes including:

## NIEA

NIEA spent approximately £32,000 incentivisation monies on investigative skills courses delivered by the PSNI; re-registration of NIEA Financial Investigator's fees with their regulatory body the NCA and to fund access to digital data via Companies House. Recycled environmental criminal assets additionally funded annual access to the Northern Ireland Criminal Record Viewer system; to finance the annual software support and maintenance for iBase Analyst Notebook software and for the purchase of high specification GPS devices necessary for identifying and mapping the scale of illegal waste sites.

## DEPARTMENT FOR COMMUNITIES

The Department for Communities continued to use incentivisation allocations to fund a Financial Intelligence Officer at EO11 grade and an Administrative Officer to undertake on-going employer data cleansing exercises.

## PSNI

Money from ARIS continued to provide funding for Civilian Financial Investigators in the PSNI and has made a significant contribution to the Scamwise anti-fraud campaign which aims to educate people on the various types of fraud scams and help prevent them from becoming victims.

## ASSETS RECOVERY COMMUNITY SCHEME (ARCS)

The ARCS scheme seeks to invest in innovative projects to prevent crime or reduce the fear of crime, and to support communities affected by crime. Assets are received by the courts throughout the year, but any monies received must be spent within the same financial year. In order to manage this effectively, the DoJ estimates the amount of money likely to be received at the start of the year and allocates an initial tranche of funding at risk. In the event that further monies are received in the course of the year, DoJ seeks

to identify additional projects that meet the ARCS criteria of preventing crime or reducing the fear of crime and that will be able to use the funding within the same financial year.

Bids were invited from across Policing and Community Safety Partnerships (PCSPs) and DoJ and an initial list of successful recipients drawn up. Bids were assessed by an evaluation panel comprising representatives of the OCTF, DoJ Community Safety Division and the business community with recommendations made to the Justice Minister.

A total of £877,893.87 was allocated to 37 projects both through PCSPs and government. Projects supported through ARCS cover a wide range of topics including scam awareness for the elderly, drug rehabilitation, support for ex-offenders and young driver safety. Examples of some of the projects supported during 2016/2017 are set out below and a comprehensive list of the projects funded can be found at Appendix 2:

## EXAMPLES OF PROJECTS FUNDED BY ARCS IN 2016/2017

### BREAKING THE CYCLE

Men's Action Network delivered a programme to offenders preparing for release from prison. It targeted offenders from the age of 16. The Breaking the Cycle Programme is designed to challenge repeated offending by exploring the offender's environment, systemic background, peer association, addictions, self-awareness, and addressing negative peer relationships and victim impact. It also explores environmental and transgenerational issues that may be contributing factors to offending and antisocial behaviour.

Substance misuse can play a huge factor in criminal behaviour thus where this applies the addiction can be addressed within the programme. This is a one to one based programme and delivered as a holistic integrative therapeutic intervention. Family members/partners are offered an opportunity to attend the sessions to explore relationship impact post release issues.

The programme is over 10 weeks post release from prison.



**HELPING OLDER PEOPLE BECOME SCAM AWARE**

This project, in the Mid and East Antrim area supported older people who had been victim of scam related crimes or were most vulnerable to scam related crimes. It did this through:

- ❶ A Scam Awareness Play in partnership with BEAM creative Network.
- ❷ Scam Awareness Calendars which were delivered to 3000 older people households in the council area and which included scam messages and contact details for agencies.
- ❸ Home security equipment supplied and fitted for 50 older people.
- ❹ 20 TrueCall nuisance call blocking devices supplied and fitted for vulnerable older people.

**SECOND CHANCE, LAST CHANCE**

Breakthru provided a pilot of a drug, alcohol and anti-social behaviour referral scheme as an alternative to prosecution. This had the full support of the PSNI. The scheme was most

appropriate for those with little or no prior offending history and those for whom alcohol was a contributing factor in the incident. As an alternative to criminal record, fine or community service which all necessitate considerable police and court time, they offered a one day course at a cost of £75 similar to that offered in reparation for speeding and drink driving. It included learning and reflective elements ensuring that those who took part were in no doubt about the seriousness of their offence and the consequences of their behaviour.

**FORWARD LOOK...**

The Executive Action Plan on Tackling Paramilitary Activity, Criminality and Organised Crime recommended a review of the ARCS programme to consider whether current arrangements can be improved upon for further benefit to victims, communities and the environment. That review is ongoing but some changes have already been implemented during the 2017/2018 financial period, including a tranche of ARCS funding ring-fenced specifically for projects aimed at benefitting victims, communities and the environment, as well as a range of administrative improvements to enhance efficiency, management and governance of the programme.

