



**ORGANISED
CRIME**
TASK FORCE

2010

ANNUAL REPORT &
THREAT ASSESSMENT

ORGANISED CRIME IN NORTHERN IRELAND



INTRODUCTION

I am pleased to introduce the 9th Annual Report by the Organised Crime Taskforce (OCTF). This report is significant, not only because the OCTF has now been in operation for a decade, but because it is the first time that a locally accountable Minister has chaired the Organised Crime Taskforce. I have already indicated that the fight against organised crime will be a priority for me and I am indebted to Paul Goggins MP for the work he did in supporting the OCTF during the year.

The landscape of Organised Crime has changed over the last ten years but the determination of our law enforcement agencies and officers ensures the OCTF has once again achieved considerable success in tackling organised criminal activity across all of the priority areas identified last year. As the new Chair of the Organised Crime Taskforce I am determined that we continue to work together in partnership for the betterment of all the people of Northern Ireland.

Confronting organised crime is vital for the future prosperity of Northern Ireland. One of the key misconceptions about Organised Crime is that crimes such as counterfeiting, fuel fraud and money laundering are victimless – this is a myth. Criminal gangs have created countless victims in our society – the legitimate business and trade community affected by the availability of counterfeit goods; the victims of violent robberies; the young people dealing with the aftermath of illegal drug use; and the public services deprived of funds because of excise and tax frauds.

Last year the Organised Crime Taskforce launched a community fund for Northern Ireland from money received from criminal assets. A total of £175,000 was distributed through the Department of Culture Arts & Leisure and the Department of Social Development to projects in communities affected by crime. The purpose of the fund is to provide funding to support schemes and activities in those communities most affected by Organised Crime to assist in the reduction of crime and anti-social behaviour. I am delighted with the wide variety of projects which have benefited from the fund and I am determined to build on the success this year.

The recovery of assets is a key tool in the fight against organised crime. It is vital that our law enforcement



officers continue to use all means available to bring the perpetrators of criminal activity to justice. By utilizing assets recovery powers over £4.2 million of assets were recovered this year. In these difficult economic times this was a credible achievement.

Throughout the reporting period the OCTF partner agencies have been involved in some very successful operations, including the largest haul of illegal cigarettes in a joint operation with counterparts in the Republic of Ireland. Agencies are also working closely together to combat the supply of illegal drugs, illegal fuel and the scourge of human trafficking.

Devolution has brought local accountability for Policing and Justice matters to Northern Ireland for the first time in 38 years. We now have the opportunity to work further together as a community to support our law enforcement agencies. This is essential for success against organised criminal activity and the partnership approach which is the hallmark of the success of the OCTF will have my full support.

DAVID FORD
MINISTER OF JUSTICE

EVERYONE'S HELP IS NEEDED TO COMBAT ORGANISED CRIME...

**ARE YOU CONTENT TO ALLOW
CRIMINALS TO ENJOY LAVISH
LIFESTYLES WITH YOUR MONEY?**

HELP US PUT A STOP TO IT BY
CALLING HMRC HOTLINE,
PSNI OR CRIMESTOPPERS NOW!

HMRC HOTLINE: 0800 59 5000

PSNI: 0845 600 800

CRIMESTOPPERS: 0800 555 111

WEBSITES

ORGANISED CRIME TASK FORCE WWW.OCTF.GOV.UK

POLICE SERVICE OF NORTHERN IRELAND WWW.PSNI.POLICE.UK

HMRC WWW.HMRC.GOV.UK

SERIOUS ORGANISED CRIME AGENCY WWW.SOCA.GOV.UK

DOJ WWW.DOJNI.GOV.UK



**ORGANISED
CRIME
TASK FORCE**

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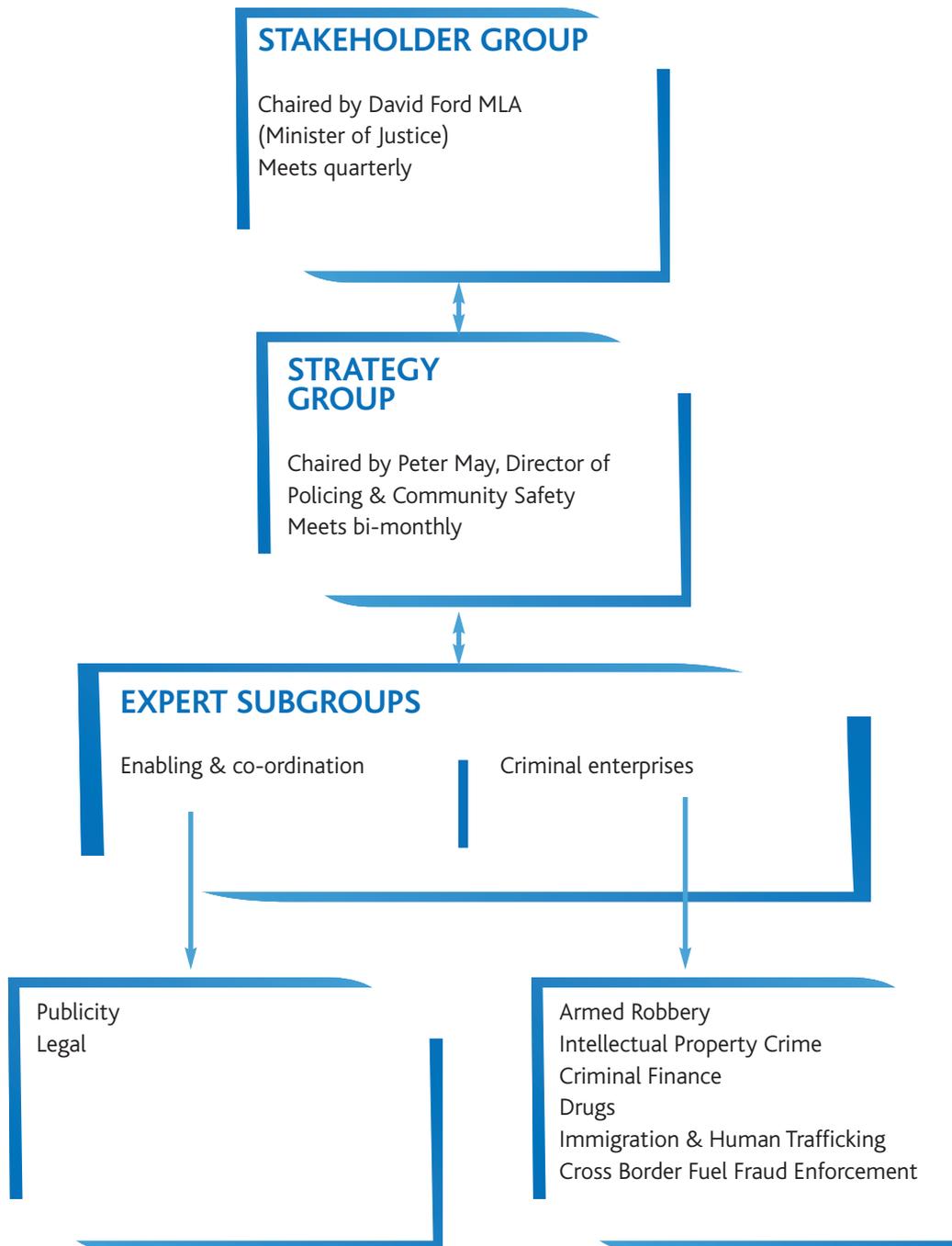
CHAPTER
STRUCTURAL OVERVIEW

STRUCTURAL OVERVIEW

The OCTF was established in 2000 to provide a multi-agency partnership approach to tackling organised crime in Northern Ireland. The OCTF does not assume an operation responsibility which remains with the individual law

enforcement agencies. The OCTF provides strategic direction through a partnership which is supported by a number of subgroups each dealing with specific operational and policy issues.

The structure of the OCTF is as follows:





CHAPTER
PRIOR YEAR RESULTS

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Mission

The **mission** of the Organised Crime Task Force is to help secure a safe, just and prosperous society in Northern Ireland by confronting organised crime through a multi-agency partnership between central and NI Government Departments, law enforcement, the Policing Board, the business community and the community at large.

ASSESSING OUR IMPACT IN 2009/10

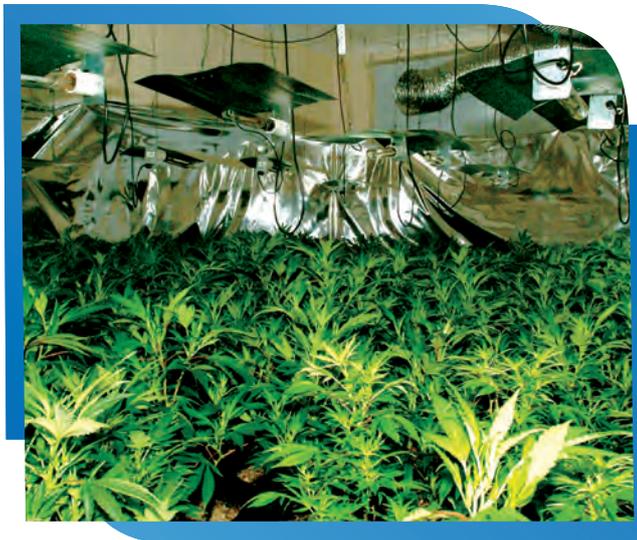
Over the past twelve months a number of key priority areas were identified by the OCTF including Money Laundering; Excise Fraud including Fuel Fraud; Drugs; Armed Robbery including Cash in Transit and ATM Attacks; Organised Immigration Crime including human trafficking; Drugs; Criminal Finance and Intellectual Property Crime.

This Chapter summarises some of the key operational successes the OCTF has had against organised criminal activity. The OCTF recognise that operational success alone is not enough and that public support for the work of law enforcement agencies is essential. We are working hard to counter the common misconception that organised criminal activity is victimless.

Key Successes:

In this reporting year some of our key successes are as follows:

- Seized over £9 million of illegal drugs
- Seized over 1 million litres of illegal fuel
- Seized over £1.5 million of counterfeit goods
- Recovered over £4.2 million of criminal assets
- Rescued 25 victims of Human Trafficking



ARMED ROBBERY AND CASH – IN – TRANSIT ATTACKS

In the 2009 calendar year there were 22 attacks on cash-in-transit vehicles in Northern Ireland which is three less attacks than in 2008 which represents a reduction of 12%.

CASE STUDIES

In May 2009 three males were arrested after the armed robbery of a cash-in-transit van at business premises in Newcastle. Two males were arrested at scene and subsequently charged with attempted robbery. Two searches were conducted in a follow up operation, resulting in a third male being arrested at a house in Dunmurry. This house was also searched and the male was reported to the Public Prosecution Service for his part in this criminality.

In September 2009 a proactive police operation resulted in one person, armed with a knife, being arrested at the scene of an attempted cash-in-transit robbery in West Belfast. Four further males were subsequently arrested as the result of a follow-up operation. Knives, drugs and cash were recovered in follow up searches. All five persons were remanded into custody on charges linked to this incident.

In April 2009 police searched the home of an armed robbery suspect. A cash-in-transit cash box was recovered and the suspect was arrested. This person was charged with three armed robberies of cash-in-transit vehicles and handling stolen goods and was remanded in custody.



TIGER KIDNAPPING

Definition – *“Tiger kidnaps involve the abduction or holding of a hostage (or the claim of having done so) with the intention of forcing another person to facilitate the immediate theft of valuables or concede some other form of ransom from an institution or business organisation.”*¹

In the 2009 calendar year there were a total of 16 tiger kidnaps recorded by PSNI. This equates to a 33% increase on the previous year when 12 were recorded.

CASE STUDY

In October 2009 PSNI carried out an operation in relation to a planned tiger kidnap. Three males were arrested in a field near the victim’s home, having been found in possession of handguns, cable ties and balaclavas. One person was arrested inside the victim’s house, and two males were detained the following day for conspiracy to rob, kidnap and possession of a firearm with criminal intent.

ATM THEFTS

Following the emergence of ATM thefts as a threat in 2009, the OCTF responded by bringing the key stakeholders together from the public and private sectors. PSNI implemented a coordinated strategy to prevent this crime occurring, detect those involved and eradicate criminal opportunities.

In recent months there has been a reduction in this crime type with three incidents occurring in 2010. The latest of these resulted in no theft as the cash had been removed from the machine by the owner as per PSNI guidance.

Police action in relation to this crime type has resulted in 10 persons arrested and 3 persons reported to the Public Prosecution Service.

DRUGS

During 2009/10 PSNI seized drugs with a street value of **£9,055,735** in Northern Ireland.

Drugs Seized		1 st April 2009 – 31 st March 2010		
		No. of Seizures	Amount Seized	Street Value
Class A				
Cocaine:	Powder (gms)	474	27,485.2	£1,374,261
	Wraps	52	110	£2,200
	'Crack' (gms)	0	0.0	£0
Ecstasy:	Tablets	204	54,434	£272,170
	Powder (gms)	7	162.71	£6,102
LSD:	Doses	6	261	£1,925
	Microdots	2	385	£1,305
Opiates:	Powder (gms)	55	8,623.4	£862,340
	Tablets	1	8	£96
	Ampoules	0	0	£0
	Mls	17	219.8	£9,889
	Wraps	31	131	£5,240
All Class A²	793	-	£2,536,027	
Class B				
Amphetamine:	Powder (gms)	129	95,018.79	£950,188
	Wraps	12	30	£300
	Tablets	24	5,821	£29,105
All Class B^{1 2}	2,630¹	-	£6,519,708	
Cannabis:	Resin (kgs)	1,118	127.4	£636,847
	Herbal (kgs)	1,434	215.9	£2,159,419
	Plants	158	5,484	£2,742,000
	Joints	218	300	£750
All Cannabis²	2,523	-	£5,540,116	
Total Seizure Incidents ^{2 3}	3,319			
Street Value of Drugs Seized	£9,055,735			
Persons Arrested	2,250			
Persons Charged	985			

¹ Cannabis was reclassified on the 26th January 2009 from Class C to Class B. The Class B total includes those cannabis seizures after reclassification.

² As seizure incidents can involve more than one drug type, seizure figures for individual drugs cannot be added together to produce totals.

³ Total seizure incidents include drugs not presented in this table such as benzodiazepines (diazepam, temazepam and nitrazepam), ketamine, piperazines and steroids.

