



# ORGANISED CRIME TASK FORCE



## 2011 ANNUAL REPORT & THREAT ASSESSMENT ORGANISED CRIME IN NORTHERN IRELAND



## INTRODUCTION

As Minister of Justice and Chair of the Organised Crime Task Force (OCTF) I am very pleased to introduce the 10th OCTF Annual Report and Threat Assessment.

I want to reflect on the significant successes of our law enforcement partners during the past year, including the seizure of illegal drugs with a street value of over £9 million, the dismantling of 15 large scale fuel laundering plants, the rescue of 23 victims of human trafficking and the recovery of £4.4 million of assets.

These figures demonstrate major blows to the activities and profits of organised criminal gangs but we are not complacent. The landscape of organised crime has changed significantly in the past number of years and the internet in particular has provided organised criminal gangs with the biggest marketplace they have ever had to operate in. Whether the crime is fraud, sexual exploitation, counterfeit goods, extortion or drugs the effects can be devastating. We recognise that there is still work to be done to thwart the activities of the organised criminal gangs and that we must continue to develop effective structures and processes that will deal with emerging trends as well as existing threats.

This year the OCTF has begun to develop the Northern Ireland Organised Crime Strategy. The strategy will provide a focus for the work of the OCTF over the next three years. I am confident that it will add value to the combined efforts of the OCTF partners and will facilitate even greater success in the fight against organised crime. All members of the OCTF are fully committed to taking this work forward.

Organised criminals are unscrupulous in their pursuit of profit. In recent years there have been some very disturbing illustrations of the lengths to which criminals



will go. We have witnessed victims of human trafficking being rescued from our towns and cities and young people's lives irreparably damaged by synthetic drugs. The OCTF is committed to tackling organised crime but to have a real impact on the crime gangs who operate in Northern Ireland we need the support of the whole community. All organised crime is linked. All organised crime is harmful. All organised crime must be stopped.

Finally, on behalf of everyone in Northern Ireland, I want to pass on my sincere thanks and gratitude to all the agencies and individuals involved in delivering another year of excellent results. We appreciate the often dangerous and unsung work they do.

**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!

## TELEPHONE NUMBERS

HMRC HOTLINE .....	0800 59 5000
PSNI .....	0845 600 8000
CRIMESTOPPERS .....	0800 55 5111

## WEBSITES

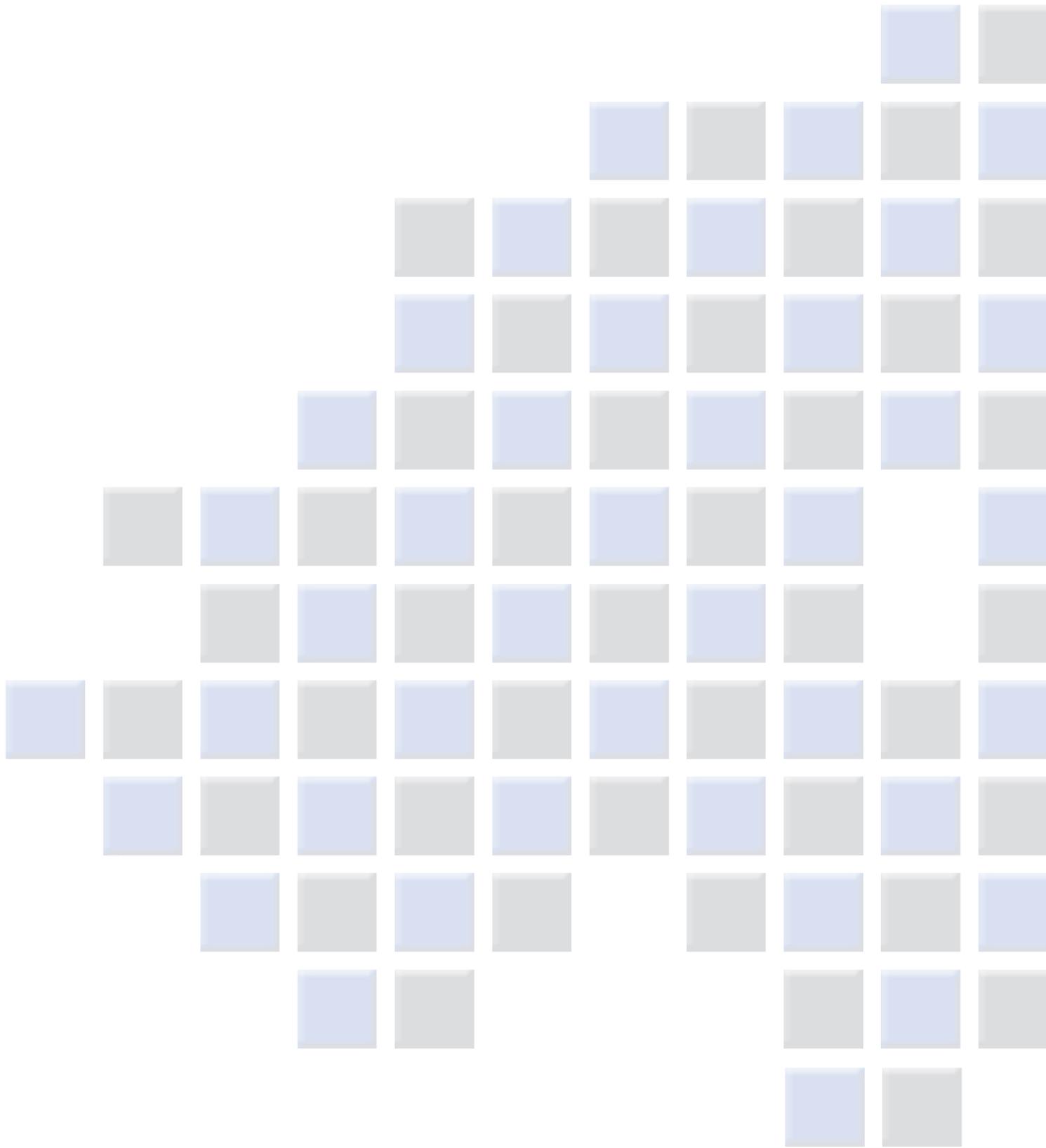
ORGANISED CRIME TASK FORCE .....	<a href="http://www.octf.gov.uk">www.octf.gov.uk</a>
POLICE SERVICE OF NORTHERN IRELAND .....	<a href="http://www.psni.police.uk">www.psni.police.uk</a>
HER MAJESTY'S REVENUE AND CUSTOMS .....	<a href="http://www.hmrc.gov.uk">www.hmrc.gov.uk</a>
SERIOUS ORGANISED CRIME AGENCY .....	<a href="http://www.soca.gov.uk">www.soca.gov.uk</a>
DEPARTMENT OF JUSTICE .....	<a href="http://www.dojni.gov.uk">www.dojni.gov.uk</a>
UK BORDERS AGENCY .....	<a href="http://www.ukba.homeoffice.gov.uk">www.ukba.homeoffice.gov.uk</a>