# CHAPTER 4

## RAISING AWARENESS OF ORGANISED CRIME

### PUBLIC AWARENESS

Raising public awareness about the risks and the impact of organised crime has remained a key priority for OCTF partners over the course of the reporting period. The purpose of this type of outward-facing engagement is to:

- ❶ tackle tacit support for organised crime/ challenge the myth that these crimes don't affect the community and its citizens; and
- ❷ prevent the general public and business sector from falling victim to organised criminals e.g. through cyber-attacks.

OCTF partners have taken part in a wide range of activities aimed at engaging with the public or with key sectors to raise awareness and to reduce risk. These have included:

#### LAUNCH OF THE OCTF ANNUAL REPORT AND THREAT ASSESSMENT 2016

On 29 June 2016 Justice Minister Claire Sugden and PSNI Deputy Chief Constable Drew Harris launched the 2016 Organised Crime Task Force Annual Report and Threat Assessment with the message “we must work together to combat organised crime.” The Minister thanked law enforcement agencies for their commitment to tackling organised crime in Northern Ireland and encouraged members of the public to play their part in identifying and reporting crime.



#### Cyber Awareness Roadshows

Led by PSNI, OCTF partners launched a cyber-awareness campaign in Northern Ireland during October 2016. The campaign delivered by ‘Get Safe Online’ consisted of three ‘Pop Up’ shops at Victoria Square, Belfast, Foyleside Centre, Derry and Sprucefield Centre, Lisburn.

Members of the general public were encouraged to bring along their tablet, laptop or mobile to the “Pop Up” Shops to get them checked for malware infection or security issues. Visitors could also get their email address checked to see if it had been compromised and were able to avail of free advice on all aspects of Internet use. Specialist advice was also available for small businesses.

#### BALMORAL SHOW

The OCTF was promoted at the 2016 Balmoral Show (10-13 May) with OCTF partners manning a stand in the Eikon Exhibition Centre. Visitors to the stand learned about the work of law enforcement in tackling the various types of organised crime. Counterfeit goods and illegal fuel were on display, with staff from Trading Standards and HMRC on hand to explain the harmful consequences of purchasing these illicit goods. Experts were also present to advise on issues related to scams, cyber crime and modern slavery.

#### MODERN SLAVERY AWARENESS

Along with a number of NGO partners, OCTF member organisations, including DoJ, PSNI and the Gangmasters Licensing Authority<sup>16</sup> have worked to raise awareness of modern slavery issues to key sectors and to the wider public. This has included work with the Northern Ireland Prison Service, faith groups, health and social care professionals and legal professionals, as well as work to highlight modern slavery issues within the private sector and labour market.

In particular DoJ hosted a cross-border forum, on modern slavery and trafficking for labour exploitation, in Armagh on 22 June 2016, to raise awareness amongst employers and recruitment agencies about risk and their responsibilities as employers, as well as the requirements under the 'Transparency in Supply Chain' regulations introduced by the Modern Slavery Act 2015.



### “I AM YOUR MONEY” AWARENESS CAMPAIGN

The “I am your money” awareness campaign launched on 5 December 2016 in line with commitments under the Fresh Start Agreement and the Executive Action Plan for Tackling Paramilitary Activity, Criminality and Organised Crime.

This focused on the harm caused by organised crime and associated paramilitarism, raised awareness about how the public may be knowingly, or unknowingly, contributing to the criminal money chain, and encouraged everyone to take a stand against organised crime and to provide information anonymously to the police or Crimestoppers.



# CHAPTER 5

## THE NORTHERN IRELAND ORGANISED CRIME STRATEGY

The work of the OCTF is underpinned by the Northern Ireland Organised Crime Strategy. Whilst OCTF partners have different roles, responsibilities, priorities and accountability structures, the strategy sets out targets for all agencies to work towards. Key strategic aims are grouped under three headings:

- ⦿ **Action** – To make Northern Ireland a hostile environment for organised criminals:
  - Reduce the harm caused by organised crime.
  - Enhance the response to organised crime.
  - Improve the effectiveness of removing assets from criminals and confiscating their profits.
  - Improve the effectiveness of organised crime legislation.
  - Target specific organised crime threat areas.
  - Organised Crime Strategy.
  
- ⦿ **Analysis** – To understand the threats and emerging organised crime trends to predict actions required and facilitate proactive responses:
  - To understand the threats and emerging organised crime trends in order to predict actions required and facilitate proactive responses.
  - Understand organised crime threats and emerging trends.
  
- ⦿ **Awareness** – To inform the public about organised crime trends and impacts and the work of OCTF:
  - Raise public awareness of organised crime and prevent people engaging in organised crime.