Source: Central Statistics Unit, Police Service of Northern Ireland, Lisnasharragh

CASE STUDY

In April 2009 a joint PSNI /HMRC operation resulted in three vehicles being stopped and searched on Airport Road, Belfast. In one of the vehicles police recovered cannabis with an estimated street value of £750,000. Five persons were arrested and subsequently charged with a variety of offences including possession of Class B drugs with intent to supply. Investigations linked to this operation resulted in one further arrest, a seizure of 100kgs cannabis resin and the forfeiture of £54,000 cash.



CASE STUDY

In September 2009 PSNI officers stopped a vehicle in connection with a drugs operation in the Lisburn area. Approximately 50kg of cannabis resin was seized and one arrest was made in a nearby location for possession with intent to supply, being concerned in the supply of controlled drugs and obstruction under Misuse of Drugs Act. A second vehicle was stopped by An Garda Síochána officers and found to contain 20kg of herbal cannabis. One arrest was made resulting in charges for 11 offences. Both those arrested were remanded in custody. In total four persons have been charged in connection with this operation along with a number of other, smaller seizures of drugs.

As a result of one ongoing investigation, PSNI officers carried out four operations between July and December 2009 which resulted in a number of arrests and seizures totalling almost 3kg of cocaine and approximately 23kg of amphetamine.

CASE STUDIES

In July 2009 PSNI officers stopped two vehicles travelling together on the Foyle Bridge, Londonderry. This resulted in the seizure of 8kg of heroin and 210,000 tablets. Three persons were arrested and charged.

In July 2009 PSNI officers began an operation against an organised crime gang suspected of involvement in drugs importation. As a result of this operation there have been three arrests, three substantial seizures of cash (approximately £40,000) and two seizures of Class B drugs (48kg of herbal cannabis and 4 kg of cannabis resin).

In November 2009 PSNI seized ½kg of cocaine from a house in the Coleraine area. In follow-up searches of three addresses in Belfast, Dungannon and Coalisland, a further ½kg of herbal cannabis and 1kg of cannabis resin were recovered.

In December 2009, 2 kg of herbal cannabis was seized from a house in Downpatrick. Three persons were arrested.

MULTI-AGENCY OPERATION

In February 2010, PSNI in a major joint operation with SOCA and Lancashire and Manchester police dismantled an organised crime gang involved in the supply of controlled drugs in Northern Ireland. 13 arrests were made; nine in Northern Ireland and four in the greater Manchester area. Drugs seizures of equal amounts were made in both Northern Ireland and Lancashire –

In Northern Ireland drugs seizures include :-

(NOTE: Overall drugs value will depend on the purity and figures shown are a 'minimum' value)

- 22 kg speed valued around £220,000
- 20kg herbal cannabis valued around £200,000
- 6 kg cocaine valued around £300,000
- 6 kg speed valued around £60,000

Cash seizures included:-

Approximately £36,000 and €75,000

In **Lancashire** drugs were recovered in the same approximate quantities as those recovered in Northern Ireland (final amounts have yet to be established):-

- 22 kg speed valued around £220,000
- 20kg herbal cannabis valued around £200,000
- 6 kg cocaine valued around £300,000
- 6 kg speed valued around £60,000

INTELLECTUAL PROPERTY CRIME

In the reporting period over £1.5 million of counterfeit goods and related equipment was seized. The biggest seizures were in cigarettes, film, music and power tools. The goods seized are set out in the table below:

MONEY LAUNDERING AND ASSETS RECOVERY

Experience continues to indicate that profit and the power that comes with it is the primary motivator for organised criminal activity. Consequently criminals fear attacks on those profits more than any other law enforcement intervention and so attacking criminal finances as a method of fighting serious organised criminality continues to be a key objective for the OCTF law enforcement partners, particularly SOCA who have responsibility for civil recovery.

SOCA houses the UK's Financial Intelligence Unit, which liaises with appropriate partners, including the law enforcement community, other agencies

Product	2009/10 Quantity	Value
Film	32,933	438,475
Music	11,798	140,151
PS2/Xbox	58	2,320
Cigarettes	1,224,448	630,096
Hand Rolling Tobacco	146	1,752
Clothes	919	69,185
Trainers	92	7,720
Washing Powder	0	0
Perfumes/Sunglasses	291	15,920
Drink	12,047	731
Computers	79	55,764
Burners	42	6,400
Power Tools	122	122,750
Batteries	160	1,500
Watches	0	0
Equipment	141	29,850
Shoes/Boots	179	33,950
Searches	27	
Arrests	12	
Charged	8	
Total Value of Goods Seized to from Apr 1st 2009 to 31st Mar 2010		1,556,564

CASE STUDIES

During December 2009 a major organised crime gang, involved in the manufacture, distribution and selling of counterfeit DVDs and CDs, was dismantled following a search and seizure operation. To date five persons have been arrested and charged resulting in two persons being remanded into custody, and one person has been interviewed and reported for prosecution with regard to several counterfeiting offences.

In December 2009 a man from South Armagh was convicted of running a counterfeiting operation involving the manufacture and supply of counterfeit liquid petroleum gas. He was convicted of two Trade Mark and Health and Safety Offences. A report from an assisting Forensic Officer from the Health and Safety Authority, UK commented that the site was one of the most dangerous he had seen and had the potential to cause substantial damage in the vicinity. There was an order made in this case to destroy the equipment seized valued at approximately £0.5M. The male was convicted and fined £500 on each charge.

with investigative responsibility, regulators and the private sector.

Specific examples of the Unit's work in 2009/10 included:

- acting as a central point for the collection, analysis and sharing of suspicious activity reports from the UK's regulated sector.
- liaison with overseas authorities to ensure UK Law enforcers can access financial intelligence held in different jurisdictions.
- A presentation, as part of an OCTF sponsored event, to the business community in Belfast on the subject of money laundering.
- a joint initiative with the PSNI Economic Crime Bureau to raise awareness and educate solicitor firms of the risks to their business associated with financial crime and money laundering
- the hosting of the 'Payback' Conference for 200 delegates from the regulated sector in Northern Ireland. This also supported HMRC/PSNI operational activity
- agreement with the Law Society and DETI to the signing of Joint Working Agreement (JWA's) the development of a bank of generic money laundering, terrorist financing and proceeds of crime communications products for sharing as appropriate with private sector colleagues – including those in Northern Ireland.

The following case studies reflect some of the investigations:

CASE STUDY

"During July 2009 a consent Recovery Order was granted over property with a gross value of £7.8 million which had been acquired by individuals from profits generated as a direct result of hydrocarbon oil fraud in South Armagh. The case had been referred by HMRC following a complex investigation that had not progressed to the Criminal Courts. This settlement represents the largest value of assets recovered in a single case in Northern Ireland since the introduction of civil recovery power."

During the past Financial Year there have been 151 instances when PSNI have seized cash under POCA legislation to a total value of £1,221,591. The following case studies are examples of seizures:

CASE STUDY

During November 2009 SOCA, assisted by PSNI and the Criminal Assets Bureau undertook a high profile search and seizure operation in South Armagh. The action consisted of executing four search and seizure warrants and obtaining an Interim Receiving Order. Property with a gross value of £2.5 million was frozen by this action and the Interim Receiver is now conducting an independent investigation to inform the High Court.

CASE STUDY

SOCA brought civil recovery powers to bear against a career criminal who specialised in robbing elderly and vulnerable people. In February 2010, as part of the process of recovering the respondent's main residence, SOCA successfully carried out the first eviction resulting from the use of civil asset recovery powers in Northern Ireland. This is an example of how financial tools can reduce harm even without leading to significant asset recovery receipts. The value of the residence recovered from the criminal was only in the region of £120,000 gross.

CASE STUDY

During March 2010, SOCA used Civil Recovery powers to obtain a recovery order on consent to obtain control of 41 properties plus two Spanish properties and money in a number of bank accounts from a Belfast benefit fraudster. Her property empire was valued at more than £3m gross at the time the order was made and was built on the profits made from defrauding the state. The extent and complexity of the frauds involved meant that a criminal case would have been a long and detailed exercise with an uncertain outcome. The use of civil recovery powers cut through much of this by focusing on a single objective: that the fraudster could no longer benefit from the proceeds of her crimes. In addition to losing her assets, third party debtors deceived by the frauds were reimbursed.

CASE STUDY

In April 2009 PSNI officers carried out a search in Coleraine under warrant by virtue of Section 23 Misuse of Drugs Act 1971. Cash to the value of £1,200 was seized.

In April 2009 a cash seizure was made in County Fermanagh. A male had been arrested for taking and driving away and his home was searched and £4,115 seized.

In September 2009 PSNI officers searched a vehicle in Newcastle, Co. Down. Suspected cannabis, suspected cocaine and £8,740 cash was seized.

CASE STUDIES

In November 2009 police attended a public house in Londonderry where they carried out an arrest of a male in relation to assault occasioning actual bodily harm. Police enquiries revealed that this man had provided false details. As a result, police went to his address where a further man was arrested on suspicion of possession of a Class B drug. A search was carried out of the apartment and a number of items seized, including €61,000. In April 2009 two people were stopped at Belfast International Airport and found to be in possession of £10,230 in cash. Police suspected that this cash was the proceeds of crime. Subsequent investigations revealed that other members of the same family were under investigation in other jurisdictions for tax evasion and money laundering. The couple were interviewed and failed to give a convincing explanation for the source of the cash. The couple subsequently relinquished their claim on the money and the cash was forfeited.

Following an investigation into a firm of Immigration Advisors, based in Belfast, PSNI discovered the business had been used to facilitate illegal immigration into the UK over a number of years. This facilitation took several forms, including the arranging of "sham" marriages between EU citizens and foreign nationals, the production of false work permits, and assistance with applying for leave to remain in the UK by supplying false supporting documentation. The illegal immigrants paid cash for these services and therefore the investigation also uncovered large scale money laundering, with thousands of pounds being transferred to bank accounts held in the Far East.

As the result of a large-scale money laundering investigation, PSNI officers discovered that the suspect was purchasing houses for cash, despite having little or no legitimate income. As a result of this investigation, seven persons were charged with money laundering offences. All defendants pleaded guilty at court. The main subject was sentenced to a term of imprisonment, as well as being issued with a 10 year Financial Reporting Order and a Confiscation Order in excess of £300,000.

ORGANISED IMMIGRATION CRIME

During 2009/2010 the PSNI identified 25 victims of human trafficking. 21 of these victims were referred to the UK Centre for Human Trafficking (UKHTC). Of the victims identified, 3 were trafficked for the purpose of forced labour, 17 were

trafficked for sexual exploitation, and 2 were trafficked for domestic servitude exploitation the motivation for trafficking the remaining 3 victims is unclear.

4 of the 21 persons referred to UKHTC were children. 4 victims have been granted residency permits and are assisting in court proceedings. A further 4 cases are receiving support through the Migrant Helpline and two are receiving support through Women's Aid. The remainder of victims have been integrated into communities and/or

CASE STUDY

Last year PSNI carried out an investigation into the trafficking of human beings for sexual exploitation and controlling prostitution for financial gain in Northern Ireland. One female person was identified as having a controlling influence in prostitution and trafficking offences in Northern Ireland. This investigation ran for six months culminating in a search and arrest operation in May 2009. Seven searches led to four victims of human trafficking being rescued and five persons being arrested in England and Northern Ireland.

receiving asylum support. The majority of the trafficked victims identified were Chinese, but other nationalities noted were Sierra Leonean, Bulgarian, Romanian, Ethiopian and Zimbabwean

EXTORTION

In the 2009/10 financial year PSNI arrested 10 people in relation to extortion offences and charged 8 people.

EXCISE AND TAX FRAUD

For excise and tax fraud the focus for HM Revenue & Customs (HMRC) is fiscal investigations and developing innovative methods to combat criminal attacks on our tax systems. The top priorities for HMRC in Northern Ireland are tackling oils fraud, tobacco fraud and tax evasion.

CASE STUDY

In October 2009 PSNI began the investigation into the blackmail of an individual who had been arrested for drugs offences. The investigation resulted in 5 persons being arrested and 4 persons being charged.

In September 2009 a threat was made by 2 persons in England in order to attempt to extort money from a local businessman. One person was arrested and charged in Northern Ireland and another was arrested in England and has been reported to the Crown Prosecution Service.

FUEL FRAUD

In Northern Ireland in 2003/04, Non UK Duty Paid (NUKDP) diesel accounted for 51% of the market share, in 2007/08 this had dropped to 34%. Similarly Non UK Duty Paid (NUKDP) petrol accounted for 18 % of the market share in 2003/04, dropping to 15 % in 2007/08. These figures also include an element of legitimate cross border shopping, however the decline in the market share of NUKDP fuel has reduced the overall revenue loss for petrol and diesel from £270 million in 2003/04 to £240 million in 2007/08.

This works out at £135 for every man, woman and child in Northern Ireland or £326 for each tax paying adult. In these difficult economic times, this missing cash would be a major benefit to our society.

From April 2002 to March 2009 HMRC Northern Ireland have:

- Seized nearly 9 million litres of illegal fuel
- Dismantled 105 fuel laundering / mixing plants
- Secured 28 convictions for oils fraud
- Obtained confiscation orders totalling £1.46 million

By using the full menu of sanctions available, ranging from seizure through to criminal prosecution and confiscation of assets, HMRC has continued to successfully target those involved in oils related crime. In September 2009, HMRC in partnership with Crimestoppers launched a Province wide campaign entitled "Fuel Fraud - It's a Dirty Business".

Although significant, with tens of millions of pounds defrauded every year, the damage caused by fuel crime is not confined to a monetary loss. There are also social and environmental issues that affect everyone in our communities in Northern Ireland.

Fuel laundering removes the dyes and markers from fuel, but it also produces a by-product of toxic waste, which criminals abandon on the roadside, in forests and rivers. These criminals don't care about the damage they cause to the environment, their only interest is making more money to fund their luxurious lifestyles.

The HMRC / Crimestoppers campaign was funded by money confiscated from criminals, returned to law enforcement agencies under the Asset Recovery Incentivisation Scheme (ARIS), to help in the fight against criminality in our communities.

The campaign was designed to focus public attention on the real harm caused by fuel crime, and to encourage people to provide information anonymously, and in total confidence.