## OCTF ANNUAL REPORT AND THREAT ASSESSMENT 2011

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# CHAPTER 1

## STRUCTURAL OVERVIEW

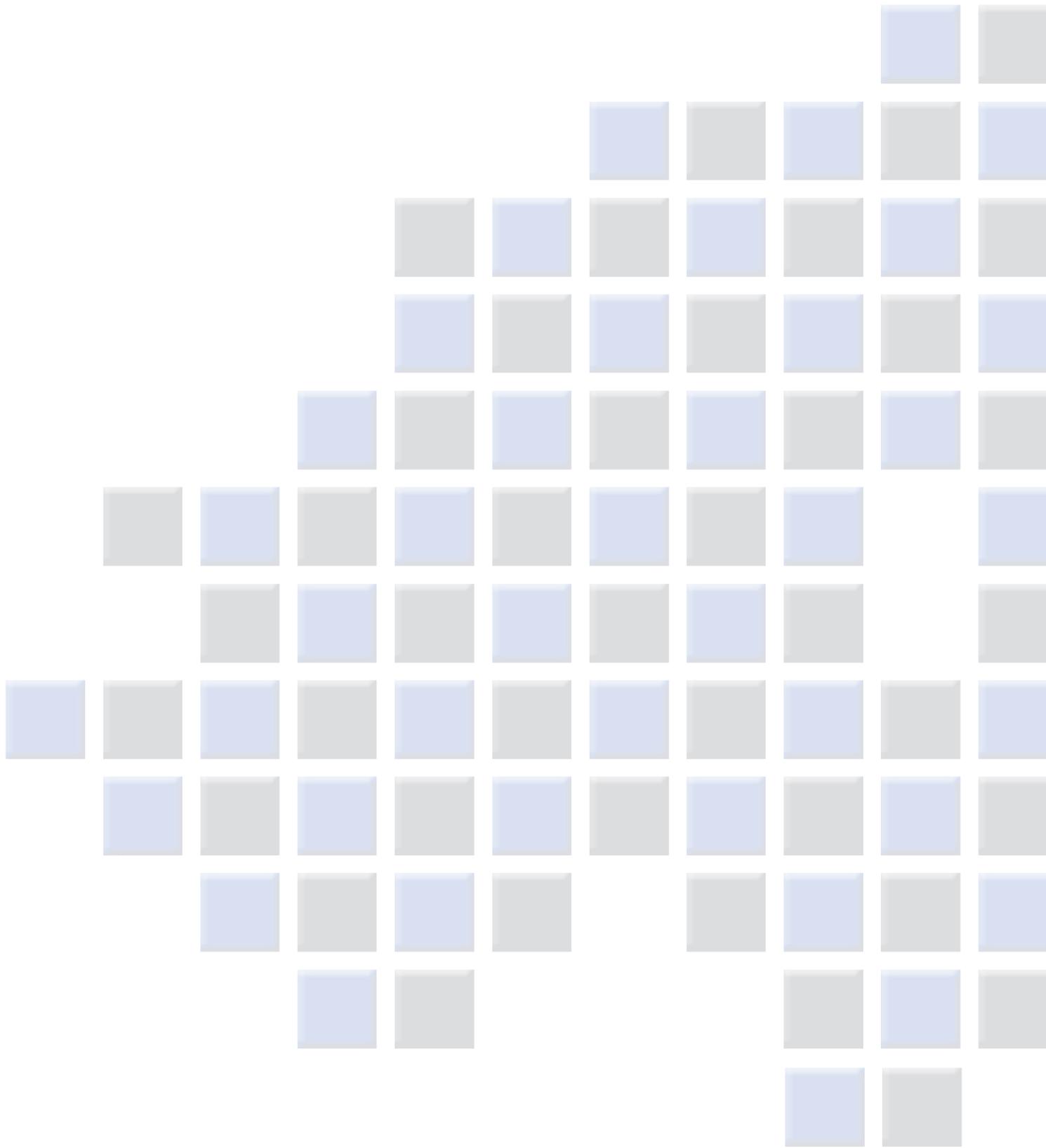
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## STRUCTURAL OVERVIEW

The Organised Crime Task Force (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 operational role this 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<sup>1</sup>:**



<sup>1</sup> Following the publication in January 2010 of the recommendations contained in the Northern Ireland Audit Office Memorandum and Detailed Note on Combating Organised Crime the Justice Minister agreed that the Northern Ireland departments should be invited to consider becoming full members of the OCTF sub groups, as appropriate to their interests. Two additional departments have subsequently joined the OCTF and there are now seven Northern Ireland Departments represented on the OCTF.



# CHAPTER 2

## PRIOR YEAR RESULTS

## 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 NI Government Departments, central government, law enforcement, the Policing Board, the legal community, the business community and the community at large.

### ASSESSING OUR IMPACT IN 2010/11:

Over the past twelve months a number of key priority areas were identified by the OCTF including:

- 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
- The involvement of paramilitaries in organised crime

### KEY SUCCESSES:

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

- Recovered over £4.4 million of criminal assets
- Dismantled 15 large scale fuel laundering plants with the capacity to produce over 90 million litres of illicit fuel
- Seized drugs with a street value of £9 million
- Rescued 23 victims of Human Trafficking
- A 50% reduction in the number of Tiger Kidnappings recorded.

### MONEY LAUNDERING AND ASSETS RECOVERY

Over the past year our law enforcement agencies have collectively taken £4.4million worth of assets away from organised criminals under the Proceeds of Crime legislation. Profit and power continue to be the primary motivators for organised criminal activity. Criminals fear attacks on their profits more than any other law enforcement intervention which is why attacking criminal finances continues to be a key objective for all the OCTF law enforcement partners, particularly SOCA who have responsibility for civil recovery.

## OCTF CASE STUDIES

### CASE STUDY

**Operation Lineal** is a civil recovery investigation into the assets held by two members of an East Belfast family who were allegedly involved in cigarette smuggling.

In February last year, SOCA was granted a Consent Order against a newsagents in East Belfast and the contents of 11 bank accounts. A further house in East Belfast and a pub on the Newtownards Road in Belfast (pictured) remained subject to a Property Freezing Order while the terms of the settlement were satisfied.

The owners defaulted on the Order and on 8 April 2011 a Recovery Order against the house, the pub and the liquor licence were granted.

The case had been referred by HM Revenue and Customs.



### CASE STUDY

A joint SOCA/Spanish police investigation into a drug trafficking gang resulted in the arrests of three men from Northern Ireland.

SOCA arrested two men in November 2010. The first man, from Holywood was arrested under a European Arrest Warrant and extradited to Spain to face drugs charges. The second man, a 37 year old from Dungannon, has been released on bail pending reports to the Public Prosecution Service.

The arrests are in relation to a 600 kg cannabis seizure by the Spanish police in August on the Spanish French border. The drugs were concealed in a shipment of wine. A third man, who is from Larne, was arrested at the scene and is currently in custody in Spain.

The Spanish Police arrested a fourth man in Malaga in October. He is currently in custody.

As part of an ongoing civil recovery investigation SOCA was granted a Property Freezing Order in Belfast High Court in February 2011 against 11 properties. The Order was in relation to property held by two of the accused and their associates.

During the past financial year there have been 121 instances when PSNI have seized cash under POCA legislation to a total value of **£1,172,666.99**.

## CASE STUDIES

In November 2010 £97,481.71 was seized in Belfast as part of an ongoing investigation into sham marriages, fraud and money laundering.

In Lurgan in May 2010 £67,785 was seized along with a large amount of counterfeit cigarettes and tobacco

In September 2010 £100,000 was seized at Crossmaglen. The money remains under detention while an investigation takes place into large-scale counterfeit motor parts.

Cash seizures continue to be made at our sea and air ports. There were four cash seizures during the financial year with a total seizure value of £78,900.

### FORFEITURE ORDERS

A total of £731,712.37 of cash seized by the PSNI was forfeited by the courts during the financial year.

### CONFISCATIONS

Confiscation orders across the PSNI have increased to **£1,544,057.40** this year from £196,460.50 in the previous financial year. The increase in the number of confiscation orders obtained could be attributed to older cases coming to fruition. In addition there has been an increase in the number of nominal £1 orders.

Whilst these orders are of little present value they do allow the police to return to the court in the future should an offender come into possession of assets.

### CRIMINAL ASSETS RECOVERED

Confiscation orders granted in the financial year total **£2,275,769.77**.

PSNI trained 29 financial investigators in the financial year.

### ILLEGAL DUMPING OF WASTE

The Northern Ireland Environment Agency's Environmental Crime Unit continues to develop co-operation with members of the OCTF and particularly with PSNI and HMRC.

## CASE STUDIES

Notable this year has been the repatriation of around 29,000 tonnes of household and commercial waste which originated from the Republic of Ireland. This waste had been illegally imported and land filled in Northern Ireland by organised criminal gangs in sites which were not only unlicensed but in which no precautions had been taken to prevent pollution of the environment.

The land owners concerned have been convicted of offences under the Waste and Contaminated Land (Northern Ireland) Order 1997 and have been made subject of confiscation orders under the Proceeds of Crime Act 2002.

The repatriation of the waste follows agreement between the administrations in Northern Ireland and Ireland and the result is that the waste which has been a blight on local communities and which would have continued to cause serious pollution for decades has been removed and placed in a licensed landfill in the Republic of Ireland which is properly constructed to contain effluent caused by the decomposition of the waste concerned.



During the year, the Northern Ireland Environment Agency’s Criminal Investigation Team’s efforts have resulted in 36 convictions with fines of £73,000 and three suspended prison sentences being imposed by the courts. Confiscation investigations carried out by the Financial Investigation Team under the Proceeds of Crime Act 2002 have resulted in six confiscation orders being made in the Crown Court valued at £191,103.66.