### PROGRESS

The OCTF Strategy Group reviews progress against targets on a quarterly basis. Members are provided with an update on organised crime threats and statistics by the OCTF analyst, so that a strategic response to any emerging threats can be developed. Over the last year the OCTF Strategy Group recorded that:

- ⦿ there was an increase of more than 3% in the number of Organised Crime Groups whose activities were frustrated, disrupted and/or dismantled compared to the number recorded in 2015/16.
- ⦿ PPS reported higher total value of confiscation figures between 2015/16 and 2016/2017.
- ⦿ there was sharing information and learning about multi operational activity.
- ⦿ work to keep pace with developments in UK, Irish, EU and international law and consider relevance to Northern Ireland continued. This included work with the Home Office to ensure that provisions to tackle money laundering and enhance proceeds of crime legislation within the Criminal Finances Act 2017 remained in the Act with a later commencement opportunity once legislative consent is secured. It was not possible to achieve legislative consent due to the fall of the Northern Ireland Assembly early in 2017. Work to implement the European Investigation Order Directive, which continued into the next financial year but which has since been completed, also fell under this target.
- ⦿ scoping of legislation dealing with organised crime offences has been progressed; initial proposals for Northern Ireland were drafted in consultation with key stakeholders and further work is planned to refine these and test them against operational scenarios. This project will await the return of a Justice Minister to move to public consultation and implementation phase.

- 🕒 the fuel marker continued to make a difference in the fight against illegal fuel laundering.
- 🕒 a training video on how to respond to a tiger kidnapping was funded and produced by OCTF partners.

## FORWARD LOOK...

The Northern Ireland Organised Crime Strategy was updated in April 2016. The latest version can be downloaded at:

<http://www.octf.gov.uk/Publications/N-I-Organised-Crime-Strategy/The-Northern-Ireland-Organised-Crime-Strategy-2016>.

In 2018 we intend to start the next strategic planning cycle, which will be informed by a review of OCTF structures and priorities to ensure that they are effective and reflect emerging interdependencies.

# APPENDIX 1

## OCTF PARTNER ORGANISATIONS

- Allied Irish Bank
- An Garda Síochána
- Anti-Counterfeiting Group
- Association for UK Interactive Entertainment
- Bank of Ireland
- Belfast City Council
- Border Force
- British Phonographic Industry
- British Security Industry Association
- Centre for Secure Information Technologies, QUB
- Citigroup
- Confederation of British Industry
- Criminal Assets Bureau
- Crown Solicitors Office
- Danske Bank
- Department for the Economy
- Department of Agriculture, Environment and Rural Affairs (NI Environment Agency)
- Department of Finance
- Department of Health
- Department of Justice (DoJ)
- Department of Justice & Equality
- DIAGEO
- Federation Against Copyright Theft
- Federation of Small Businesses
- First Trust Bank
- Foods Standards Agency
- Forensic Science Agency NI
- Gangmasters Licensing Authority
- Group 4 Security
- Health and Safety Executive
- Health and Social Care Board
- HM Revenue and Customs
- Home Office Immigration Enforcement
- Imperial Tobacco
- Intellectual Property Office
- Japan Tobacco International
- Mandiant (CyberRisk International)
- Migrant Help
- National Crime Agency
- National Cyber Crime Unit
- National Trading Standard Intel Team
- NI Courts and Tribunal Service
- NI Policing Board
- NI Chamber of Commerce
- Philip Morris International
- Police Service of Northern Ireland
- Post Office Limited
- PriceWaterhouse Coopers
- Public Prosecution Service NI
- Queen's University Belfast
- Retail NI
- Revenue Commissioners
- RMS Cash Management
- Royal Bank of Scotland
- Royal Mail
- Safer Cash
- Sky
- Social Security Agency (NI)
- Supergroup
- Tobacco Manufacturers Association
- UK Human Trafficking Centre
- UK Interactive Entertainment Association
- Ulster Bank
- Unilever
- Women's Aid