In addition to generating intelligence leads, the campaign aimed to raise public awareness that fuel fraud was not a "victimless crime" and using illegal fuel is funding organised crime.



CASE STUDIES

April 2009 saw the culmination of the first operation organised under the auspices of the OCTF Cross Border Fuel Fraud Enforcement Group.

As part of the operation, 19 addresses were searched simultaneously in counties Armagh, Monaghan and Donegal and resulted in the following significant seizures both north and south of the border:

Approximately 175,000 litres of fuel
12 vehicles.

4 mobile fuel laundering plants - with the capacity to launder up to 80,000 litres of fuel per day.

Over 1,000 litres of caustic soda and acid used in fuel laundering.

Approximately 25,000 litres of toxic waste - which potentially represents the waste from laundering of over 2.5 million litres of fuel.

And approximately €22,000 and £15,000 cash seized under Proceeds of Crime legislation.

This major and complex operation, which has made a significant impact by disrupting the supply of illegal fuel in both jurisdictions, was only made possible with the support and assistance of partner agencies, working jointly as part of the OCTF.

In December 2009, as part of a planned cross border operation, HMRC officers searched remote agricultural premises near to the border in the Jonesborough area and uncovered a large acid based fuel laundering plant. In total HMRC seized 25,000 litres of illegal fuel, 4 large fuel storage tanks and equipment used in the fuel laundering process. The Revenue Commissioners in the Republic of Ireland seized a number of vehicles including an articulated cattle truck used to disguise the transport of illegal fuel.

The plant was one of the biggest ever detected in Northern Ireland and had the capacity to launder 6.5 million litres of fuel per year. This would have resulted in a revenue loss of £3.2 million every year had it gone undetected. It is believed this plant was the source of the fuel supplying the huxster sites in North / West Belfast that were dismantled by HMRC in September 2008.

CASE STUDIES

Also in December 2009 HMRC officers executed search warrants at commercial premises near Meigh in Co. Armagh. During the searches officers uncovered a large fully operational fuel laundering plant. Three people arrested in connection with the operation were interviewed and bailed pending further enquiries. The laundering plant, which had the capacity to launder 2 million litres of fuel with a resulting revenue loss of £1 million per year, was dismantled. In addition to a large quantity of equipment and fuel, officers also used proceeds of crime legislation to seize €18,000 found during the search of a luxury private car parked on the site.

In a another building on the same site, officers also found 6,500 empty vodka bottles along with machinery, caps and labels, believed to be part of a counterfeit alcohol bottling plant. This again demonstrates the links between fuel fraud and other forms of organised crime.

In January 2010, HMRC officers executed search warrants and searched 9 commercial and residential addresses in the Co. Tyrone area. As part of the operation 4 men were arrested, interviewed in relation to fuel laundering and bailed pending further investigation.

During the searches officers uncovered two operational mobile laundering plants and a third under construction. The plants, which had a capacity to launder 4 million litres of fuel annually with a resulting revenue loss of £2 million, were dismantled and removed by HMRC. Officers also seized over 70,000 litres of fuel, 5 vehicles, fuel storage tanks and pumps, 8 tonnes of bleaching agent used to remove the dye from fuel and 20 tonnes of toxic waste from the laundering process.



TOBACCO FRAUD

It is estimated that illicit cigarettes account for 15% of the total UK market share, which equates to a revenue loss of some £1.9 billion annually. The trade in illicit cigarettes includes:

the smuggling of genuine product from areas where duty is lower than that in the UK, the smuggling of counterfeit cigarettes, which are generally manufactured in illegal factories in the Far East, and the smuggling of cigarettes produced entirely independently of the International Tobacco Manufacturers (ITM's) that have no true or a very limited legitimate market – these are referred to by the tobacco industry as “Cheap Whites” and effectively are cigarette brands manufactured for the purpose of smuggling.

There is an increasing demand for cheap whites as they are seen as a cost effective, reasonable alternative to poor quality counterfeit brands. There is also the added advantage that providing legal obligations are adhered to in the country of manufacture, it is possible to legitimately produce and distribute cheap whites as they only become contraband when there is an attempt to evade duty by smuggling them into the UK.

HMRC, working in partnership with the UK Border Agency, remains committed to continuing the downward pressure on the illicit tobacco market. HMRC has the overall responsibility for the collection and enforcement of tobacco duties and the investigation of criminal offences, while UKBA are responsible for the detection and seizure of smuggled tobacco products at the UK border. Cases detected by UKBA are referred to HMRC for further investigation and appropriate offence action. This strategy has already delivered significant results in Northern Ireland.



CASE STUDIES

In July 2009 UKBA officers examined an unaccompanied container, which had arrived at Belfast Port from China. A search of the container, which was manifested as containing picture frames, uncovered 8.5 million cigarettes. The case was referred to HMRC for further investigation. As a result of enquiries made the consignee of the goods, a Co. Tyrone man, was arrested by HMRC officers, interviewed and was bailed pending further investigation.

In August 2009 UKBA officers challenged a lorry that had arrived at Belfast Port from Birkenhead. A search of the trailer uncovered 5.7 million mixed brand cigarettes. The cigarettes, lorry and trailer were seized and a man arrested and interviewed by HMRC was bailed pending further investigation.

There is no doubt that criminals both north and south play a role in the importation and distribution of illicit cigarettes across the UK. This is demonstrated in the many seizures of illicit cigarettes, for example:

In October 2009, as part of a joint investigation involving the Revenue Commissioners, An Garda Síochána, Criminal Assets Bureau, HMRC and the PSNI, the Revenue Commissioners seized approximately 120 million cigarettes that were concealed in animal feed, consigned from the Far East. A number of people, including two from Northern Ireland were arrested and interviewed in the Republic of Ireland. As part of the follow up investigations HMRC searched an address in Northern Ireland. From the brands seized it would appear that a significant proportion of these cigarettes were destined for the UK market.

Also in October 2009, following an investigation by HMRC, a Co. Fermanagh man was sentenced to 2.5 years imprisonment at Maidstone Crown Court after pleading guilty to attempting to smuggle 6 million cigarettes through Dover docks in August 2008. The cigarettes were detected by UKBA officers during a search of a lorry, which had arrived in Dover from France. It is believed that this consignment was destined for Northern Ireland.

ALCOHOL FRAUD

Nationally, HMRC has been working to drive criminals out of the alcoholic drinks industry. The Renewed Alcohol strategy has included enforcement action such as seizure and prosecution, excise assessments issued for more than £175 million of evaded duty and legislative changes including mandatory duty stamps for spirits.

CASE STUDY

Although no alcohol product was found, the detection of 6,500 empty vodka bottles, together with bottle tops, labels and machinery in sheds near the South Armagh border in December 2009 indicate this was part of a well-organised, counterfeit spirits bottling plant. The duty evaded on 6,500 bottles of vodka would be in the region of £44,000.

TAX EVASION

Criminal prosecution of tax evaders is a sanction that is normally reserved for the most serious cases, with less serious offences being dealt with by a variety of civil options and penalties which in themselves can be severe in purely monetary terms.

CASE STUDY

One such prosecution case, which was brought before Belfast Crown Court in February 2010 saw a husband and wife from Co. Tyrone jailed for a total of 6 years after admitting to falsifying trading accounts, personal tax and VAT returns in a deliberate attempt to suppress the extent of their business profits and reduce their tax liability.

The couple siphoned off cash from their building supply business to amass a collection of high value antiques and jewellery, construct a luxurious mansion for themselves, and amass a property portfolio of 23 houses. During searches of the couples properties, HMRC officers also seized over £492,000. At one point the couple had nearly £2 million hidden in offshore accounts. Despite their massive hidden wealth, they still claimed for family tax credits – intended for the less well off members of our society.

As well as jail sentences, the couple were ordered to pay confiscation orders totalling £3.9 million, or face default sentences of an additional 10 years imprisonment each.



COMMUNITY FUND FOR NORTHERN IRELAND

Last year the OCTF launched the Community Fund for Northern Ireland. The fund was set up so that money confiscated from people involved in organised criminality could be directed back into the communities most affected by organised crime. The Community Fund for NI was distributed by Department of Social Development and the Department of Culture Arts and Leisure and benefited a number of excellent community schemes some of which are highlighted below:

Belfast City Church

The aim of the 18 month project was to promote volunteering on a cross community basis, drawing participants from all faith based organisations in the area, including residents, Queens University Belfast and students living the area. The project was specifically designed to improve relationships between local residents and the significant student population living in the University area between the Ormeau Road and University Road. The project has also sought to involve volunteers working with ethnic minority groups to reduce tensions and racial incidents.

Prison Me No Way Project

This scheme was very effective in enabling the youth of Castledawson to see the pitfalls and impacts of prison life on the individual and their families. The Scheme is particularly useful for areas where there are problems with youth on the periphery of a life of crime. Supported by Community Fund NI and organised by the Housing Executive, local PSNI and Lower Castledawson Community Association this scheme consisted of: a visit by Prison Officers who gave a presentation to the young people on all aspects of imprisonment, dispelling the myths and misconceptions usually held by the community of prison life. Their aim was to discourage young people from making a mistake that could follow them for the rest of their lives and that of their family. As a follow on to this the youth had a visit to Magilligan Prison including a guided tour of the prison, cells and living conditions for prisoners. As a follow up to the 'Prison Me No Way Scheme' there will be at least three Riverwalk Clean Ups by young people and those taking part will have reward trips to Todd's Leap and Go Karting. The time invested in Riverside

Estate's youth is to encourage them to be actively involved in their community, address issues of boredom, reduce anti social behaviour and eradicate the fear of crime.

The Respect Project

The Project's main aim is to develop personal interaction between residents and groups initially from 2 neighbourhoods Mount Vernon and New Lodge then other areas of inner North Belfast and leave a legacy of not just tolerance but understanding, trust and respect. The project's intervention brings groups together who are working on common issues including educational attainment, employment and looking at spaces which can be shared such as the Duncairn Gardens, Girdwood and Limestone Road areas.

The project has proactively initiated some debate and open discussion around "Dealing with the Past". The intervention has encouraged participants to avail of the other services that are on offer and to start to question and hold agencies to account. The programme organises a series of programmes, events and seminars specific to the concept of Respect including hate crime, equality, new neighbours, human rights, misconceptions and perceptions. It also provides a conduit and access for local people to meet with policy makers and influential people.

'Fully Lit' Youth Project in Killyleagh

An exciting new project for young people in Killyleagh began recently at the Cross Drop In Centre. The 'Fully Lit' project will run for 10 weeks and will look at how drugs and alcohol can lead to anti-social behaviour and affect the safety of the whole community, and will show young people how they can live life to the full without depending on artificial stimulants. The young people will be taking part in activities such as caving, go-karting and high ropes, as well as discussing issues such as relaxation and dealing with anger. This project also aims to engage the youth in Killyleagh in community safety initiatives.

Dunmurry Shared Neighbourhood Football Team

As part of the Dunmurry Community Association's community relations action plan, the group have now started to develop links and relationships with the local Multi Cultural Society, based in Dunmurry. They hold joint events and programmes in their premises in order to learn about each other's cultures and to improve community relations in the Dunmurry area. These events have proven very successful and relationships with this group are growing. People from all sorts of backgrounds are now able to meet in a safe environment in order to build and improve community spirit. It is anticipated that this will have a positive affect on reducing crime rates and race related issues in the area.

Shared Journey

The Housing Executive has organised a 'shared train journey' for the six shared neighbourhoods in the North East Area which will take place on 6 June 2010. The six communities will come together on the vintage steam train in Antrim and each carriage will have a 'theme' for the day including community safety, youth and good relations. The six communities will travel together to the Coleraine Civic Centre where they will be met by the Minister for Social Development and civic and community representatives from Coleraine. The shared neighbourhood communities will then share with Coleraine their experiences of living in a shared neighbourhood.

Re- imaging Communities

Re-imaging Communities is a funding programme that helps all communities to focus on positive ways to express who they are and what culture means to them artistically and creatively. The programme encourages the creation of vibrant and attractive shared public space through the use of the creative arts in the public realm, which celebrate life, enhance the physical and natural environment and help people feel part of the community in which they live. Re-imaging Communities is rooted in the building of a shared future for Northern Ireland, which is peaceful, inclusive, prosperous, stable and fair. In order to help achieve such a society, communities and agencies need to work together to free the public realm from threat, displays of sectarian aggression

and intimidation while allowing for legitimate expression of cultural celebration. The Programme has currently funded 155 projects across Northern Ireland and continues to be supported by the Shared Communities Consortium, led by the Arts Council of Northern Ireland.

COMMUNITY PROJECTS FUNDED BY PSNI

In addition to the Community Fund money the PSNI allocated funds from the grant they received under the Assets Recovery Incentivisation Scheme to specific community projects. These included:

SOS Bus

The SOS bus operates in Belfast city centre and provides support to deal with issues associated with the night time economy. The bus is a registered charity but it was in danger of folding if further funds were not obtained. Assets taken from criminals helped to keep this charity afloat.

OmaWest

Funding was provided to the OmaWest organisation to fund a major community safety project in Omagh, addressing social, environmental and leisure issues affecting the local community.

Bi-lingual Advocacy Scheme

The scheme promotes increased understanding between members of minority ethnic groups and the police. Advocates facilitate information flow between police and minority communities which better assists officers in understanding issues of concern to local communities.

Digital Signage Points

Funding was provided for signage points in south and east Belfast. The signs, in three major shopping outlets, are used to carry community safety and crime prevention advice.

NEW LEGISLATION

The following legislation was introduced in 2009/10 and will provide further powers to law enforcement and the courts in the fight against organised crime:

CORONERS AND JUSTICE ACT 2009

The Coroners and Justice Act 2009 contained investigation anonymity order provisions. The purpose of an investigation anonymity order is to

prevent disclosure of information relating to the identity of an individual who is or was able or willing to assist a qualifying criminal investigation, and thus to protect an informant from harm and to provide reassurance to a reluctant informant that his or her identity will be protected by a court order. Investigation anonymity orders are available only in respect of investigations concerning suspected homicides where death was caused by a gun and/or a knife. These provisions will commence in Northern Ireland later this year

Witness Anonymity Orders are also provided for; they are orders made by a court that requires specified measures to be taken in relation to a witness in criminal proceedings as the court considers appropriate to ensure that the identity of the witness is not disclosed in or in connection with the proceedings. It is made to protect the safety of the witness or another person or to prevent serious damage to property and to prevent real harm to the public interest. However the judge, magistrates and jury must always be able to see and hear the witness. This provision commenced on 1 January 2010.