**INTELLECTUAL PROPERTY CRIME**

The Department of Enterprise, Trade and Investment’s Trading Standards Service (TSS) has been active in its attempts to tackle the effects of organised crime on consumers in Northern Ireland in the past 12 months. TSS has carried out a significant number of seizures of counterfeit goods in the last year, resulting in the prosecution of offenders. Among the items seized were brake pads, make-up and other cosmetics, clothes, watches, hair-straighteners, electrical goods, handbags and perfumes. The sale of counterfeit goods is big business, a drain on the economy and closely linked to organised crime.

The Trading Standards Service has worked hard this year to help combat the scourge of scams on consumers in Northern Ireland. Scams are committed

online, face-to-face, by telephone, by post, and new methods of fraud are appearing all the time. Scammers are often part of serious organised criminal gangs, who use the money to fund other crimes, such as human trafficking and terrorism.

Ongoing criminal investigations as well as a robust education and awareness-raising policy has seen consumers become increasingly aware of the scammers and there has been a marked increase in the number of consumers contacting Trading Standards to alert them to the latest scams.

**CASE STUDY**

In December 2009 police launched a proactive 'multi agency' operation into an organised crime gang engaged in manufacturing and selling counterfeit products from public markets in Northern Ireland. The Federation Against Copyright & Theft (FACT) and The British Phonographic Industry (BPI) joined the PSNI in targeting the prolific organised criminals. As a result of the search of an address in Downpatrick, a manufacturing base producing large quantities of counterfeit music and file DVDs were located. Three males and one female were arrested and charged with conspiracy and breach of trademark & copyright offences. Two of the males involved were remanded in custody. Follow up arrests were also conducted leading to three further males facing similar charges. In December 2010 all seven pleaded guilty, and were later sentenced. In January 2011 the three principal male offenders in the gang were given custodial sentences and the remaining offenders were given community service orders. The court also made two of the males subject to Serious Crime Prevention Orders.

<sup>4</sup> Definition provided by PSNI

## DRUGS

Cannabis remains the most commonly seized drug in Northern Ireland. The number of seizures during 2010/11 was 3050 (3319 in 2009/10) with a street value of just over £9m which is similar to last year.

### DRUG SEIZURES AND SEIZURE INCIDENTS – NORTHERN IRELAND

During 2010/2011 PSNI seized drugs with a street value of £9,057,953 in Northern Ireland

1st April 2010 – 31st March 2011				
	Drugs Seized	No. of Seizures	Amount Seized	Street Value
<b>Class A</b>				
Cocaine:	Powder (gms)	304	7,830.98	£391,549
	Wraps	38	174	£3,480
	'Crack' (gms)	0	0.0	£0
Ecstasy:	Tablets	150	14,774	£73,870
	Powder (gms)	11	44.7	£1,677
LSD:	Doses	3	61	£305
	Microdots	3	201	£1,005
Opiates:	Powder (gms)	47	4,611.03	£461,103
	Tablets	3	35	£420
	Ampoules	1	32	£1,440
	Mls	5	272.0	£12,240
	Wraps	28	63	£2,520
<b>All Class A1</b>		<b>564</b>	<b>-</b>	<b>£949,608</b>
<b>Class B</b>				
Amphetamine:	Powder (gms)	128	11,213.16	£112,132
	Wraps	7	9	£90
	Tablets	17	411	£2,055
Cannabis:	Resin (kgs)	1,072	87,179.86	£435,899
	Herbal (kgs)	1,644	176,310.94	£1,763,109
	Plants	231	10,330	£5,165,000
	Joints	239	339	£848
Mephedrone:	Powder (kgs)	286	20,869.72	£626,092
	Wraps	5	104	£3,120
<b>All Class B<sup>1</sup></b>		<b>3,050</b>	<b>-</b>	<b>£8,108,345</b>
<b>Total Seizure Incidents<sup>2 3</sup></b>		<b>3,564</b>		
<b>Street Value of Drugs Seized</b>		<b>£9,057,953</b>		
<b>Persons Arrested</b>		<b>2,435</b>		
<b>Persons Charged</b>		<b>1,050</b>		

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

<sup>3</sup> 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 STUDIES

On Friday 15 October 2010, as the result of an intelligence-led investigation relating to the alleged drug dealing and money laundering activities of a number of men and women, Detectives from the PSNI conducted a search and arrest operation in the North West of Northern Ireland and in England. Suspected ecstasy and amphetamine with an estimated street value in excess of £500,000 was recovered. In total, 14 searches were carried out in Northern Ireland and England. 18 people were arrested and 60 interviews conducted. 15 people were subsequently charged with a number of drugs trafficking and money laundering offences. 3 others were released pending a report to the Public Prosecution Service. Assets, including bank accounts, a boat and jet skis have also been restrained.



### 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”<sup>4</sup>

In the 2010 calendar year there have been eight tiger kidnaps recorded by PSNI. This equates to 50% reduction on the previous year when there were 16 recorded.

## CASE STUDIES

In October 2009 as a result of a proactive operation in respect of a ‘Tiger Kidnap’ incident, five males were arrested prior to the commission of the principal offence and later charged in connection with the incident. In December 2010 three males received custodial sentences at Londonderry Crown Court for conspiracy to rob/false imprisonment and received 9 years imprisonment.

In March 2011 a proactive operation began with the objective of capturing an organised crime gang from England, who had travelled to Northern Ireland to target their potential victims. Three males were later arrested and charged with conspiracy to rob and falsely imprison, going equipped for theft and possession of an offensive weapon. Two follow up searches were conducted in Northern Ireland and England in connection with this incident.

### ORGANISED IMMIGRATION CRIME

During 2010/2011 the PSNI identified 23 victims of human trafficking. Twenty of these victims were referred to the UK Centre for Human Trafficking (UKHTC). Of the victims identified, five were trafficked for the purposes of forced labour and 18 were trafficked for sexual exploitation. Eight of the victims have been repatriated and two minors are being supported by Social Services. Four of the victims received support through the Migrant Helpline and eight received support through Women’s Aid. The remainder of victims have been integrated into communities and/are receiving asylum support

The majority of the trafficked victims identified were Chinese nationals but other nationalities noted were Nigerian, Hungarian, Bolivian, Albanian and UK nationals.

## CASE STUDIES

In July 2010 officers from PSNI conducted a search of a suspected brothel in a flat in Belfast. The search resulted in the rescue of a 20 year old UK national female who was identified as a victim of trafficking. This was an example of internal trafficking within the UK.

The subsequent investigation identified an Organised Crime Group based in Glasgow who were controlling prostitution in England, Wales, Scotland, Northern

Ireland and the Republic of Ireland. The PSNI led the investigation, and covert and overt investigations resulted in a national search and arrest operation resulting in the rescue of 12 female and transsexual victims of trafficking.

Four suspects were arrested in Glasgow and Northern Ireland and were subsequently charged and remanded in Northern Ireland for human trafficking and controlling prostitution offences.

Financial enquires identified assets in the region of £2.3 million which are now under restraint. The trial of the accused is to take place in Scotland and will reflect the criminality in ALL jurisdictions. This is due to commence in July 2011.

This successful trafficking investigation and operation dismantled a highly organised crime group involved in the trafficking of Bolivian and UK nationals around the UK. It further demonstrated the highly organised methods being utilised by the crime group

#### ATM THEFTS

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

There were 21 recorded ATM attacks in 2009 and three incidents in 2010 calendar year. There have been two incidents to date in 2011. One of which was unsuccessful.

#### BUNKER ATTACKS

A bunker attack is an attack which occurs as the courier enters the area to the rear of an ATM. There have been 3 bunker attacks to date in 2011.

#### EXTORTION

In the 2010/11 financial year PSNI arrested 83 people in relation to extortion offences and charged 14 people following extortion operations during 2010/11.

### CASE STUDIES

In February 2011 a proactive operation began in respect of a blackmail incident. Four properties were searched and four males were arrested on suspicion of blackmail and all were later charged. All four males were remanded in custody.

In October 2010 a proactive operation began with the objective of apprehending an organised crime gang suspected of involvement in extortion, robbery, firearms offences and drugs. A total of five males were arrested and charged in relation to conspiracy offences and drugs possession and supply offences. Two of these five males were remanded in custody as a result.