# APPENDIX 2

## ASSETS RECOVERY COMMUNITY SCHEME FUNDING 2016/17

	Project Supervisor	Project Lead	Project Title	Award £
1	Antrim & Newtownabbey PCSP	ESC (The Educational Shakespeare Company Ltd)	Second Chance for Change	£19,510.00
2	Armagh City, Banbridge & Craigavon PCSP	Armagh City, Banbridge & Craigavon PCSP	Alcohol and Drugs Support Programme	£5,000.00
3	Armagh City, Banbridge & Craigavon PCSP	Armagh, Banbridge & Craigavon PCSP	Scrap Heap Challenge	£4,000.00
4	Belfast PCSP	SOS NI (SOS Bus)	SOS NI Response Teams	£7,200.00
5	Belfast PCSP	Extern Group	Moving Forward Moving On – Justice Model	£27,298.00
6	Belfast PCSP	The Welcome Organisation	Reduce the Use	£10,588.00
7	Community Safety Division (DoJ)	Interface Team, CSD	Public Policy and 'Peace' Walls in Belfast: Establishing Baseline Indicators	£28,640.00
8	Community Safety Division (DoJ)	Northern Health and Social Care Trust	Railway Street Drugs Centre	£60,000
9	Department of Health	Department of Health	The Early Intervention Transformation Programme	£300,000
10	Department of Finance	Department of Finance	NICS Seed funding	£3,000
11	Department of Infrastructure	Department of Infrastructure	Street Lights	£38,000
12	Department of Justice	Protection and Organised Crime Division	Human Trafficking Leaflets	£977
13	Derry & Strabane PCSP	Men's Action Network	Breaking the Cycle	£18,080.00
14	Derry & Strabane PCSP	North West Play Resource Centre (The Playhouse) in partnership with Derry Strabane PCSP	Street Talk Film	£11,750.00
15	Fermanagh PCSP	Fermanagh PCSP	2 Fast 2 Soon	£40,000
16	Forensic Science NI	Queen's University Belfast	New Psychoactive Substances (NPS) Research Project	£25,342.00
17	Lisburn & Castlereagh PCSP	Largymore Royal Black District No. 9	Parade Safe	£600.00
18	Mid & East Antrim PCSP	Education Authority (North East Region)	Skills for staying safe	£4,880.00
19	Mid & East Antrim PCSP	MEAAP	Helping Older People be Scam Aware	£15,000.00
20	Mid Ulster PCSP	Dungannon Development Association Breakthru	Second Chance, Last Chance	£5,195.00
21	Newry, Mourne and Down PCSP	CRJI Newry/Armagh	"Finding My Way"	£22,690.00
22	Newry, Mourne and Down PCSP	Kingdom Youth Club	No Need 4 Speed	£1,500.00
23	NI Prison Service	British Red Cross (BRC)	BRC Prison Project	£24,247.30
24	NI Prison Service	Extern	Extern Drop In Centre- Community Hub	£50,000.00

25	NI Prison Service	Hydebank College and Women's Prison	Break the Cycle	£31,308.00
26	NI Prison Service	NIACRO	Disclosure Advice Project	£18,400.00
27	North Down & Ards PCSP	Autism NI	Think Safe to Stay Safe	£6,996.00
28	Probation Board NI	New Life Counselling and Probation Board NI	Engage - Therapeutic Support for Ex-offenders	£10,000.00
29	Probation Board NI	Artillary Youth Club	Artillary Youth Club	£2,465
30	Probation Board NI	Ashes to Gold	Ashes to Gold	£2,980.41
31	Probation Board NI	Milltown Regeneration	Milltown Regeneration	£2,500
32	Probation Board NI	Addiction NI	Mobile Unit for Drug Testing	£8,000
33	Probation Board NI	Monkstown Boxing Club	Monkstown Boxing Club	£3,000
34	Probation Board NI	Vineyard Compassion	The Link	£14,418
35	Probation Board NI	Belfast Unemployed Resource Centre	Belfast Unemployed Resource Centre	£1,185
36	PSNI	SOS NI (SOS Bus)	SOS Bus	£47,998.16
37	PSNI	PSNI	Starmount - Cultural Awareness & Understanding Diversity	£5,146.00

**Total = £877,893.87**

# MODERN SLAVERY



## MODERN SLAVERY IS CLOSER THAN YOU THINK IT IS HAPPENING IN NORTHERN IRELAND

### SOME OF THE SIGNS

- ❖ Someone who is distrustful of authorities;
- ❖ Someone who appears to be under the control of others;
- ❖ An over-crowded house or flat;
- ❖ Someone who is unsure of their home address or the local area;
- ❖ Someone who may not have cash because they can't keep the money they earn; or
- ❖ Someone who can't produce their passport or personal documents.

These are just some of the signs that someone may have been trafficked or enslaved. More information can be found at:  
<https://www.nidirect.gov.uk/articles/human-trafficking>

### IF YOU SUSPECT THAT SOMEONE IS A VICTIM – DON'T DELAY, RING:

- ❖ **999 IN CASE OF AN EMERGENCY;**
- ❖ **101 ABOUT A GENERAL SITUATION; OR**
- ❖ **0800 0121 700 FOR THE MODERN SLAVERY HELPLINE.**