The Act also inserts certain terrorist offences in to the list of specified violent or sexual offences which may attract a sentence of imprisonment for public protection under Schedules 1 and 2 to the Criminal Justice (Northern Ireland) Order 2008. The provisions commenced on 12 January 2010 and apply to offences committed on or after that date.

The Coroners and Justice Act amends the Criminal Appeal (Northern Ireland) Act 1980 to give the Court of Appeal the power to remit cases to the Crown Court where a confiscation order made under certain enactments is quashed as a result of a successful appeal by the defence. In those circumstances the Court of Appeal may direct the Crown Court to consider whether a new order should be made, and if so what the order should be, instead of the Court of Appeal having to consider the matter itself. The Crown Court must comply with any directions given by the Court of Appeal. This provision commenced on 1 February 2010.

The Criminal Memoirs provisions are designed to prevent criminal profiting from the publication of accounts of their crime. A new civil "recovery of

assets" scheme is created which gives the High Court a power to make an "exploitation proceeds order". The effect of such an order is to require the offender to pay a sum of money to the enforcement authority in respect of relevant proceeds. The scheme is limited to profit made from accounts of offences that are triable on indictment and monies received after the commencement date. In Northern Ireland the scheme will be administered by the Serious Organised Crime Agency and it commenced on 6 April 2010.

POLICING AND CRIME ACT 2009

The Policing and Crime Act 2009 introduced a package of powers which created a new strict liability offence of paying for sex with a prostitute subjected to force, in order to tackle the problem of trafficking and exploitation; created a new single offence of soliciting which replaces kerb-crawling and removed the need for the 'persistent' and 'nuisance' element of soliciting; widened the circumstances in which civil orders can be sought to restrict the activities of sex offenders and strengthened aspects of the Foreign Travel Order (FTO). These provisions commenced on 1 April 2010. The remaining provision in this package, the brothel closure order power, is as yet uncommenced in Northern Ireland.

This Act also contained Proceeds of Crime provisions which give police, other law enforcement agencies, and prosecutors' additional powers to improve the recovery of criminal assets. These powers include enabling law enforcement authorities to search a vehicle for cash that is suspected to have been obtained through, or intended for use in, unlawful conduct, and to obtain the forfeiture of detained cash without a magistrates' court order in uncontested cases. It also introduced new powers to allow for the search and seizure and retention of property that might be sold in satisfaction of a confiscation order. The limitation period for bringing proceedings for the civil recovery of property obtained through unlawful conduct is extended from 12 to 20 years. Some of these provisions commenced on 25 January 2010 the remainder will be commenced in due course.



CHAPTER
THREAT ASSESSMENT

3

OVERVIEW

Organised crime affects everyone and it is in all our interests to ensure it is tackled robustly by every available legal opportunity. The Organised Crime Task Force acts as a forum to allow law enforcement agencies and a range of partners to develop strategies for dealing with organised crime in Northern Ireland. In order to set successful strategies, the OCTF must first build up a picture of how organised criminals operate. To do this accurately the OCTF use briefings and key analytical products completed throughout the year to allow them to maintain a current understanding of trends and emerging issues/threats. The OCTF Threat Assessment is completed annually in order to provide the Northern Ireland community with an overview of organised crime in their country and, alongside the Annual Report, it allows the OCTF to mark progress throughout the year and set priorities for the year to come.

Although organised crime often does not appear to change significantly in the short term, when the situation is viewed over a one year period slightly varied methodologies or new techniques can often be seen more clearly. Many of these trends can be anticipated from similar developments elsewhere and the OCTF in Northern Ireland benefits from the experience of stakeholders such as SOCA, who have officers based overseas. Organised criminals operate in a similar way to businesses; in order to survive financially they must learn to evolve in an ever-changing marketplace. There are often a variety of reasons for this evolution however the most notable influences seen in Northern Ireland in the past year have been as a result of the recession, the reducing activity of paramilitary groups, with the exception of dissident republicans, and the migration of trends from other jurisdictions or due to globalisation. As a result of these influences the OCTF have noted a number of changes in the way in which organised criminals operate.

Some of the noted changes which are likely to have been influenced by the recession have included the emergence of a wide variety of frauds and changes in money laundering methodologies; A movement away from oils smuggling to laundering and 'stretching' of fuel; The increase in availability of a wider variety of counterfeit products; Changes in the drugs market, including low purity levels and

increased popularity of cheaper, more readily available drugs such as amphetamines and so-called 'legal highs'. The reducing activities of paramilitary groups have had an impact on the types of extortion being seen in Northern Ireland, with a movement away from the traditionally seen 'protection rackets'.

Trends noted in the past year which appear to have migrated from other jurisdictions or have come about due to globalisation have included the physical theft of ATM machines using stolen plant machinery which has previously been seen in Europe and further afield and which is now being increasingly seen in other parts of the United Kingdom; Increasing instances of illegal dumping of waste which is also being seen in other European countries due to increasing landfill costs; Organised immigration crime which until fairly recently had not been seen as an issue within Northern Ireland. This chapter offers further information about the key threats from organised crime in Northern Ireland, as identified by the OCTF –

- Criminal Finances – fraud and money laundering
- Public Sector Fraud – excise and tax
- Illegal dumping of waste
- Drugs
- Intellectual Property Crime (counterfeiting)
- Counterfeit currency
- Armed robbery (also including ATM thefts)
- Extortion
- Organised immigration crime

PARAMILITARY INVOLVEMENT IN ORGANISED CRIME

Traditionally in Northern Ireland there has been a clear link between paramilitary groups and organised criminality. In recent years however this link has become more blurred. Some paramilitary groups' leadership have encouraged the movement away from criminality and this has achieved varying degrees of success. There remain instances in which criminality is carried out in the name of a particular organisation but it can often be difficult to ascertain if this is genuinely done on behalf of that group or simply by individuals claiming to be doing so.

During the year we have seen an increase in

activity attributable to dissident republican groups. The term 'dissident republican' refers to a small number of groups who are intent on disrupting the peace process in Northern Ireland. These include Real Irish Republican Army (RIRA), Continuity Irish Republican Army (CIRA) and Oglagh Na h'Eireann (ONH). Dissident republicans have been responsible for a number of serious attacks against the security forces, and those connected with policing and justice, in the past year and remain heavily involved in organised crime. In the past year dissident republicans are believed to have been involved in weapons procurement, assaults and intimidation, armed robbery, so-called tiger kidnaps, smuggling, extortion and fuel laundering².

In terms of loyalist paramilitary groups, there remains some involvement in organised crime by some members of the Ulster Defence Association (UDA), in particular drug dealing, robbery, extortion and the supply of contraband cigarettes, although it is not always clear whether these actions have been sanctioned by leadership. The Ulster Volunteer Force (UVF) appear to have made more significant progress in terms of moving away from paramilitary activity and whilst some members are still involved in organised crime this appears to be purely for personal gain.³

CRIMINAL FINANCE FRAUD

According to the National Fraud Authority, fraud cost the UK economy £30.5 billion during 2008⁴ and CIFAS Fraud Prevention Service suggest increases in 2009 in identity fraud, facility takeover and misuse of facility funds, as well as a 55% increase in false insurance claims.⁵

Identity fraud involves the use of a stolen or false identity and CIFAS suggest a link between the increase in incidents (estimated to be up 32% in 2009 when compared to 2008) and the recession. It is suspected that the difficulty in obtaining finance and the increased scrutiny of documentation as a result of the recession has made stolen or false identity documents more attractive to fraudsters than the use of false application information or forged documents.

The increase in insurance fraud is blamed on increased claims for staged or fictitious events rather than inflated damage/loss claims. In

Northern Ireland PSNI have had a number of types of insurance fraud reported to them in the past year. These have included staged (where two vehicles deliberately crash into each other) or induced (where a deliberate action by a motorist forces an innocent driver to crash into them) road traffic collisions; exaggerated damage and/or number of passengers as a result of road traffic collisions; false reports of stolen property, ranging from small items such as mobile phones through to large, high value goods such as vehicles and plant machinery; and deliberate destruction of property. Often these types of fraud are carried out by individuals but there have been some indications in other parts of the United Kingdom that organised criminal gangs may be involved in the orchestration of insurance frauds, particularly in relation to staged and/or induced road traffic collisions.

ATM skimming and ATM reversal frauds continue to be sporadically discovered in Northern Ireland. ATM skimming involves the use of a device which allows the customer's card to be cloned, giving the fraudster access to their account. ATM reversal fraud involves the criminal withdrawing money from an ATM but using one of a number of methods to effectively cancel the transaction so it will not register against the relevant account. ATM skimming and reversal frauds are known to be perpetrated by organised criminal gangs who have developed expertise in these areas and who often operate in a number of jurisdictions. The PSNI has been successful in the arrest and prosecution of organised crime gang members involved in ATM reversals and the subsequent dismantling of the organised crime groups.

PSNI regularly receive information in relation to a number of different frauds and scams. Some more commonly seen frauds include the following –

Card not present fraud – This type of fraud occurs when criminal elements obtain details of a person's credit/debit card. It can then be used to make purchases, often online or via the telephone or mail order. The business the criminal is purchasing from never actually sees the card, therefore security measures such as chip and PIN are of no benefit.

Mortgage fraud – This type of fraud is attractive to criminals seeking to launder money, however opportunities are diminishing due to the slowing down of the property market. Financial institutions have come under increasing pressure due to the economic downturn, with mortgage funds in limited supply. It is likely that this has led to increased diligence when considering new applicants as well as when reviewing previous applications. The Suspicious Activity Reports (SARs) regime is also likely to have had an impact. Mortgage fraud is more likely to involve the use of false documentation now as opposed to the fraudulent applications previously seen.

Boiler room fraud – This type of fraud involves the high-pressure telephone selling of worthless stocks and shares. Investors do not receive the promised share certificates or dividends. The offenders in this type of fraud are usually based outside the United Kingdom but offer assurances that they are based locally and governed by regulatory frameworks.

Mass marketing fraud – This type of fraud encompasses a wide range of frauds including pyramid schemes, foreign lottery and prize draw scams and holiday club scams. In Northern Ireland one of the commonly seen mass marketing frauds is 419 fraud, also known as West African letter fraud or advance fee fraud. This type of fraud involves '... asking you to help with transferring money out of another country - such as Iraq, South Africa or somewhere in west Africa - in return for a percentage of the money you helped to transfer.'⁶

In the past year the Criminal Assets Bureau (CAB) in the Republic of Ireland has reported they are investigating a new form of fraud which has emerged as a direct result of the recession – 'builder bail-out fraud'. The fraud occurs when a builder cannot sell a property. A 'fake purchaser' who uses forged documents to create a false identity is hired by the builder and this purchaser will buy the property from the builder at an inflated price. The purchaser always applies for a mortgage which they subsequently default on. The builder has profited from selling the property at an inflated price and the financial institution that approved the mortgage is left to foot the bill when the purchaser walks away from the mortgage

having given a false identity. There have not been any reports to PSNI of such a scam occurring in Northern Ireland but it is possible that this type of fraud trend will be seen in Northern Ireland in future.

The Social Security Agency (SSA) administers annual benefit expenditure of around £3.8 billion. In 2008 the Agency's losses to fraud totalled £12.6m (0.3% of total benefit expenditure).

During 2009/2010 the Agency's Benefit Security Services investigated 2465 cases with 439 individuals convicted of benefit fraud. In addition 469 Administrative Penalties and 47 Formal Cautions were imposed. Counter fraud activities continue to be a high priority and although the threat of organised crime within the benefit system is considered to be low the SSA remains vigilant. Having investigated 90 cases in 2009/2010, the Agency's Organised Fraud Unit did not identify any evidence of organised criminal activity. The Agency's Organised Fraud Unit also carried out two separate pro-active exercises to establish if there was any evidence of organised fraud being committed against the Northern Ireland Social Security system. These exercises examined:-

- Cases where benefits for more than one customer were being paid into the same bank account; and
- Cases where benefits paid by cheque payment, were paid in respect of more than one customer at the same address.
- The outcome from both exercises identified no evidence of organised fraud being committed against the Northern Ireland Social Security system.

The work of the Agency's Document Examinations Teams, in verifying and validating the allocation of national insurance numbers, is an important deterrent to committing identity fraud. The Team works closely with the Department for Work and Pensions' National Identity Fraud Unit to detect individuals applying for false national insurance numbers using counterfeit documentation. During 2009/2010, 17 cases were identified which will have helped prevent potential losses to the benefit system.

Liaison and co-operation with other law enforcement agencies continues. In cases where the threat could potentially impact on the Northern Ireland Social Security system, the Agency undertakes joint operations with other appropriate government departments, for example, the UK Borders Agency in situations where the Agency discovers intelligence suggesting an individual may be an illegal immigrant. The Department also works closely with the Department for Work and Pensions to address fraud against benefit systems committed from abroad and liaises with the Serious Organised Crime Agency (SOCA) as appropriate.

The Agency continues to participate in data matching exercises with Her Majesty's Revenue and Customs, other government departments and private organisations to detect inconsistencies in data that may point towards benefit fraud.

An example of liaison and co-operation with other law enforcement agencies is highlighted in the recent success by SOCA. SOCA used Civil Recovery powers to obtain a recovery order on consent to obtain control of 41 properties plus two Spanish properties and money in a number of bank accounts from a Belfast benefit fraudster. Her property empire was valued at more than £3m gross at the time the order was made and was built on the profits made from defrauding the state. The extent and complexity of the frauds involved meant that a criminal case would have been a long and detailed exercise with an uncertain outcome. The use of civil recovery powers cut through much of this by focusing on a single objective: that the fraudster could no longer benefit from the proceeds of her crimes. In addition to losing her assets, third party debtors deceived by the frauds were reimbursed

During 2009/10, 159 new cases were referred to the Agency's Financial Investigation Unit (FIU) for investigation. The FIU secured 14 Confiscation Orders to the value of £336k and 2 voluntary payments to the value of £23k.