#### ARMED ROBBERY AND CASH AND VALUABLES – IN – TRANSIT ATTACKS

In the 2010 calendar year there were 25 cash - and valuables in-transit attacks in Northern Ireland which is three more than in 2009 (when there were 22). Police action in relation to this crime type has resulted in arrests and charges made in 48% of these incidents (12 out of 25 attacks).

### CASE STUDIES

In May 2010 following a proactive operation in relation to province-wide 'cash and valuables in transit' robberies, four males were arrested in Belfast, later interviewed and charged with offences including conspiracy to rob, possession of a firearm with intent to cause fear of violence and handling stolen goods.

Also in May 2010 four males were arrested following robbery in Belfast. Suspects were charged with robbery, false imprisonment and possession of a firearm with intent. A further four males were later arrested, and these males also faced similar charges including conspiracy to commit robbery.

#### FUEL FRAUD

Over the past 12 months HM Revenue & Customs (HMRC) have closed down and dismantled 15 large scale fuel laundering plants (and a number of smaller ones), in Northern Ireland. These 15 plants had the capacity to produce nearly 90 million litres of illicit fuel. These laundering plants alone could have cost the taxpayer £60 million in lost revenue. This is set against an estimated annual tax loss of £200 million from all forms of fuel fraud and legitimate cross-border fuel shopping.

Over 113,000 litres of fuel was seized from these laundering plants and over 240 tonnes of toxic waste. The reality is that this huge volume of toxic sludge is dumped indiscriminately in our forests, fields and rivers, causing immense damage to our countryside and its

fragile ecosystems. When waste is discovered the clean-up costs fall upon local councils and therefore local ratepayers. On average it costs £10,000 to properly clean-up one ton of toxic waste. In the first six weeks of 2011 alone, it was reported that Newry and Mourne District Council had to spend nearly £30,000 cleaning up waste from laundering activity.



## CASE STUDIES

In September 2010 a laundering plant close to Concession Road in South Armagh was detected and dismantled. This site was leaking toxic waste into a nearby stream. 14,000 litres of fuel, an oil tanker, storage tanks, trailers and other paraphernalia were removed by HMRC officers working with the PSNI and Northern Ireland Environment Agency. Three tonnes of highly damaging waste and bleaching agent had to be cleaned from the site.

In March 2011 the largest laundering plant ever uncovered in the UK was raided near Crossmaglen, Co Armagh. This plant could have produced over 30 million litres of fuel a year at a loss of £20 million to the taxpayer. In a joint operation involving HMRC and PSNI officers, 37,000 litres of laundered fuel, 1,000 litres of acid, six large storage tanks together with pumps and other equipment were seized. 21,000 litres of toxic waste had to be removed from the site. A plant on such a scale would almost certainly have been aimed at supplying illicit fuel to both sides of the border with a consequent tax loss to both jurisdictions.

### TOBACCO FRAUD

Cigarette smuggling continues to be a major threat, with a number of organised crime groups causing serious damage to the exchequers on both sides of the border. The tax loss to the UK taxpayer from contraband cigarettes is estimated to be in the region of £2 billion per annum. The loss to the Irish Exchequer in 2010

through smuggled cigarettes is estimated at €500 million. Joint working between the HMRC and the Irish Revenue Commissioners has demonstrated that frequently the same criminal groups are active in both jurisdictions. Through closer working with OCTF partners and counterparts in Ireland, HMRC is ensuring that resources are targeted against the greatest threats to our economic wellbeing.

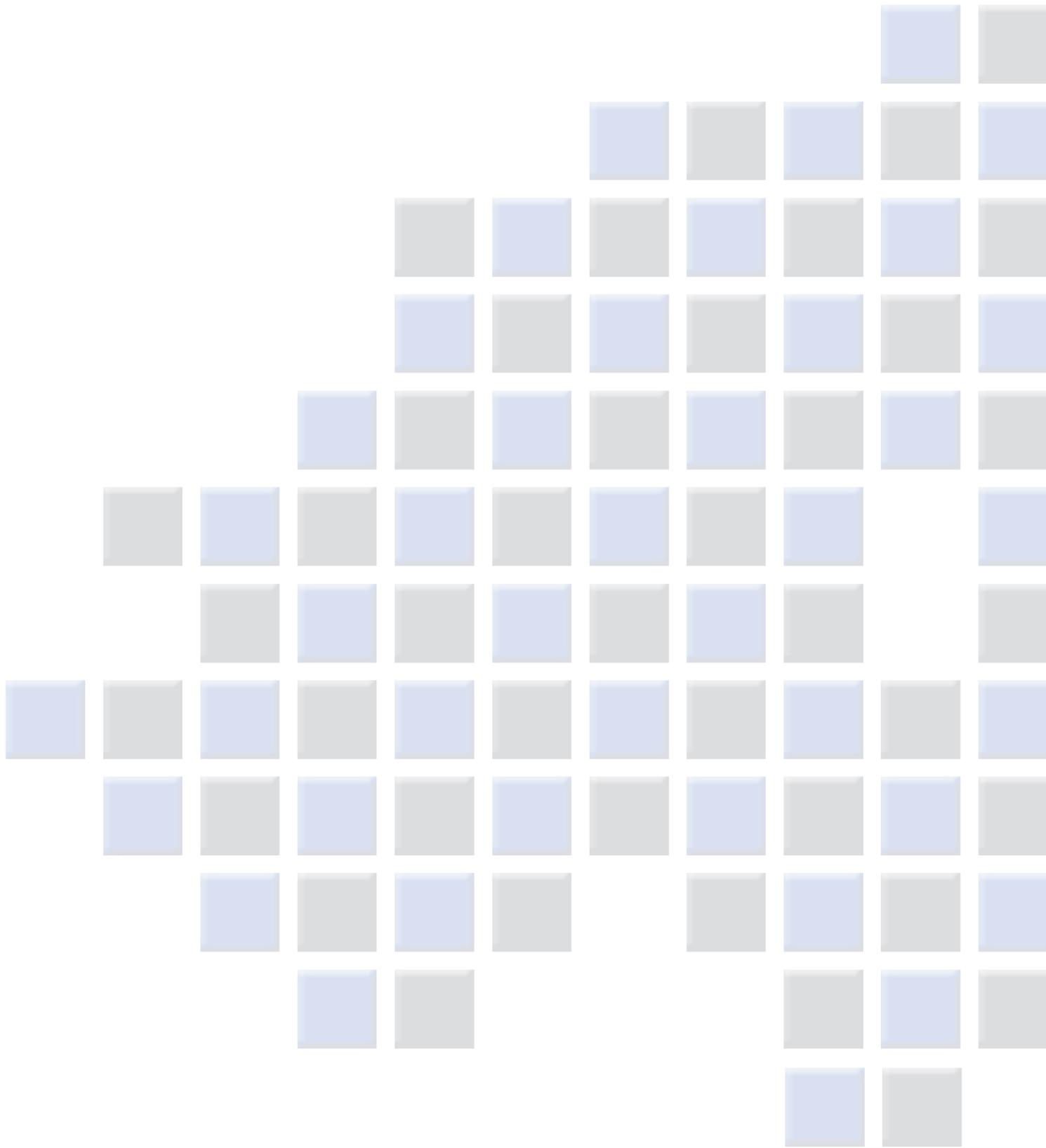
Cigarettes are smuggled into Northern Ireland via a variety of routes and on differing scales. This includes organised teams of smugglers bringing in cigarettes by the suitcase-full through our airports, large scale postal importations and container loads by road and sea. In each of these scenarios the operation is controlled by organised crime groups who stand to make huge profits from the enterprise.



## CASE STUDIES

In December of 2010, 50kg of tobacco leaf was detected during an attempted postal importation. The tobacco was packaged as Chinese tea and would have been enough to produce 100,000 counterfeit cigarettes with a value of £25,000. This is one of a number of instances that shows that counterfeit product is now being manufactured within Northern Ireland in addition to the more traditional areas of production such as China.

In January 2011, seven men were arrested in Forkhill, Armagh during a raid by HMRC and PSNI officers. Approximately eight million suspected counterfeit cigarettes were seized. These had been concealed in a container load of under-floor heating pipes. The loss to the taxpayer and consequent profit to the criminals, on this consignment, would have been in the region of £1.7 million.



# CHAPTER 3

## THREAT ASSESSMENT

## OVERVIEW

The Organised Crime Task Force (OCTF) acts as a forum for law enforcement agencies and a range of partners to develop strategies for dealing with organised crime in Northern Ireland. A key role is to build up a collective knowledge of how organised crime operates locally. This includes identifying emerging trends and methodologies as well as evaluating 'local' organised crime in a UK-wide, Europe-wide and global context. The OCTF's key strength lies in its ability to bring together a wide variety of stakeholders. Each stakeholder brings their own knowledge and expertise which, when combined together, can provide an unrivalled picture of organised crime. The annual OCTF Threat Assessment pulls together some of this information to provide you, the Northern Ireland community, with an idea of what constitutes organised crime in your home country.

The key areas of organised criminality seen in Northern Ireland have remained largely unchanged this year; however there have been developments within many categories. Technological advances in particular provide many opportunities for criminal gangs, for example through increasing opportunities for online frauds, and online purchase of counterfeit goods and 'new' drugs. These same advances however also offer opportunities for law enforcement and can be used to assist in investigations.

The OCTF continues to monitor changes in organised crime in Northern Ireland and to develop strategies for dealing with these changes. The OCTF also provides an opportunity for partners to identify any barriers to dealing effectively with organised crime; solutions to these barriers are progressed through the OCTF structure.

This chapter offers further information about the key threats from organised crime in Northern Ireland, as identified by the OCTF –

- The involvement of paramilitaries in organised crime
- 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

As the peace process has bedded in and Northern Ireland has become an increasingly normal environment, large sections of the membership of the main republican and loyalist groups have, at the instigation of their leaderships, moved away from widespread involvement in organised crime. However, there are members and former members of these groups who remain heavily involved in organised crime.

Dissident republican (DR) paramilitaries (including the Real Irish Republican Army (RIRA), Continuity Irish Republican Army (CIRA) and Óglaigh na hÉireann (ONH)) have refused to engage in the peace process and continue to use violence in an attempt to reverse the process of normalisation in Northern Ireland. These groups have carried out an increasing number of attacks in Northern Ireland during the past twelve months and represent the most significant threat to national security here.

Despite DR groups' public opposition to criminality and their use of violence (including paramilitary style attacks and shootings) to deter anti-social and criminal activity within nationalist communities, they nevertheless depend on involvement in a wide range of organised crime to fund their terrorist campaigns. Some DRs are generating significant sums of money through organised crime. A small number of DRs are among the most prolific smugglers of fuel and tobacco products into Northern Ireland and are generating millions of pounds annually. While (as with most DR criminality) the majority of this money is likely to be for personal gain, some is undoubtedly used to finance terrorist activity.

In the past year DRs are believed to have been involved in extortion, tiger kidnapping, smuggling (mainly of tobacco), fuel laundering, weapons procurement and armed robbery.<sup>1</sup>

In spite of their public and violent anti-drugs stance, some individual DRs are involved in drug dealing and

<sup>1</sup> Independent Monitoring Commission (2011). Twenty-fifth report of the Independent Monitoring Commission. Available online from [www.independentmonitoringcommission.org](http://www.independentmonitoringcommission.org)

DR groups are increasingly raising money by extorting money from drug dealers in return for allowing them to continue operating.

In terms of loyalist paramilitary groups, there remains some involvement in organised crime by some members of both the Ulster Defence Association (UDA) and the Ulster Volunteer Force (UVF). In particular drug dealing, robbery, extortion, sale of counterfeit goods and the supply of contraband cigarettes. Much of this activity appears to be for personal gain. The Loyalist Volunteer Force (LVF) remains a small, purely criminal organisation with members linked to serious crime for their own, personal benefit<sup>2</sup>.



## CRIMINAL FINANCE

### Fraud

The National Fraud Authority estimates that fraud costs the UK around £38.4 billion per year. Of this, it is estimated that fraud losses suffered by individuals are £4 billion per year, with the majority being a result of mass marketing fraud. An estimated £8.9 billion a year is lost as a result of organised crime gangs, around a quarter of all UK fraud losses<sup>3</sup>.

The majority of frauds reported in Northern Ireland are not connected to organised crime gangs; for example around half (45%) of all fraud and forgery incidents recorded by PSNI in 2010/11 were 'making off without payment' incidents<sup>4</sup>. There are however some organised crime gangs involved in large-scale frauds which can result in significant losses. Examples of frauds seen in Northern Ireland which may involve organised crime gangs include –

- 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 fraud is advance-fee scam where the victim is asked to help transfer money out of another country – such as Iraq, South Africa or somewhere in west Africa – in return for a percentage of the money the victim helped to transfer<sup>5</sup>.
- 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. According to the National Fraud Authority, £23.5 million was reported stolen to Action Fraud over the 2010/11 financial year as a result of share sale or boiler room fraud. The average loss per victim is reported as £122,000, with the highest single fraud reported at £8 million<sup>6</sup>.
- Cheque overpayment frauds – This type of fraud is perpetrated online. The criminal will agree to purchase an item and will then send a cheque for a higher amount. The seller will be asked to send back the difference after the cheque is deposited however the cheque will subsequently be declined.
- 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.
- Fraudulent secure payment websites – PSNI have received a number of reports in the past year of fraudulent payment sites being set up by organised criminal gangs, most likely based outside the jurisdiction. The online consumer will purchase

<sup>2</sup> Independent Monitoring Commission (2011). Twenty-sixth report of the Independent Monitoring Commission. Available online from [www.independentmonitoringcommission.org](http://www.independentmonitoringcommission.org) and Independent Monitoring Commission (2009). Twenty-second report of the Independent Monitoring Commission. Available online from [www.independentmonitoringcommission.org](http://www.independentmonitoringcommission.org)

<sup>3</sup> National Fraud Authority (January 2011). Annual Fraud Indicator.

<sup>4</sup> A 'making off without payment' offence is one where a person, knowing that payment for goods or services was required on the spot, leaves without having paid as required or expected and with the intention of avoiding payment. For example, where a person fills their vehicle with fuel and then knowingly leaves without paying.

<sup>5</sup> National Fraud Authority - [www.attorneygeneral.gov.uk/nfa/actionfraud/OtherFraud/Pages/WestAfricanLetter.aspx](http://www.attorneygeneral.gov.uk/nfa/actionfraud/OtherFraud/Pages/WestAfricanLetter.aspx)

<sup>6</sup> National Fraud Authority - [www.attorneygeneral.gov.uk/nfa](http://www.attorneygeneral.gov.uk/nfa)

goods, often from an online auction site and will be directed to a seemingly genuine secure payment website. Their card details can then be stolen and used to perpetrate 'card not present' fraud.

- Insurance fraud – Including 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 Fraud - 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. Both are seen sporadically in Northern Ireland and often involve non-indigenous organised crime gangs.
- 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. Proceeds Of Crime Act obligations should result in the submission of a Suspicious Activity Reports (SARs) when money laundering is suspected. The stricter financial controls may tempt potential offenders to create false documents to support their fraudulent applications.

## SOCIAL SECURITY BENEFITS

Whilst the impact of organised crime within the benefit system remains low, the SSA remains vigilant and counter fraud activities continue to be a high priority. The SSA's Benefit Security Service has an organised fraud unit (OFU) which investigates any incidence of organised criminality targeted against the benefits system. The Unit has carried out a number of proactive exercises in response to the potential for organised crime including:

- multiple customers using the same bank account;
- use of addresses as 'Giro Drops'; and
- periods of substantial inactivity on Post Office Card Accounts.

These exercises have not uncovered any organised or gang related criminal activity and there is currently no evidence of any direct or organised attacks on the social security systems in Northern Ireland.

Liaison and co-operation with other law enforcement agencies continues with the SSA undertaking joint operations in those cases where the threat could potentially impact on the Northern Ireland Social Security system, for example, the UK Borders Agency in situations where the SSA uncovers information suggesting that an individual may be an illegal immigrant. The SSA also protects the Northern Ireland public purse by facilitating Department for Work and Pension's UK-wide strategies to address fraud against benefit systems committed from abroad and liaises with the Serious Organised Crime Agency and the Police Service for Northern Ireland (PSNI) on appropriate investigations.

## CHARITIES

The Charity Commission for Northern Ireland (CCNI) was established in June 2009 and has been taking forward a programme of work to put in place a regulatory framework for the charitable sector in Northern Ireland. The relevant provisions in the Charities Act (NI) 2008 are being introduced incrementally to facilitate this major transition to the regulatory system.