CHARITIES

The Charity Commission for Northern Ireland was established from 27 March 2009 and has been making preparations for the establishment of a regulatory framework for the charitable sector in

Northern Ireland. The Charities Act (NI) 2008 provides the Commission with extensive powers to identify and investigate apparent misconduct or mismanagement in the administration of charities and take appropriate remedial or protective action. These powers are scheduled to be enacted in April 2010.



The Charity Commission will have formal arrangements in place to share information with other relevant public bodies including the PSNI and HM Revenue & Customs.

MONEY LAUNDERING

The majority of organised criminal gangs exist in order to make money. This money must then be laundered to make it appear legitimate and allow it to be used to fund further criminal activities or to acquire assets and live a lavish lifestyle. Since the Proceeds of Crime Act 2002 (POCA) was introduced, money laundering has become more difficult and criminals have had to become more adept at laundering their cash, however there are still a number of methods favoured by locally based organised criminals.

Layering the profits through a number of accounts – As a result of POCA legislation large transactions through bank accounts are very likely to be detected and reported to law enforcement through Suspicious Activity Reports (SARs). Organised criminals often try to avoid detection by placing smaller amounts through a large number of accounts, often in other people's names. This can be a risky choice for the criminal as it widens the circle of people involved in their criminal enterprise, making it more vulnerable to infiltration by law enforcement.

Property and land purchase – Many organised criminals have invested criminally obtained profits in property and land. Property in the United Kingdom, Republic of Ireland and also Eastern Europe has been popular however the recession has led to many of these properties losing much of their value, making this a less attractive option at the current time.

The use of cash businesses – Some businesses lend themselves more readily to money laundering as they deal mostly with cash. Examples would include public houses, restaurants and taxi firms. Organised crime gangs can use these businesses to hide criminally obtained money alongside legitimate profits. This may seem like a relatively easy way to launder money however, since POCA, staff at financial institutions are trained to recognise 'unusual' transactions and this includes unusual movements of cash through business accounts.

Physical movement of cash across borders – Increased scrutiny at financial institutions has led to some organised criminals resorting to physically transporting cash across borders and often 'mules' will be hired to carry out this activity. The large number of local bank notes in circulation in Northern Ireland can make this practice more difficult as the criminal gang will often have to change the cash into Euro or Bank of England Sterling notes prior to moving it. PSNI have 'cash dogs' that are trained to detect cash and are regularly deployed during search operations at a variety of locations, including ports.

Law enforcement agencies working in Northern Ireland have all increased their capacity to carry out financial investigations and the past year has seen a

number of collaborative investigations. There are now a wide variety of options available to partner agencies under appropriate circumstances, including cash seizure, seizure of assets such as property and vehicles, and tax enforcement. By working in partnership, agencies can use all the legislation at their disposal to ensure organised criminals do not profit from their activities.

Your obligations under Proceeds of Crime Act 2002 (POCA)

POCA legislation introduced a number of money laundering offences, including Section 328 –

“An offence is committed when a person enters into or becomes concerned in an arrangement which he knows or suspects will facilitate another person to acquire, retain, use or control criminal property and the person knows or suspects that the property is criminal property.”⁷

In addition, POCA legislation identifies key persons and businesses which comprise the 'regulated sector'. Under Sections 330 and 331 the legislation creates an obligation on those persons in the regulated sector to report their suspicion or knowledge of another person's money laundering to SOCA. Failure to report is a criminal offence. The persons/businesses included in the regulated sector are identified by the activities in which they engage in. These activities include dealing with investments, operating a bureau de change, estate agency work, operating a casino, provision of business advice about tax affairs, provision of accountancy services, provision of legal services, and dealing in goods of any description by way of business (including dealing as an auctioneer).⁸

Under the legislation, businesses within the regulated sector are required to disclose suspicious activity in relation to money laundering through the submission of Suspicious Activity Reports (SARs).

Money Laundering Regulations 2007

Money Laundering Regulations (MLR) 2007 were brought in to prevent the use of the UK financial system for the purpose of money laundering and terrorist financing. The following specific businesses are covered – credit institutions, financial institutions, auditors, insolvency



practitioners, external accountants and tax advisors, independent legal professionals, trust or company service providers, estate agents, high value dealers and casinos.

Under MLR the regulated businesses must carry out customer due diligence in terms of identifying customers and verifying this information using documents, identifying 'beneficial owners' (i.e. anyone who has ownership/part ownership of the company) and obtaining information on the purpose and intended nature of the business relationship.

Regulation 20(1) introduced the 'risk based approach' to the anti money laundering regime by requiring all relevant persons to establish and maintain 'appropriate and risk sensitive' policies and procedures to enable them to comply with the regulations. These policies are required to cover customer due diligence measures, reporting, record keeping, internal control, risk assessment and management, monitoring and management of compliance and internal communication of such policies and procedures.

For more advice about POCA and MLR go to <http://www.soca.gov.uk>

PUBLIC SECTOR FRAUD – EXCISE AND TAX OILS FRAUD

The total revenue loss in Northern Ireland from oils fraud is estimated to have fallen in the 2007/08 financial year. Over the past five years, the total revenue loss has fallen from an estimated £260 million in 2002/03 to £240 million in 2007/08. The estimated non-UK Duty Paid diesel market share in Northern Ireland has reduced from 53% in 2002/03 to 34% in 2007/08, with the associated revenue loss falling from £200 million to £190 million. The estimated non-UK Duty Paid petrol market share in Northern Ireland has also decreased; down from 18% in 2002/03 to 15% in 2007/08, and the resulting revenue loss has also decreased from an estimated £60 million in 2002/03 to £50 million in 2007/08.⁹ It is not possible to disaggregate the amount of revenue lost through legitimate 'cross border shopping' from deliberate frauds such as fuel smuggling and laundering.

Traditionally, the existence of the land border and the resultant tax differentials made fuel smuggling an attractive business prospect for organised crime gangs. In past years this had most commonly involved the smuggling of oils from the Republic of Ireland into Northern Ireland, however unfavourable exchange rates and changes in duty have reduced the profits to be made from this activity. As a result, many organised criminal gangs have moved away from smuggling oils from the South into the North and have instead concentrated on the 'stretching' of oils and/or laundering.

'Stretching' involves the adulteration of petrol or diesel with other chemicals such as ethanol, kerosene and methanol. These chemicals are toxic, highly flammable and pose a significant health risk as well as being capable of causing significant damage to a vehicle's engine.



OIL LAUNDERING

In both the United Kingdom and Ireland, Marked Gas Oil (red diesel in the UK, green diesel in the Republic of Ireland) is available for specific uses, for example use in agricultural machinery, and attracts a significantly reduced duty rate. Oil laundering involves the removal of government markers in Marked Gas Oil, altering the fuel's appearance to that of DERV.

There are two main methods used to launder fuel – Filtration – This laundering method filters out the government markers from fuel using a variety of agents. This method is slow and requires regular, high maintenance. One of the filtration agents commonly used in Northern Ireland is cat litter.

Acid laundering - This laundering method is fast, effective and high volume. Acid laundering is an inexact science where product is made in crude plants with no consideration for health and safety issues or for the potential damage to the end user's engine. Acid used in the laundering process is extremely concentrated, is highly corrosive and effectively 'bleaches' out the government markers in the fuel.

Both filtration laundering and acid laundering facilities have been discovered in Northern Ireland in the past year. Both laundering methods generate large quantities of toxic waste which is usually dumped by the launderers in public areas such as lay-bys, car parks or secluded rural areas. These by-products can cause extensive environmental damage and lead to considerable clean-up costs for local Councils.

Once fuel has been laundered it is transported throughout the United Kingdom and Ireland for onward sale often to unsuspecting customers. Vehicles transporting illegal fuel are usually crudely adapted to contain concealed tanks capable of carrying up to 30,000 litres of illicit fuel. In the past year HMRC officers have seized both adapted vehicles which were about to board ferries to Scotland and England, and those that had already completed the sea journey. The health and safety hazards posed by such vehicles are clearly extensive and these are amplified when the vehicle is transported via ferry and the true nature of the load is not declared on the shipping manifest.

TOBACCO FRAUD

In the 2007/08 financial year the estimated revenue loss from tobacco fraud and smuggling in the United Kingdom was between £1.0 billion and £2.7 billion.¹⁰ In Northern Ireland tobacco smuggling is carried out both on a commercial scale by organised crime gangs and on a smaller scale by teams of smugglers or opportunistic individuals. Smuggling of tobacco goods includes genuine tobacco products smuggled from areas which have lower duty rates than the United Kingdom, the smuggling of counterfeit copies of popular UK brands and increasingly the smuggling of 'Cheap Whites'. Cheap Whites are cigarettes produced entirely independently of the International Tobacco Manufacturers (ITMs) and effectively are brands manufactured specifically for

smuggling. The demand for Cheap Whites is increasing as they are seen as a cheap alternative to inferior quality counterfeit brands.

Smuggled and counterfeit tobacco products are brought into Northern Ireland in a variety of ways –

Containerised/bulk traffic – This method is favoured by organised crime gangs as it allows large quantities of tobacco products to be brought into the country illegally. In some cases false companies and entities are established for the sole purpose of tobacco smuggling. In other cases legitimate companies have their details hijacked by smugglers in so-called 'cuckoo importations'. Typically, counterfeit cigarettes are manufactured in the Far East and, to a lesser extent, Eastern Europe. They are usually shipped into the UK using containers with an average load consisting of between 6 and 10 million cigarettes.

Smuggled cigarettes can be brought into ports in both the UK and Ireland and HMRC regularly work in partnership with the UK Border Agency (UKBA) and their Revenue Commissioner colleagues in Ireland. For example, in October 2009, law enforcement officers from both sides of the Border worked together to assist the Revenue Commissioners to make the largest seizure of smuggled cigarettes in Europe when over 120 million cigarettes were seized in Greenore, County Louth. The cigarettes had been shipped in from the Philippines using a 'cover load' of animal feed and were part of a smuggling operation involving an organised crime group operating on both sides of the border.



Air passengers – In some cases individuals or groups bring in tobacco products in excess of the allowed amounts or guide levels for onward sale to family and friends. In other cases this can be a more planned affair with organised criminal gangs paying individuals to transport tobacco products into the country on their behalf.

Postal deliveries – In some instances smaller quantities of tobacco products are brought into the country via the postal service. This generally involves established contacts/suppliers in the country of origin.

Commercial courier companies – These are used by organised criminal gangs to bring fairly large consignments of illegal cigarettes into the country. Loads may be split between a number of courier companies to try and reduce the risk of detection by law enforcement.

Distribution of smuggled cigarettes is often through a network (importer to wholesaler to retailer) and extends down to cigarettes being sold at markets, car boot sales, under the counter at shops and through pubs and clubs. As a result of targeting tobacco smuggling in the UK, between 2006/07 and 2007/08 the illicit market share for cigarettes was reduced from 14% to 10%.¹¹

In the past year HMRC have also seen indications that counterfeit tobacco is being disguised as smuggled product. Quantities of raw tobacco have recently been seized in Ireland and HMRC officers have also seized empty hand rolling tobacco (HRT) pouches with health warnings from various European countries. These seizures suggest that the pouches were going to be filled with tobacco and sold as genuine smuggled product as counterfeit product may be seen as less attractive to the end user. Counterfeit cigarettes and tobacco are often manufactured in unregulated conditions and are not subject to any quality controls. The range mid-point estimate for the illicit market share of hand rolling tobacco (HRT) in the United Kingdom in 2007/08 was 47%, down from 53% in 2006/07.¹²

ILLEGAL DUMPING OF WASTE

The European Union Landfill Directive sets challenging targets to reduce the amount of biodegradable municipal waste being sent to landfill – “For Northern Ireland, as with the rest of

the UK, the targets are to reduce the amount of BMW [biodegradable municipal waste] sent to landfill to 75% of 1995 levels by 2010, to 50% of 1995 levels by 2013 and to 35% of 1995 levels by 2020.”¹³ The UK Government has implemented significant increases in respect of Landfill Tax on active waste in order to encourage recycling and help reduce climate change. Landfill Tax has increased from £24 per tonne in 2007 to £48 per tonne in 2010, and is set to increase by £8 per year until at least 2014/15 when it will reach £80 per tonne.¹⁴ There has also been a significant decrease in the number of landfill sites available.

The increasing cost of legitimately disposing of waste has led to a ‘black market’ developing. In previous years there had been an increase in illegal dumping of waste from the Republic of Ireland into Northern Ireland as a direct result of a variance in Landfill Tax between the two jurisdictions and there was some noted involvement by organised criminal gangs. In recent years this variance has reduced and Landfill Tax in the south is currently less than that charged in the north, making illegal movement of waste from the Republic of Ireland into Northern Ireland a less attractive option. It should be noted however that some of those involved in providing illegal waste disposal in Northern Ireland have remained active and it is likely that they have simply reduced their fees in order to ensure they remain a competitive option for clients in the south.

In Northern Ireland there are two main modus operandi seen – the illegal dumping of waste



product in registered landfill sites (for example a landfill site which is licensed to take builders rubble and plastic only taking other types of waste not permitted by their license such as household or clinical waste), and the illegal dumping of waste on unlicensed sites such as farmland. This practice can cause serious environmental damage and it often costs the Northern Ireland Environment Agency (NIEA) millions of pounds to clean up the site following discovery to prevent further environmental damage. In the past year NIEA has noted a reduction in the size of illegal waste sites although a larger number of smaller sites have been discovered.

In some parts of the United Kingdom organised crime gangs have also become involved in the illegal shipment of waste such as old electrical items (e.g. televisions, computers, fridges) outside the European Union, most commonly to Africa. This type of shipment is in breach of the Waste Electrical and Electronic Equipment (WEEE) Regulations which aim to reduce the amount of electrical items going into landfill and increase recycling. In the modern age these regulations have become necessary due to the increasing amount of electrical items such as mobile phones, televisions and computer equipment which are disposed of annually. There have been no similar cases seen in Northern Ireland in the past year however it is a trend which the Northern Ireland Environment Agency and PSNI are monitoring.

DRUGS

There are a number of established methods for bringing illicit drugs into Northern Ireland. These



include the shipping of illicit drugs in containers manifested as, and often actually also containing, other goods. Northern Ireland based organised crime gangs will often engage the services of haulage companies or corrupt drivers and it is not uncommon for them to first enter Great Britain or the Republic of Ireland before being moved into Northern Ireland. Smaller quantities are also posted into the country and in recent years some organised crime gangs have started to manufacture their own illicit drugs locally, specifically herbal cannabis.