In February 2011, the Department for Social Development introduced the Charities (2008 Act) (Commencement No.3) Order (Northern Ireland) 2011 and the Charities Act 2008 (Transitional Provision) Order (Northern Ireland) 2011. The Commencement Order

introduces a wide range of CCNI's functions including investigatory, compliance, enforcement and general regulatory powers such as acting for the protection of charities, instigating enquiries, requesting documents and examining records. The transitional provisions have the effect of bringing the 6,000+ local charities, registered with HM Revenue & Customs for tax purposes, within the remit of CCNI.

### **Money Laundering**

Organised criminal gangs exist to make money. In some instances this money will be 'reinvested' in the purchase of further criminal commodities, however many organised criminals will also seek to live a lavish lifestyle. In order to allow criminally obtained money to appear as legitimate income it must be laundered. Since the Proceeds of Crime Act 2002 (POCA) was introduced money laundering has become more difficult and criminals continue to develop ways of 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 identification by law enforcement.
- Property and land purchase – Many organised criminals have invested criminally obtained profits in property and land. Property in the United Kingdom, 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, fast food outlets, car dealers 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 legislation was introduced, 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.
- The use of money service bureaux (MSBs) – Northern Ireland bank notes can be undesirable for those wishing to purchase criminal commodities outside the country. Criminally complicit MSBs offer a 'no questions asked' money exchange facility which is attractive to organised criminals. HMRC, PSNI and SOCA continue to investigate the criminal use of MSBs in cooperation with An Garda Síochána where appropriate. Joint investigations have highlighted complicit MSBs linked to criminality such as drugs supply and cigarette smuggling, in some instances involving the processing of millions of pounds.

There are a wide variety of financial investigation options available to the PSNI and 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."<sup>7</sup>

<sup>7</sup> [www.soca.gov.uk/financialIntel/legislation.html](http://www.soca.gov.uk/financialIntel/legislation.html)

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. 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).<sup>8</sup>

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 introduced 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 [www.soca.gov.uk](http://www.soca.gov.uk)

## **PUBLIC SECTOR FRAUD – EXCISE AND TAX**

### **Oils Fraud**

The existence of a land border in Northern Ireland and subsequent tax differentials with the Republic of Ireland can provide organised criminal gangs with opportunities unseen anywhere else in the UK.

- **Smuggling - Oils** smuggling is the practice of transporting oils from one jurisdiction for sale in another jurisdiction without payment of the required duties. Traditionally oils have been transferred from south to north through the use of false paperwork or the physical concealment of oil, for example through the use of hidden tanks. Changes in exchange and duty rates have made this activity less profitable over the past few years than previously.
- **Misuse and laundering of rebated fuel - Rebated fuels**, such as marked gas, oil and kerosene, are available on both sides of the border and are subject to lower duty due to the conditions of their use. Rebated fuels are not suitable for use as a fuel in normal road vehicles and persons found to be using this fuel incorrectly can have their vehicles seized. Organised criminal gangs launder rebated fuel in an attempt to make it appear like legitimate fuel for use by road vehicles such as cars, vans and HGVs. The laundering process involves the removal of chemical markers and dyes and allows the criminals to sell the product at increased profit. The two main methods used to launder oils are filtration and acid laundering. The filtration method filters out government markers using a variety of filtration agents, such as cat litter or bleaching agents. Acid laundering involves the use of highly corrosive acid to bleach out markers. HMRC is seeing increasing levels of sophistication in relation to laundering.

Fuel laundering results in large quantities of waste product which must be disposed of by the launderers. This waste product will usually be dumped or buried and

<sup>8</sup> Please note – this is not all the business activities covered under POCA. Full list can be found at [www.opsi.gov.uk/si/si2003/20033074.html](http://www.opsi.gov.uk/si/si2003/20033074.html)

causes significant environmental damage. The waste can contaminate surrounding land as well as waterways and can lead to extensive clean-up costs.

Laundered fuel is often transported between jurisdictions and this can include shipment to Great Britain. Laundered fuel has been found on our roads and on ferries from Northern Ireland, concealed in unmarked, make-shift containers. Vehicles transporting illegal fuel are usually crudely adapted to contain concealed tanks capable of carrying up to 30,000 litres of illicit fuel. 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 substantial 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. In addition, there have been a number of laundering plants discovered in Great Britain in the past year and it is likely that Northern Irish criminals have either been involved in setting these up or have shared expertise with local criminal gangs.

- Fuel 'stretching' - The narrowing of price differentials between Northern Ireland and Ireland and the globally increasing price of fuel has led to organised criminal gangs diversifying into the 'stretching' of fuel oils in order to increase profit margins. 'Stretching' involves the adulteration of petrol or diesel with chemicals such as methanol, ethanol or kerosene. Essentially this practice bulks out the fuel with cheaper adulterants, allowing increased profits to be made. Stretched fuel can include a variety of chemicals and can cause extensive engine damage.

There has been a general trend towards larger and more sophisticated oils laundering plants. This suggests an industrialisation of the process as organised criminal groups attempt to maximise their profits. This is also reflected in a move toward the production, distribution and retail of illegal fuel being controlled by the same crime gangs. The other notable change has been the tendency for illegal fuel to be retailed at or near supermarket prices rather than at markedly lower levels. This makes it more difficult for consumers to tell what they are buying and vastly increases the profit margins of the fraudsters.

HMRC continues to refine and adapt its techniques in order to successfully tackle the changing threat including enhanced inter-agency cooperation through the OCTF and cross-border structures. HMRC is now working regularly with the Northern Ireland Environment Agency (NIEA) and local councils in order to bring a greater range of powers to bear on fuel fraudsters. Cross-border cooperation has ensured that priority threats to the tax revenues both north and south are identified and targeted.



#### **Tobacco Fraud**

Tobacco smuggling into Northern Ireland 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 'Illicit Whites'. Illicit Whites are cigarettes produced entirely independently of the International Tobacco Manufacturers (ITMs) and effectively are brands manufactured specifically for smuggling. The demand for Illicit 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.

- 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 sophisticated operation 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.

HMRC have 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 may be particularly attractive to those on lower incomes and young people. They are often manufactured in unregulated conditions and are not subject to any quality controls so consumers have no idea what they are actually smoking. A BBC investigation carried out in Scotland recently found that

counterfeit tobacco sold at a Scottish market contained more than 30 times the lead levels of genuine tobacco. Smoking 20 of these market-bought cigarettes would have been as harmful as smoking 600 genuine cigarettes.

#### ILLEGAL DUMPING OF WASTE

In the 2009/10 financial year, 383,329 tonnes of biodegradable municipal waste was sent to landfill in Northern Ireland.<sup>9</sup> 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 biodegradable municipal waste (BMW) 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.”<sup>10</sup> The UK Government has implemented significant increases to the Landfill Tax on active waste to encourage recycling and help reduce climate change. The standard rate of Landfill Tax has increased from £24 per tonne in 2007 to £56 per tonne in 2011/12, and is set to increase by £8 per year until at least 2014/15 when it will reach £80 per tonne.<sup>11</sup> 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 which unscrupulous operators transport and dispose of waste illegally and without any concern for the environmental damage caused. All those involved in the waste management and disposal industries, whether they are involved in transport, recycling or disposal, operate under some form of authorisation from the Northern Ireland Environment Agency (NIEA). These authorisations include carrier registration for waste transport operators, waste licences for recycling operators and permits for landfill sites. Exemptions from waste management licensing are available for those operations that involve the recycling or beneficial re-use of waste material in a manner which has little impact on the environment.

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 involvement by organised criminal gangs. In

<sup>9</sup> DOENI. Northern Ireland Municipal Waste Management Statistics, Annual Report 2009/10. Available from [www.doeni.gov.uk/northern\\_ireland\\_municipal\\_waste\\_management\\_statistics\\_\\_annual\\_report\\_2009-10.pdf](http://www.doeni.gov.uk/northern_ireland_municipal_waste_management_statistics__annual_report_2009-10.pdf)

<sup>10</sup> [http://www.doeni.gov.uk/index/protect\\_the\\_environment/waste/landfill.htm](http://www.doeni.gov.uk/index/protect_the_environment/waste/landfill.htm)

<sup>11</sup> Further information available online from <http://www.doeni.gov.uk> or <http://www.defra.gov.uk>

recent years this variance has reduced and Landfill Levy in the south is currently less than that charged in the north (€30 per tonne as of 1 February 2010), making illegal movement of waste from the Republic of Ireland into Northern Ireland a less attractive option. However, 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 Ireland. The Northern Ireland Environment Agency (NIEA) has not identified any significant new illegal landfill sites related to the cross border waste disposal business but waste imports and exports continue to be closely monitored.