Cannabis is the most widely abused illicit drug in Northern Ireland. This statement is supported both by the proportion of seizures, which show cannabis remains the most widely seized drug in Northern Ireland included in around 75% of all seizures¹⁵, and by figures from the Northern Ireland Drugs Misuse Database (DMD), which indicate cannabis is the most commonly reported main drug of misuse (reported by 39% of individuals in 2008/09 and 35% in 2007/08).¹⁶ Cannabis is sometimes produced locally however more commonly it is imported into Northern Ireland, often via Europe. In the 2008 OCTF Threat Assessment it was reported that organised crime gangs had targeted Northern Ireland as a location for setting up a large-scale production network. A series of sophisticated cannabis factories were set up, often in residential properties, and PSNI activity led to the seizure of tens of thousands of cannabis plants and the arrest of over 80 individuals. In the past two years the problem has diminished considerably however there are still factories found sporadically. Some of these are linked to local organised crime gangs while others are linked to non-indigenous gangs who have chosen Northern Ireland as a base from which to carry out these activities.

Cocaine use is noted to be increasing in Northern Ireland, a trend in line with the rest of the United Kingdom. According to recent research carried out on behalf of the Department of Health, Social Services and Public Safety, there are two main types of cocaine user in Northern Ireland – the 'recreational or socially integrated user', who is 'typically young, educated and anchored to a largely conventional lifestyle and whose pattern of non-work activities involved partying and drug use', and the 'socially marginalised user', who has usually

been referred for drug treatment.¹⁷ Cocaine purity varies between seizures however the Home Office states United Kingdom cocaine purity levels were typically less than 20% in March 2009¹⁸ and information from Forensic Science Northern Ireland (FSNI) indicates the purity levels are even lower in Northern Ireland. The mean purity of cocaine tested by FSNI in the 2009/10 financial year was 11%. Low purity levels occur because cocaine is cut and mixed with adulterants such as caffeine, lignocaine, paracetamol or benzocaine in order to increase profits and facilitate demand. PSNI have seized a number of cocaine presses and mixing agents in the past year, indicating that the process is being carried out locally. It is also believed that cocaine may be cut earlier on in the supply chain, meaning 'cocaine' purchased locally often only contains very small quantities of actual cocaine and will be bulked out with numerous other unknown substances.

Information from the Northern Ireland Drug Addicts Index indicates that over the past 10 years the number of registered addicts in Northern Ireland with heroin as their notifiable drug has seen a slight overall decrease. This decrease is supported by the Northern Ireland Drug Misuse Database which shows a slight overall decrease in the number of individuals presenting for treatment with heroin as their main drug of misuse between 2003/04 and 2008/09. The number of visits to needle and syringe exchanges however has seen increases year on year between 2004/05 and 2008/09. In 2004/05 there were a total of 7,440 visits and by 2008/09 this figure had seen an 80% increase to 13,389.¹⁹ It should be noted however that these figures equate to the number of visits, not the number of individuals actually availing of the service, and figures could have increased as a result of increased knowledge of the service. Overall, heroin related deaths have increased in the ten year period from 1997 to 2007, with the highest recorded number being in 2006 when there were 12.²⁰ PSNI heroin seizures and quantities seized have seen a significant increase in 2009/10 when compared to the previous year however this is largely due to one significant seizure in Foyle in July 2009. PSNI believe this seizure was not destined for the Northern Ireland market. Overall analysis carried out by PSNI has indicated that the heroin market in Northern Ireland has seen some

growth in terms of the number of users and also the geographic spread of users however the market remains limited.

PSNI are seeing significant reductions in the number of ecstasy (MDMA) seizures. There were a number of seizures in 2009/10 which were originally classified as ecstasy but which, following forensic examination, were found to be benzylpiperazines (BZPs). Piperazines became a Class C drug in December 2009; prior to this it was not a controlled substance.

PSNI have seen increases in the number of amphetamine seizures and also the quantity seized in the past year. It is believed that amphetamine may offer a cheap alternative to cocaine and that the fluctuation in exchange rates may have led to suppliers sourcing cheaper drug types in order to meet local demand and maintain profits. The mean purity of amphetamine tested by FSNI in the 2009/10 financial year was 2% and it is suspected that low purity levels of cocaine and amphetamine may have led to an increased willingness by users to experiment with a wider range of drugs, including 'legal highs'.

In the past year Northern Ireland has experienced the emerging issue of 'legal highs', a trend seen in much of the United Kingdom and Europe. These synthetic or plant based drugs are not controlled under the Misuse of Drugs Act, although they may be regulated by the Medicines Act, but can have serious effects on the user's health. 'Legal highs' are commonly purchased from 'head shops' or over the internet and may be branded as 'not for human consumption', for example as plant food, bath salts or incense. The Government moved quickly to have the most dangerous of these drugs criminalised however substitutes are constantly being developed. In the past year synthetic cannabinoids (commonly known as Spice) have been made Class B, mephedrone has been made Class B, Gamma-Butyrolactone (GBL) has been made Class C, and benzylpiperazine (BZP) has been made Class C. However, during 2008 alone, thirteen new psychoactive substances were officially notified through the European Union early-warning system, eleven of which were new synthetic drugs and two of which were plant based drugs.²¹

INTELLECTUAL PROPERTY CRIME (COUNTERFEITING)

Counterfeit goods are a lucrative source of income for organised criminals in Northern Ireland and in the past year law enforcement agencies have noted an increase in the variety of counterfeit products available locally.

Counterfeit discs (CDs and DVDs) are often produced locally and quality can vary greatly. Prices range from £3 to £8 per disc and there are often multi-buy offers available such as three or four discs for £10. Those involved in the production and/or distribution of counterfeit DVDs/CDs appear to often specialise in this area, with discs being the only counterfeit items they sell. Links with other types of organised criminality are less common with discs than with other types of counterfeit goods, however some connections have been noted between the sale of counterfeit discs and involvement in drugs supply and robbery as well as with members of both loyalist and republican paramilitary groups.

Counterfeit games and games consoles have been seen in Northern Ireland in the past year and this has included associated equipment such as controllers. There are also locally based individuals who are involved in the fitting of circumvention devices to games consoles and satellite/cable television boxes. These devices enable the hardware to play counterfeit games or receive television channels which have not been paid for but they do not conform to any health and safety regulations and in some cases simply do not work. Circumvention devices can cause damage to expensive equipment and will render any guarantees or insurance policies invalid.

Counterfeit clothing and footwear are often sold together in Northern Ireland and have come into the country predominantly from China and the Far East. Those involved in supply are frequently linked to other types of organised crime. The most common link is to drugs supply however other criminality includes counterfeit currency, firearms and extortion. Involvement in counterfeit clothing appears to be commonly included as a 'bolt on' to other types of organised criminality, probably due to organised criminal gangs taking advantage of already established importation routes for illicit goods. Links between those involved in the

supply/sale of counterfeit clothing and/or footwear and paramilitary organisations are more common than those seen in respect of counterfeit discs and include links to both loyalist and republican paramilitary groups.

Counterfeit alcohol continues to be found sporadically, particularly in border regions. In the past this type of product has been found locally to include dangerously high levels of toxic chemicals. Links have been seen between the supply of counterfeit tobacco and counterfeit alcohol to both loyalist and republican paramilitary groups, including dissident republican groups.

Over the past year law enforcement agencies have noted an increasing variety of counterfeit goods available in Northern Ireland. These have included handbags, jewellery, watches, perfume, electric toothbrush heads and razor blades as well as electrical items such as hair styling irons, MP4 players, smartphones and power tools. It is not unusual for these items to be sold at a price fairly close to that of the genuine article in order to dupe the customer into believing they are purchasing the real thing. When purchasing goods, particularly electrical items, consumers should always ensure they are buying from a reputable source and, where appropriate, check for guarantees.



COUNTERFEIT CURRENCY

Counterfeit currency remains a valuable source of income for organised crime gangs in Northern Ireland. Northern Ireland is unique in the United Kingdom as it has a large number of different types of bank notes in circulation; these include notes from the four main local banks as well as notes from Scottish banks, the Bank of England and Euros.

In the past year PSNI have dealt with counterfeit £5, £10 and £20 notes, as well as counterfeit Euro 50 notes and counterfeit £1 coins.

Counterfeit currency is produced locally however it can also be brought in from other parts of the UK and quality can vary greatly. In the past year PSNI have noted links between the production and/or supply of counterfeit currency and other types of organised crime such as fuel laundering and there are frequently links seen to suspected members of paramilitary groups. Counterfeit currency is sold through criminal networks or at markets and car boot sales.

ARMED ROBBERY

The term 'armed robbery' refers to a wide range of offences, ranging from an opportunistic handbag snatch by an armed offender through to highly organised operations which can result in massive losses to business. For the purposes of this assessment the focus is on those offences which involve organised criminal gangs and have involved a degree of pre-planning, in particular large-scale armed robberies and hijackings, cash-in-transit attacks and so-called tiger kidnaps. This section will also cover ATM thefts which became a serious issue in Northern Ireland last year.



CASH-IN-TRANSIT ATTACKS

Cash-in-transit attacks hit their peak in Northern Ireland in 2001 when there were 121 attacks in the calendar year. Following extensive partnership work, including the formation of the OCTF Armed Robbery Expert Group, figures began to reduce. By 2007 levels had decreased to their lowest in almost

ten years, with only 22 attacks recorded during the calendar year – an 82% reduction on the figure recorded in 2001. This low level of attacks has been maintained, with 25 attacks in the 2008 calendar year and 22 in the 2009 calendar year.

Unfortunately in 2009, the number of successful cash-in-transit attacks increased and this trend has continued in the early part of 2010. In 2008 just over half of all attacks resulted in a cash box being stolen (52% - 13 of the total 25). In 2009 86% of all attacks were successful (19 of the total 22). It should be noted however that in some instances the cash stolen was later recovered and, even if a cash box is successfully stolen, internal security devices will destroy the cash contained within. Courier companies continually update the technologies used in their cash boxes and delivery vans. One example of new technology is the increased use of tracker boxes. In Northern Ireland, tracker boxes are being introduced along with a range of other technologies in order to reduce vulnerabilities within the sector.

In 2009 the most commonly seen weapons in cash-in-transit attacks were firearms (seen in 64%, 14 of the total 22 attacks) and this trend has continued in the early part of 2010. This was in contrast to the previous two years when knives were the most commonly seen. It should be noted, however, that the number of attacks involving injuries to couriers saw a decrease in 2009 when compared to the previous year and remains at a low level in 2010.

ATM THEFTS

In addition to cash-in-transit attacks, 2009 saw the phenomenon of ATM thefts in Northern Ireland. In the 2009 calendar year there were a total of 21 ATM thefts recorded, with a further three in 2010 to date²². In 14 of the 21 incidents recorded in 2009 the thieves used stolen plant machinery in order to try and remove the ATM, however less than half of these incidents were successful (43%, 6 of the total 14). Of the three incidents in 2010 to date, two have involved plant machinery.

The remaining 7 of the 21 incidents which did not involve the use of stolen plant machinery were ram raid style attacks or involved physical effort to remove the machines. These were usually against free-standing, internal ATMs. Of these 7 incidents the success rates remained low, with 43% (3 of the

7) resulting in the loss of money and in each of these three instances the amount stolen was relatively small.

ATM thefts remain a threat in Northern Ireland and PSNI continue to carry out proactive investigations into suspects as well as work in partnership with local banks and retailers in order to increase preventative measures. A senior officer was appointed to lead and coordinate the PSNI response to this series of crimes.

TIGER KIDNAPS

So-called tiger kidnaps remain a serious threat in Northern Ireland, with incidents seeing a 25% increase in the 2009 calendar year (up from 12 recorded incidents in 2008 to 16 in 2009) –

“Tiger kidnaps involve the abduction or holding of a hostage (or the claim of having done so) with the intention of forcing another person to facilitate the immediate theft of valuables or concede some other form of ransom from an institution or business organisation.”²³

In the past tiger kidnaps were predominantly against employees of financial institutions however over the past two years law enforcement have seen a widening range of targets. In the 2009 calendar year PSNI investigated tiger kidnaps involving staff from a range of different types of businesses, including retail outlets. Commodities targeted in these incidents have included cash, jewellery and gold. In addition there were a number of tiger kidnaps involving non-business owners, at least one of which was targeting firearms.

Anyone who the criminals believe has access to large amounts of cash, disposable commodities or any other commodity of use to organised criminals can become the target of a tiger kidnap incident. Advice on appropriate security measures can be sought from PSNI.

EXTORTION

Extortion in Northern Ireland was traditionally carried out by paramilitary groups who not only used this form of organised crime to make large sums of money, but also to maintain control over the community. Many businesses were expected to pay for ‘protection’, with the construction industry

being particularly badly affected. In recent years there has been a move away from paramilitary-run protection rackets. It is suspected this is due to a reduction in paramilitary activities by most paramilitary organisations combined with a lack of potential targets due to the economic downturn and the resultant reduction in local construction projects. In the past year PSNI have investigated extortion cases in which business owners have been the victim, however the level of incidents has continued to decline year on year. Suspects in these incidents have included individuals claiming to be members of both loyalist and dissident republican paramilitary groups as well as organised crime gangs.

In the 2009 Threat Assessment it was reported that there had been an increase in blackmail and extortion of foreign nationals by members of their own community however this trend appears to have diminished through the latter part of 2009 and early 2010. This may be partially as a result of reduced migration into Northern Ireland. The Northern Ireland Statistics and Research Agency have reported that Northern Ireland experienced significant population growth due to migration between 2004 and 2007/08 as a result of the expansion of the European Union, however this migration is now seen to be notably slowing.²⁴

The most noted trend of late 2009 and early 2010 has been the extortion of individuals believed to be involved in criminal activity themselves. In particular those suspected of being involved in drug supply have been targeted. Dissident republican groups appear to be particularly active in this area, however it is not clear how much of the money extorted goes into funding terrorist activities.

ORGANISED IMMIGRATION CRIME

Organised immigration crime has become a key area of business for law enforcement agencies in Northern Ireland and there have been a number of cases investigated in the past year. The term ‘organised immigration crime’ is usually used to describe one of the following activities –

Human trafficking – This term refers to the illegal movement of a person into or through a country for the purposes of the exploitation of that person.²⁵ The control exercised by the trafficker

may be physical or psychological. The trafficker may restrict the victim's movements in some way (for example through the holding of their passport or through the employment of 'guards'), they may threaten the victim or the victim's family with violence, or may convince the victim that they will not receive any help if they speak to law enforcement.

People smuggling – This term refers to the provision of a service or goods that will facilitate illegal migration.²⁶

The most frequent form of trafficking seen in Northern Ireland has been trafficking for the purposes of sexual exploitation. These cases have predominantly involved females who have been brought into the country on the promise of employment but have then been forced to work in prostitution. Whilst PSNI assess that only a very small percentage of women working within the local sex industry have been trafficked, there have been a number of successful investigations in the past year in which victims have been recovered in such circumstances. Victims are treated like commodities by the traffickers and the long-term impact on their health and wellbeing can be extensive.

Law enforcement agencies in Northern Ireland recognise that there can be a link between the sex industry and a variety of organised criminal activities, including human trafficking, people smuggling, money laundering, extortion and drugs supply. PSNI have appointed a senior officer within Organised Crime Branch as the service lead for dealing with the emerging sex industry and a strategy has been developed based on in depth analysis of the problem. Recent analysis and successful operations carried out by PSNI, UKBA and SOCA indicates that an increasing number of brothels operating in Northern Ireland have links to organised crime gangs. In some instances this involves acting as a 'pimp' and/or providing accommodation. In other instances their involvement is more organised, for example assisting females into Northern Ireland specifically to work in the sex industry, or human trafficking for the purposes of sexual exploitation. They may employ a mix of trafficked and non-trafficked women within the brothel, however those

employed 'voluntarily' may also be vulnerable due to their background or may have problems with addiction. Often the identified gangs are local, have extensive previous criminal involvement, and links have been seen to both loyalist and republican paramilitary groups. There have also been some identified links to organised crime gangs predominantly based overseas. The following quote is part of a statement taken by SOCA's vulnerable Persons Team as part of an investigation into a prostitution ring.

"Since I left the agency I still live in fear. I don't sleep at night. I can't breathe and I'm afraid if I close my eyes I won't wake up. I'm afraid that I have broken the oath..... My family have been threatened"

Local law enforcement has also investigated recent cases of trafficking for the purposes of forced labour and domestic servitude. In these instances victims have been brought into the country and made to work within homes or in businesses, often restaurants.

In the past year law enforcement in Northern Ireland has seen some evidence of locally based individuals acting as illegal labour providers. 'Gangmasters' are essentially individuals who provide casual labour and legally, under the Gangmaster's Licensing Act 2004²⁷, the term refers to those who supply labour to specific industries, including the agriculture and horticultural industries. Under the legislation gangmasters must register with the Gangmaster's Licensing Authority and they must meet legal standards to ensure their workers are protected from poor treatment and exploitation. In Northern Ireland law enforcement believe that there are individuals operating in a similar way to legitimate gangmasters but who are supplying illegal immigrants to work in industries not covered by the legislation, predominantly in the restaurant business. These individuals are employing workers who have no legal right to be in the United Kingdom and they are not adhering to the necessary legal standards, for example through allowing their workers to work excessively long hours or through not providing adequate pay.

For more information in relation to human trafficking go to <http://www.blueblindfold.co.uk>



CHAPTER
PUBLIC AWARENESS AND
OUTREACH EVENTS

4

Throughout the year the OCTF has hosted a number of public awareness and outreach events across Northern Ireland. These events provide members of the OCTF with an opportunity to engage with various community representatives, students and businesses to find out what impact organised crime has had on each of these sectors of the community, to provide information on the work on the OCTF as well as providing advice on how communities can help law enforcement to tackle organised crime.

The following events were held this year:

LAUNCH OF ANNUAL REPORT AND THREAT ASSESSMENT 2009

The OCTF Annual Report and Threat Assessment launch was held in June 2009 in the Waterfront Studio, Belfast. The event was attended by OCTF partners and hosted by the Security Minister and the Chief Constable of the PSNI. The launch highlighted the key successes the OCTF and its partner agencies achieved throughout 2008-2009 and launched a new Community Fund for Northern Ireland.

2009 INTERNATIONAL LAW ENFORCEMENT INTELLECTUAL PROPERTY CRIME CONFERENCE

The OCTF was one of the sponsors of the 3rd International Law Enforcement Intellectual Property Crime Conference held in October 2009 in Dublin. This was the first time this conference was held in Europe and government and law enforcement officials from all over the world were in attendance. The event provided excellent opportunities to develop partnerships and share strategies with the international delegates.

OCTF CROSS BORDER CONFERENCE – CROWNE PLAZA HOTEL, DUNDALK 2009

In October 2009 the OCTF in conjunction with the Department of Justice, Equality and Law Reform hosted the seventh annual Cross Border Seminar in Dundalk. The keynote speakers at the event were Fachtna Murphy, An Garda Síochána Commissioner and Deputy Chief Constable Judith Gillespie. Law enforcement partners from both sides of the border were able to participate in a number of practical workshops on topics including Human Trafficking, Drugs, Fiscal Fraud and Inter Regional Crime. The event provided partners with the opportunity to further develop partnerships, share intelligence and

discuss strategies for dealing with cross border crime.

OCTF FAKE GOODS CHRISTMAS ADVERTISING CAMPAIGN

The OCTF launched the Fake Goods Christmas Campaign in November 2009. The campaign was aimed at 18-34 year olds and highlighted the link between buying fake goods and funding organised crime. Adverts were placed in newspapers and in pubs and clubs across Northern Ireland and a radio advertisement aired on local stations.

The Key findings of the campaign evaluation are as follows:

Attitude Statement	Benchmark Prior to Advertising	Post 2007 Evaluation	Post 2008 Evaluation	Post 2009 Evaluation
Ease of buying fake goods	87%	79%	75%	85%
Acceptability of buying fake goods	48%	43%	31%	35%
How widespread are fake goods	81%	92%	76%	83%
Buying fake goods is Okay	46%	34%	29%	42%
Buying fake goods is morally wrong	39%	46%	50%	46%
Selling fake goods is less serious than other crimes	65%	60%	57%	63%
Buying fake goods can fund organised crime	69%	60%	84%	58%
Buying fake goods is okay sometimes	50%	41%	42%	43%
Buying fake goods can put people out of jobs	50%	41%	76%	53%
Buying fake goods is the smart way to get what you want	40%	44%	17%	39%
Difficult to tell if you are buying fake goods	28%	23%	22%	36%
Fake goods always of worse quality	49%	48%	61%	43%
Buying fake goods doesn't do any harm	34%	21%	27%	36%

NETWORK AND GETWORK EVENT

OCTF participated in Intertrade Ireland's Network and Getwork event in December 2009. This cross border trade programme was delivered by the NI Chamber of Commerce in partnership with the Dublin Chamber and offered local companies the opportunity to develop business opportunities with large buying organisations in the Republic of Ireland.

LAUNCH OF BLUE BLINDFOLD CAMPAIGN IN NORTHERN IRELAND

The Blue Blindfold Campaign is an international campaign run by the UK Human Trafficking Centre (UKHTC) which urges the public to open their eyes to Human Trafficking. The campaign was launched in December 2007 by the UK Human Trafficking Centre and has received support from the 'All Party Parliamentary Group on Trafficking in 2008'. The logo is fast becoming an internationally recognised symbol of help for victims. The campaign was launched in Northern Ireland in February 2010 at an event in Grosvenor House conference centre, Belfast which was attended by health and community sector representatives. The event was hosted by Anna Lo MLA and included keynote speeches from the Security Minister, PSNI, Women's Aid, UKBA, DHSSPS and UKHTC. The campaign included advertisements on buses in Belfast, Newry and Londonderry, on local websites and a poster campaign in GP surgeries and hospitals throughout NI.

BALMORAL SHOW

In May 2009 the OCTF took a stand at the annual Balmoral Show at the Kings Hall, Belfast. The stand enabled OCTF representatives to engage with the rural community in particular to raise awareness of organised criminal activity and to encourage people to help law enforcement tackle organised criminal activity by reporting suspicious activity to PSNI.

BUSINESS SEMINAR

The Organised Crime Task Force hosted a joint seminar with the Confederation of British Industry (CBI), Federation of Small Businesses and Belfast Chamber of Commerce in the Baby Grand, Grand Opera House, Belfast in September 2009. The purpose of the seminar was to raise awareness of organised crime amongst the NI business community and the work of the OCTF in relation to tackling the types of organised crime which affect the local business community.



SCHOOLS EVENT

In October 2009 the OCTF hosted an event for young people from schools in the Armagh area at the Armagh City Hotel. The event was aimed at raising awareness of the types of organised crime being carried out in Northern Ireland and to demonstrate to the pupils the harmful effects organised crime has on the community.

JUDICIAL STUDIES BOARD PRESENTATION

Members of the OCTF made a presentation on the work of the OCTF to the Judicial Studies Board at the Bar Library, Royal Courts of Justice in February 2010. The Director General of Policing and Security and Head of PSNI Organised Crime Branch gave presentations on the work of the OCTF and held a discussion with the delegation judges and law professionals who attended.

OCTF WEBSITE REDESIGN

The OCTF website has been redesigned and includes information on the OCTF, Government publications on organised crime and information on OCTF events. Our new website can be found at www.octf.gov.uk

NORTHERN IRELAND OMNIBUS SURVEY

Results of the January 2010 Northern Ireland Omnibus Survey published in May 2010.

14% of those surveyed suspected that someone in their own neighbourhood had obtained a large part of their wealth from crime.

Irrespective of whether they suspected any specific family or individual, 26% of respondents believed that there were people living in their local community who had acquired a significant part of their wealth from crime.

Of those surveyed, 96% thought there was a problem with organised crime in Northern Ireland; 42% thought this problem was very serious.

Almost two-thirds (65%) of respondents thought individual victims suffered as a result of organised crime; the same proportion felt the general public suffered.

Over two-thirds (68%) of those taking part in the survey thought organised crime could lead to fear in the community.

Respondents thought the police (91%), the government (59%) and the Serious Organised Crime Agency (46%) had a role in tackling organised crime.

Almost half (48%) of those surveyed thought they had a role in tackling organised crime; 76% of

whom thought their role was to report criminal activity to police or Revenue and Customs.

71% of respondents thought that paramilitary organisations were mainly responsible for committing offences relating to organised crime.

The types of crime most frequently associated with organised crime were drug dealing (74%), fuel smuggling/laundering (41%) and trading in counterfeit goods (38%).

41% of those surveyed had heard of the Organised Crime Task Force (OCTF); 74% of whom had heard via the television.

Of those who had heard of the OCTF, 59% thought it was fairly or very effective in raising awareness about organised crime.



CHAPTER
PERFORMANCE AGAINST NI
ASSETS RECOVERY ACTION PLAN

5

This section of the document sets out our performance against the 13 action points contained in the 2009/10 plan.

ACTION POINT	ACHIEVEMENT
<p>Action Point One Law enforcement agencies operating in Northern Ireland will increase on a year-on-year basis the number of cash seizures in 2009/10 when compared to 2008/09</p>	<p>There were 168 cash seizures against a target of 158.</p>
<p>Action Point Two Law enforcement agencies operating in Northern Ireland will increase on a year-on-year basis the value of cash seizures in 2009/10 when compared to 2008/09</p>	<p>Value of cash seizures was £1,648,707 against a target of £1,785,558.</p>
<p>Action Point Three Law enforcement agencies operation in Northern Ireland will increase on a year on year basis the value of cash forfeited in both 2009/10 when compared to 2008/09</p>	<p>Value of cash forfeited was £848,349 against a target of £777,324.</p>
<p>Action Point Four Law enforcement agencies operating in Northern Ireland will increase on a year-on-year basis the value of court orders obtained (both criminal confiscation and civil recovery) in 2009/10 when compared to 2008/09</p>	<p>Value of court orders was £18,476,011 against a target of £16,125,241.</p>
<p>Action Point Five Total Criminal assets recovered (net of costs) in Northern Ireland will be within the range of £7.8m - £12.5m in 2009/10.</p>	<p>Net value of criminal assets recovered was £4,207,852 against a target of £7.8 million.</p>
<p>Action Point Six The OCTF will from 1 April 2008. For the period covered by this report publish figures on a 3 monthly basis showing progress against action points 1-5 above.</p>	<p>Quarterly results were published on the OCTF website.</p>
<p>Action Point Seven At the end of 2009/10 the OCTF will provide information on how the 50% of criminal assets recovered in Northern Ireland and given back to the law enforcement agencies has been used.</p>	<p>Examples include: NI Community Fund. HMRC campaign against Fuel Fraud Employment and training of financial investigators. Maintaining a support network for the victims of human trafficking. Supporting district and community based projects.</p>
<p>Action Point Eight Law enforcement agencies will increase the number of financial investigators working in Northern Ireland by March 2010. During the period of this report we will train additional financial investigators across a range of agencies in Northern Ireland.</p>	<p>PSNI trained 16 financial investigators. NI Environment Agency trained 2 financial investigators.</p>

ACTION POINT	ACHIEVEMENT
<p>Action Point Nine We will contribute to the Home Office considerations following their consultation exercise in 2007 and will support and implement any new measures to allow more criminal assets to be recovered.</p>	<p>The Policing and Crime Act 2009 introduced a package of powers to tackle human trafficking and exploitation. The Act also introduced new Proceeds of Crime provisions which give police and other law enforcement agencies additional powers to assist with the recovery of criminal assets. Details on pg 21-22</p>
<p>Action Point Ten We will report on progress towards measuring harm caused by organised crime.</p>	<p>Work is continuing and a baseline is being prepared. Details on pg 52.</p>
<p>Action Point Eleven We will report on any OCTF structural changes made during the year to address emerging trends</p>	<p>An ATM group was convened in late 2009 early 2010 to deal with the spate of ATM attacks.</p>
<p>Action Point Twelve We will review the structure and operation of the OCTF during 2008/09 and report on the outcome of this review.</p>	<p>The review is now complete. Details of the review are contained in pg 52</p>



CHAPTER
LOOKING BACK

6

10 year anniversary of the OCTF

2010 marks the 10th anniversary of the Organised Crime Task Force in Northern Ireland. The OCTF was established in 2000 by the then Secretary of State, with the aim of providing a multi-agency partnership approach to tackling organised crime in Northern Ireland. The first OCTF Threat Assessment was produced internally in February 2001, with the first published document released in June 2002.