## DRUGS

Cannabis remains the most commonly seized illicit drug in Northern Ireland, found in around 89% of all PSNI drugs seizures in 2010/11. In the 2010/11 financial year, PSNI made an average of 265 cannabis seizures per month in NI (3,186 seizures for the year). There has been a change in the cannabis market, with a move away from cannabis resin in favour of herbal cannabis. In the 2003/04 financial year herbal cannabis was seized in 5% of all PSNI drugs seizures, whereas by 2010/11 this figure had risen to 46%. Over the same time frame there was a decrease in cannabis resin seizures from 78% of all PSNI drugs seizures to 30%. The increased popularity of herbal cannabis appears to be somewhat unique to the UK, with the UK accounting for approximately half of the total herbal cannabis seizures in Europe. In Europe as a whole cannabis resin still far exceeds herbal – in 2008 there was around ten times as much resin seized as there was herbal in Europe.<sup>12</sup>

Local cultivation of cannabis has become a growing phenomenon seen throughout the UK and Ireland and

this trend is evident from Northern Ireland seizures. Large-scale, sophisticated cannabis factories first emerged as an issue in Northern Ireland in 2007. The problem mirrored that seen in other parts of the United Kingdom and, within a year, similar establishments were also discovered in the Republic of Ireland. Many of the factories discovered on both sides of the border have been linked to non-indigenous organised crime gangs, however, more recently there has been increased involvement by indigenous organised criminal gangs. The factories are set up in both commercial and residential properties and pose significant health and safety risks.

In the 2010/11 financial year PSNI made an average of 28 cocaine seizures per month (342 seizures in the year). The quantity seized remains below the level of amphetamine seized – 7.8kg of cocaine seized in 2010/11, compared to 11.2kg of amphetamine. Amphetamine seizures in 2010/11 have seen a significant decrease when compared to 2009/10, however it should be noted that the 2009/10 figures were unusually high (95kg) due to a number of large-scale investigations (for example 17kg in Antrim in May 2009, 15kg in Ballymena in May 2009, 22kg in South Belfast in December 2009 and 22kg in Newry in February 2010). The 2010/11 seizure figures are more in line with the 2008/09 figures when there was 5.5kg seized. The number of amphetamine seizures has remained similar (129 in 2009/10 and 128 in 2010/11). Both cocaine and amphetamines are cut (a cutting agent is a chemical used to dilute illicit drugs and it is always something less expensive than the drug itself) numerous times before they reach the end user. This is particularly true in Northern Ireland which is usually at the end of the supply chain and often sees the lowest purities in the UK. It is not unusual here for amphetamine to have a purity of less than 3% and for cocaine to have a purity of less than 10%.

The ecstasy market continues to decline in Northern Ireland as in the rest of the UK and Europe. This is likely to be influenced by the emergence of so-called 'legal highs' and 'new drugs' which are often sold as replacements for other drugs. Europol have reported that a number of large illicit ecstasy production sites have been found to be tableting mephedrone<sup>13</sup> and, locally, seizures initially believed to be ecstasy have later been identified as BZPs which is a new drug that has been classified as C. The effects produced by BZP are comparable to those produced by amphetamine.

<sup>12</sup> EMCDDA Annual Report 2010, Page 43

<sup>13</sup> EMCDDA Annual Report 2010, Page 20.

The heroin market in NI remains limited, despite a slow expansion over the past ten years, with heroin seized in less than 2% of all PSNI seizure incidents in 2010/11. There were relatively high seizure amounts seen in August 2010 and July 2009 however, in general, NI seizure amounts remain significantly less than those experienced in other parts of the UK and Ireland. Despite a limited market, heroin/morphine<sup>14</sup> is the illicit drug most commonly mentioned on the death certificates from 'drugs misuse'<sup>15</sup> fatalities in Northern Ireland (76 deaths between 1999 and 2009).<sup>16</sup> Although the trend is upward the numbers vary greatly from year to year, peaking in 2006. This trend mirrors that seen in the UK as a whole, where 60% of 'drug misuse' fatalities in 2009 were heroin related, an increase from 2008.<sup>17</sup>

Northern Ireland continues to see the emergence of 'legal highs' and 'new drugs', a trend being experienced throughout the UK 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. 'Legal highs' first came to attention in Northern Ireland in 2009 and despite the Government moving quickly to have the most dangerous of these drugs criminalised, substitutes are constantly being developed. In 2009/10 synthetic cannabinoids (commonly known as Spice) were made Class B, mephedrone made Class B, Gamma-Butyrolactone (GBL) made Class C, and benzylpiperazine (BZP) made Class C. However, during 2009 alone, 24 new synthetic psychoactive substances were officially notified through the European Union early-warning system, nine of which were new synthetic cannabinoids, five of which were phenethylamines, two of which were tryptamines and four of which were synthetic cathinones.<sup>18</sup> Legal highs and 'new drugs' (drugs which were first seen in NI as 'legal highs' but have since been criminalised) that have been seen in Northern Ireland in recent years include

- Mephedrone - Now a Class B drug, mephedrone is an amphetamine-like drug. The first confirmed mephedrone related death in NI occurred in

September 2009 when a 19 year old man died in Craigavon Area Hospital.

- BZP – Now a Class C drug, BZP is a synthetic drug with similar properties to amphetamine. Seizures of BZP and other piperazines have steadily increased and are often found in combination with other illegal drugs such as MDMA (Ecstasy) and amphetamine. It can come as a pill, an off-white powder or a slightly yellow liquid. BZP is frequently mis-sold as MDMA as the appearance of illicit MDMA and BZP tablets are very similar. BZPs were first discovered in large quantities in NI in June 2008 when 10,297 BZPs originally believed to be ecstasy were seized. At this time BZPs were not illegal.
- NRG-1 – Now a Class B drug, NRG-1 is a stimulant drug similar to amphetamine. In the summer of 2010, local drugs group FASA reported they had dealt with people suffering from drug-induced psychosis as a direct result of taking NRG-1. The Belfast Health and Social Care Trust confirmed '... the psychological side effects of this drug are particularly worrying....'

#### INTELLECTUAL PROPERTY CRIME (COUNTERFEITING)

Counterfeit and pirated goods remain an important source of income for organised crime gangs as well as less sophisticated criminal elements. There are a wide variety of people involved in this type of activity; from individuals working alone and supplying to relatively restricted groups, to career criminals who use the sale of counterfeit goods as their main source of income, to organised crime gangs and paramilitary groups who use the sale of counterfeit goods to fund other criminal and paramilitary activities.

Counterfeit goods are sold in a variety of locations however large-scale supply appears to remain focussed around markets and car boot sales. PSNI seizure locations in the past year have included Antrim, Down, Newry, Omagh, Fermanagh and Limavady; however counterfeit goods are widely available throughout Northern Ireland.

The types of counterfeit goods available locally remain wide ranging and have seen significant expansion, due

<sup>14</sup> Heroin (diamorphine) breaks down in the body into morphine therefore a combined figure must be given.

<sup>15</sup> A death due to drugs misuse is one where the underlying cause of death is drug poisoning, drug abuse or drug dependence and where any of the substances controlled under the Misuse of Drugs Act (1971) are involved.

<sup>16</sup> NISRA (December 2010). *Drug related deaths and deaths due to drug misuse registered in Northern Ireland (1999 – 2009)*.

<sup>17</sup> St. George's University of London (2010). *Drug related deaths in the UK: Annual Report 2010*.

<sup>18</sup> EMCDDA Annual Report 2010, Page 93.

largely to an increased availability of goods from China and the Far East. The types of goods seen locally in the past year have included DVDs, CDs, clothing, footwear, jewellery, cosmetics, cigarettes and electrical items such as hair styling irons, video cameras, games consoles and chainsaws. Counterfeit alcohol continues to be found sporadically, particularly in border regions. In the past this type of product found locally has contained dangerously high levels of toxic chemicals. Links have been seen between the supply of counterfeit tobacco and counterfeit alcohol and both loyalist and republican paramilitary groups, including dissident republican groups.