The types of criminal activity favoured by Northern Ireland based organised criminals have not changed dramatically in the past 10 years. Supply of drugs, counterfeit goods and currency, fraud and money laundering, large-scale armed robbery and extortion, cigarette and fuel smuggling and fuel laundering were all features of the 2002 OCTF Threat Assessment and remain so in this year's OCTF Threat Assessment.

The supply of illicit drugs remains an important source of finance for organised criminal gangs in Northern Ireland however there have been some changes in the types of drugs being supplied. The following table shows the number of seizures of specific drugs and these seizures as a percentage of the total seizure incidents –

These seizure figures indicate that cocaine has seen an increase in popularity, now seen in 16% of seizure incidents in 2009/10 compared to 3% in 2001/02, whereas ecstasy has become less popular, seen in 6% of seizures in 2009/10 compared to 15% in 2001/02. These conclusions are supported by other information held by PSNI and other government agencies and are an example of how the drugs market can change over a period of time.

EXTORTION

Extortion is another area in which there have been some changes seen since the inception of the OCTF. Whilst extortion is still carried out there has been a reduction in reported cases and a shift has been seen both in terms of the types of perpetrators and the types of victims. Paramilitary involvement in extortion is believed to have reduced however there remain some individuals who will carry out extortion in the name of particular organisations. In reality any money extorted is more likely to be for personal gain. In the 2002 Threat Assessment 38% of all identified victims of extortion in Northern Ireland were building/maintenance contractors. In 2009/10 none of the victims of extortion identified worked in this industry.

	2001/02		2009/10	
	No. of seizures	% of total seizure incidents ²⁸	No. of seizures	% of total seizure incidents ²⁹
Cocaine	48	3%	526	16%
Ecstasy	265	15%	212	6%
LSD	3	<1%	8	<1%
Opiates	38	2%	104	3%
Amphetamine	96	5%	165	5%
Cannabis	1577	89%	2930	88%

COUNTERFEIT GOODS

The supply of counterfeit goods and counterfeit currency has not changed significantly over the past 10 years however there has been a shift in the types of goods being counterfeited. In the 2002 Threat Assessment there were noted seizures of videos and Video Compact Discs (VCDs), Playstation games and Dreamcast games. Nowadays these have been replaced by DVDs, PS3, Xbox and Wii games and there are, in general, a wider variety of counterfeit goods available, particularly electrical items which are predominantly purchased over the Internet and produced in China and the Far East. In terms of counterfeit currency the introduction of the Euro to Ireland in January 2002 has led to increased incidences of counterfeit Euro notes being discovered in Northern Ireland.

VEHICLE THEFT

In the 2002 Threat Assessment there was a section dedicated to vehicle theft, which had become a growing problem over the previous few years. At that time it was believed that vehicles, particularly prestige vehicles, were being stolen to order. In 2001/02 vehicle thefts were at their peak in Northern Ireland with 11,635 incidents occurring, an average of 32 thefts per day. By 2009/10 this figure had seen a dramatic reduction, down to 2,975 incidents, an average of 8 thefts per day. A reduction in vehicle thefts has also been noted in England and Wales - the British Crime Survey indicates thefts of vehicles fell 71% from their peak in 1995 to 2008/09³⁰. The decline is likely to be as a result of increased security features such as immobilisers and central locking.

ARMED ROBBERY

In the 2002 Threat Assessment, large-scale armed robberies such as cash-in-transit attacks were noted to be a significant problem in Northern Ireland. Cash-in transit attacks were above the national UK average, with attacks in Northern Ireland accounting for 18% of the national total. Since the formation of the OCTF Armed Robbery Expert Group, cash-in-transit attacks have steadily declined year on year. The number of incidents recorded in 2009 was 22, an 84% decrease on the number recorded in 2002 (134). This accounted for around 2% of the UK national total. Between 2000 and 2009 cash-in-transit attacks have steadily declined in Northern Ireland while they have increased in the rest of the UK.

IMMIGRATION CRIME

In 2002 organised immigration crime was covered in the Threat Assessment however it was not assessed to be a significant problem in Northern Ireland. This remained the case until PSNI took part in a UK-wide operation against human trafficking, Operation Pentameter 2, from October 2007 to March 2008. Whilst only a small number of victims were recovered in this operation it led to an increased understanding of the problem and there were also a number of 'spin-off' investigations. Since Operation Pentameter 2, PSNI have investigated a number of cases of both human trafficking and people smuggling, often in partnership with other agencies such as UK Border Agency and SOCA, and in 2009 the Northern Ireland Office (now Department of Justice) set up a victim care scheme to ensure victims recovered in Northern Ireland are supported in line with the Council of Europe Convention on Action against Trafficking in Human Beings which was ratified in the UK in December 2008.

EXCISE FRAUD

Excise frauds such as smuggling and fuel laundering continue to be an issue in Northern Ireland, with some organised crime gangs developing expertise in these areas. Whilst the existence of the land border and the resulting duty differentials will always make Northern Ireland vulnerable to this type of offence it should also be noted that there have been changes in some of the methodologies used, particularly in the past couple of years as a result of the recession and changes in duty differentials. Law enforcement intervention, particularly by HMRC, has led to a significant reduction in the estimated duty lost through oils fraud – down from an estimated £380 million in 2000³¹ to £240 million in 2006/07³².

INTERNET/GLOBAL CRIME

Organised Crime has increasingly become a global phenomenon. The benefits of the internet are not lost on criminal organizations, which exploit digital technology like the internet to enhance the efficiency and effectiveness of their own operations, often remotely. We have seen a rise in this type of criminality in Northern Ireland.

In general, organised crime in Northern Ireland has seen some changes in terms of favoured methodologies and commodities over the past 10 years however the basic foundations remain the importation or production and sale of illicit goods, smuggling, large-scale robbery and extortion.



CHAPTER
LOOKING AHEAD

Human Trafficking and victims support

Following the ratification of Council of Europe Convention on the Trafficking of Human Beings and the Nation Referral mechanism, we established, in conjunction with Women's Aid and Migrant Helpline, a pilot victim support network in April 2009. Since its inception 19 victims of trafficking, rescued in Northern Ireland, have utilised the facilities available. The pilot was extended to end of September 2010 and reviewed in February 2010 and the positive feedback confirmed that the appropriate facilities are being offered to victims of trafficking rescued in Northern Ireland.

Security Industry Authority

The private security industry in Northern Ireland has been fully regulated by the Security Industry Authority (SIA) since 1 April this year. It is now an offence throughout the United Kingdom to work in the following designated sectors without an SIA licence:

- Cash and Valuables in Transit
- Close Protection
- Door Supervision
- Public Space Surveillance (CCTV)
- Security Guard
- Key Holding
- Immobilisation, restriction and removal of vehicles

The penalties for offences under the Private Security Industry Act 2001 are potentially severe – up to £5,000 fine and / or six months imprisonment. A charge of supplying unlicensed operatives can be tried at the Crown Court where there is no limit to the amount of a fine and a sentence of imprisonment of up to five years can be given.

Measuring Harm

Work continues to measure the harm caused by organised crime in Northern Ireland. The NAO and the OCTF Strategy group has agreed that this is a difficult concept to measure and that further work will be undertaken to increase our understanding of the harm caused by organised crime. A key part of that work will be to establish a methodology to measure trends over time in the harm caused by organised crime.

Illegal Waste

NIEA is continuing to develop its ability to tackle serious and persistent environmental offenders and use all available enforcement tools and legislation to do so. In the past year the ECU's dedicated Financial Investigators (FIs) have secured 3 confiscation orders with a total value of £471,196. This brings the total value of confiscations obtained since ECU was established to over £1.5 million.

Review of the Organised Crime Task Force

In advance of the devolution of policing and justice to the Northern Ireland Executive, a review focusing upon the structure and effectiveness of the Organised Crime Task Force was initiated in August 2009. The main purpose of this review was to assess the activities and actions of the OCTF to ensure that it could continue to operate effectively within the changing political context as well as taking into account any changes in organised crime activity.

This review took the form of a consultation exercise with key representatives of the OCTF partner organisations where they were asked to comment in four key areas namely OCTF structure; tasking; communication and operating in a post devolution environment. All responses were collated and the final report was endorsed in October 2009. In total eight recommendations were made which centred around the need to conduct further work on the measurement of success, internal and external communication as well as the development of an overarching Organised Crime Strategy for Northern Ireland.

Community Fund for Northern Ireland

Following the success of the Community Fund last year we will aim to increase the amount of funding available from the proceeds of organised crime to invest in community projects in areas which have been blighted by organised criminal activity.

Awareness

The OCTF will continue to raise awareness of the types of organised crime which are most prevalent in our society and the harm these types of crime cause to individuals and communities in tandem. The OCTF will continue to offer practical advice to business and communities on how to deal with organised criminality.

Key Threats for 2010/11

Chapter three of this report highlights the continuing threat from Organised Criminal gangs operating in Northern Ireland. The OCTF assesses the principal threats for 2010/11 to be:

- Internet Crime
- Fraud
- Money Laundering
- Excise and Tax Fraud (Including Oils Fraud)
- Intellectual Property Crime
- Armed Robbery and Cash in Transit Attacks
- Tiger Kidnaps
- Drugs
- Counterfeit Currency
- Organised Immigration crime including Human Trafficking

We will adapt our priorities as necessary to respond to any emerging threats.

FOOT NOTES

- ¹ Definition provided by PSNI.
- ² Independent Monitoring Commission (2009). *Twenty-second report of the Independent Monitoring Commission*. Available online from <http://www.independentmonitoringcommission.org>
- ³ Independent Monitoring Commission (2009). *Twenty-second report of the Independent Monitoring Commission*. Available online from <http://www.independentmonitoringcommission.org>
- ⁴ National Fraud Authority (2010). *Annual Fraud Indicator*, published January 2010.
- ⁵ CIFAS (2009). *2009 Fraud Trends*. Available online from <http://www.cifas.org.uk>
- ⁶ National Fraud Authority - <http://www.attorneygeneral.gov.uk/nfa/actionfraud/OtherFraud/Pages/WestAfricanLetter.aspx> (Retrieved 12/04/2010).
- ⁷ <http://www.soca.gov.uk/financialIntel/legislation.html>
- ⁸ Please note – this is not all the business activities covered under POCA. Full list can be found at <http://www.opsi.gov.uk/si/si2003/20033074.html>
- ⁹ HMRC (Dec 2009). *Meeting our challenges: Departmental Autumn Performance Report 2009*. Available online from <http://www.hmrc.gov.uk>
- ¹⁰ HMRC (Dec 2009). *Meeting our challenges: Departmental Autumn Performance Report 2009*. Available online from <http://www.hmrc.gov.uk>
- ¹¹ HMRC (Dec 2009). *Meeting our challenges: Departmental Autumn Performance Report 2009*. Available online from <http://www.hmrc.gov.uk>
- ¹² HMRC (Dec 2009). *Meeting our challenges: Departmental Autumn Performance Report 2009*. Available online from <http://www.hmrc.gov.uk>
- ¹³ http://www.doeni.gov.uk/index/protect_the_environment/waste/landfill.htm
- ¹⁴ Further information available online from <http://www.doeni.gov.uk> or <http://www.defra.gov.uk>
- ¹⁵ Cannabis was included in around 75% of all drugs seizures made by PSNI between April 2009 and February 2010. Figures correct as of 31st March 2010 however may be subject to change.
- ¹⁶ Northern Ireland Statistics and Research Agency (October 2009). *Statistics from the Northern Ireland Drug Misuse Database: 1 April 2008 – 31 March 2009*. Available online from <http://www.dhsspsni.gov.uk>
- ¹⁷ Department of Health, Social Services and Public Safety report by Patrick McCrystal, Paula Mayock and Sarah Hannaford (2009). *A Study of Cocaine Use in Northern Ireland 2009*. Available online from <http://www.dhsspsni.gov.uk/cocaine-use-2010.pdf>
- ¹⁸ Home Office (2010). *The United Kingdom Threat Assessment of Organised Crime 2010-11*, Pg. 39. Available online from <http://www.soca.gov.uk>
- ¹⁹ HPA (October 2008). *Shooting Up – Infections among injecting drug users in the United Kingdom 2007. An update: October 2008*. Retrieved from http://www.hpa.org.uk/web/HPAwebFile/HPAweb_C/1224833091550 Pg12.
- ²⁰ Northern Ireland Statistics and Research Agency (2009). *Drug related deaths and deaths due to drug misuse registered in Northern Ireland (1997 – 2007)*. Available from <http://www.nisra.gov.uk>
- ²¹ European Monitoring Centre for Drugs and Drug Addiction (2009). *Annual Report 2009: The State of the Drugs Problem in Europe*. Available online from <http://www.emcdda.europa.eu>
- ²² Figure correct as of 27th April 2010.
- ²³ Definition provided by PSNI.
- ²⁴ Northern Ireland Statistics and Research Agency (2009), *Migration estimates Northern Ireland (2008)*. Available from <http://www.nisra.gov.uk>
- ²⁵ A fuller definition can be found at <http://www.unodc.org>
- ²⁶ A fuller definition can be found at <http://www.unodc.org>
- ²⁷ Full details available from <http://www.gla.gov.uk>
- ²⁸ Please note – Seizure incidents can involve more than one drug type so the percentages will not total 100%.
- ²⁹ Please note – Seizure incidents can involve more than one drug type so the percentages will not total 100%.
- ³⁰ Home office (2010). *Acquisitive crime and plastic card fraud: Findings from the 2008/09 British Crime Survey*. Pg 14-16. Available online from <http://rds.homeoffice.gov.uk/rds/pdfs10/hosb0810.pdf>
- ³¹ OCTF Threat Assessment 2002, Page 19
- ³² HMRC (Dec 2009). *Meeting our challenges: Departmental Autumn Performance Report 2009*. Available online from <http://www.hmrc.gov.uk>

Human trafficking



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