Counterfeit goods are easily purchased online, both for individual purchase or in larger quantities for onward supply at markets or door-to-door. 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

In the UK as a whole the most recent counterfeit notes statistics available indicate that the vast majority of Bank of England (BoE) counterfeit notes removed from circulation in 2009 were £20 notes (accounting for 95% of all BoE counterfeit notes recovered).<sup>19</sup> In Northern Ireland, there is evidence of counterfeit £5, £10 and £20 notes from all the major banks as well as counterfeit Euro notes. The most recent survey by the Royal Mint indicates a counterfeit rate of around 2.5% for £1 coins.<sup>20</sup>



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

### ARMED ROBBERY<sup>21</sup>

The term 'armed robbery' refers to an array 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 shown 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 in 2009.

#### Cash-in-transit attacks

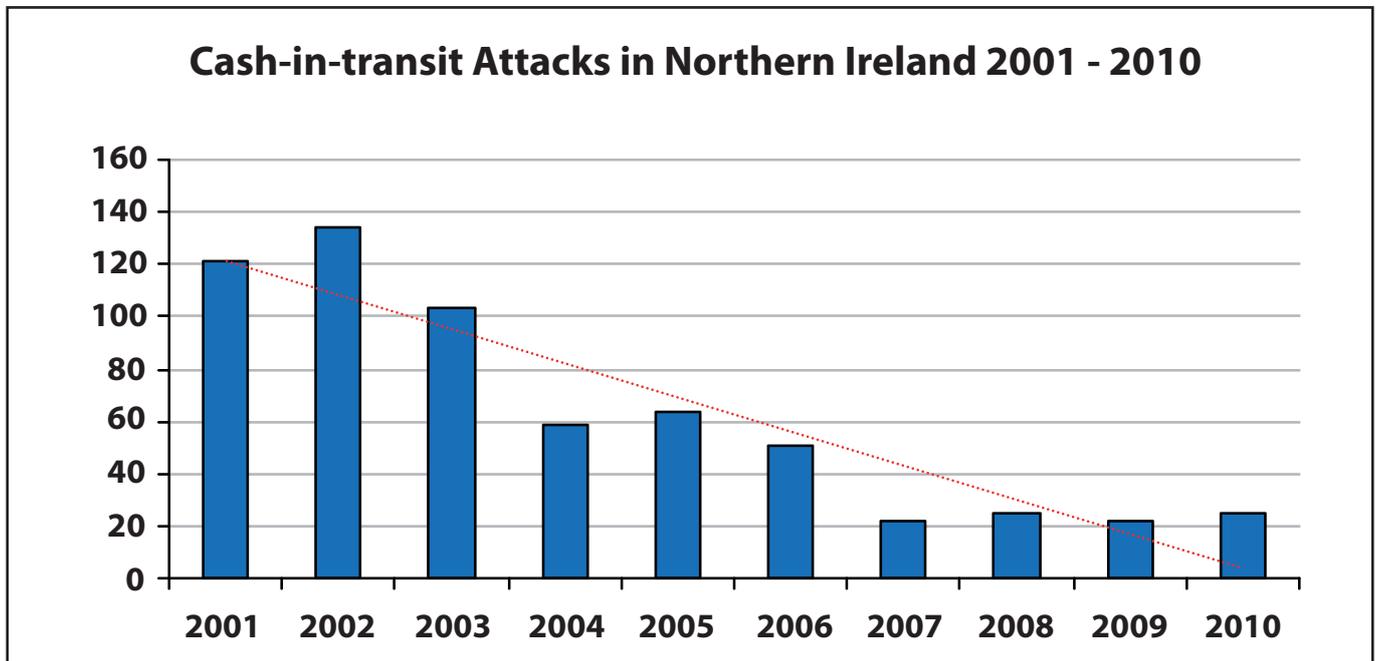
Cash-in-transit (CIT) attacks reached their peak in Northern Ireland in 2002 when there were 134 attacks in the calendar year. Following extensive partnership work, including the formation of the OCTF Armed Robbery Expert Group, figures began to reduce. By 2007 levels had decreased to their lowest in almost ten years, with 22 attacks recorded during the calendar year – an 84% reduction on the figure recorded in 2002. This low level of attacks has been maintained since, with 25 attacks in the 2008 calendar year, 22 in the 2009 calendar year and 25 in the 2010 calendar year.

As well as reducing the number of incidents, law enforcement partnership work has also resulted in an increased number of arrests. At the end of 2008 PSNI

<sup>19</sup> [www.bankofengland.co.uk](http://www.bankofengland.co.uk)

<sup>20</sup> [www.royalmint.com](http://www.royalmint.com)

<sup>21</sup> Please note, all 2011 figures are correct as of 22nd April 2011.



had charged people in respect of seven of the total 25 CIT attacks in that year (28%). This figure reduced to 27% at the end of 2009 (people charged in respect of six of the total 22 attacks in that year). At the end of 2010 PSNI had charged people in respect of 12 of the total 25 attacks in that year (48%). In 2011 people have been arrested in connection with 60% of the attacks in the year to date. Some arrests and charges will have been made in a later calendar year however these numbers clearly show a significant increase in the speed of arrests and charges by PSNI.

As in 2009, the most commonly seen weapons in cash-in-transit attacks in 2010 were firearms (seen in 44%, 11 of the total 25 attacks). This was in contrast to the previous two years (2007 and 2008) when knives were the most commonly seen weapon. In 2011 to date there has been a wider variety of weapons seen, with hammers the most commonly seen weapon to date.

The 2010 calendar year saw a slight reduction in the geographic spread of CIT incidents, with the majority occurring in the greater Belfast area. This has also remained the case in 2011 to date. West Belfast and Lisburn areas saw the highest number of incidents in 2010.

The beginning of 2011 has seen a noted increase in CIT 'bunker attacks' in Northern Ireland. The majority of

attacks experienced in Northern Ireland are 'across pavement' attacks, i.e. the courier is attacked as he transports a cash box from the CIT vehicle to the business or ATM. A 'bunker attack' is one where the courier is attacked as he enters the area to the rear of an ATM (the bunker). This type of attack is perceived by some organised criminal gangs to have the potential for a higher gain however, in reality, improved security measures make bunker attacks a much riskier option for the criminal and one which is unlikely to result in significant loss to the bank or CIT company. Half of the bunker attacks in 2011 to date have been unsuccessful and arrests have been made in connection with one of the incidents.

**ATM thefts**

ATM thefts first became an issue in Northern Ireland in 2009 when there were 21 recorded. Two thirds of these incidents (14 of the total 21) involved the use of stolen plant machinery, six of which were successful. In 2010 there were a further three ATM theft incidents in January and April, two of which involved stolen plant machinery. In 2011 to date there have been two incidents, one of which occurred in January and involved stolen plant machinery. This incident was unsuccessful. Initially there was a number of different organised crime gangs involved in these incidents, however ongoing partnership work by law enforcement agencies and key stakeholders within the business

community has resulted in the introduction of a number of preventative measures, making this type of crime less attractive to many. There remain a small number of organised crime gangs who may still consider ATM thefts as a viable option however a PSNI Gold Command Group continues to maintain a strategic overview of the situation.

### **Tiger kidnaps**

*“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.”<sup>22</sup>*

There were eight tiger kidnaps in Northern Ireland in 2010, half the number recorded in the previous year (16 attacks recorded in 2009). Half of those recorded in 2010 were non substantive, i.e. did not result in any loss. Traditionally tiger kidnaps would have been targeted against staff working in financial institutions, however an increase in security measures has led to a displacement to other types of businesses such as retail outlets, public houses and restaurants and private business owners. Although the majority of tiger kidnaps target cash, there have been a number where families have been held to ensure the release of firearms, jewellery and gold. In addition, there have been a number of ordinary kidnaps of individuals over the past few years. These incidents are where a staff member is kidnapped and personally threatened unless they comply. Although no family member is held in these instances they are still terrifying for the victim. Organised crime gangs will also target, for aggravated burglary, business owners who are known to keep significant amounts of cash in their home. 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, ordinary kidnap or aggravated burglary incident. Advice on appropriate security measures can be provided by PSNI.

### **Large scale armed robberies and hijackings**

Some organised crime gangs will target financial institutions and other businesses for armed robberies and hijackings. Businesses handling large amounts of cash or commodities, for example cigarettes, alcohol or jewellery, are particularly attractive. In the 2010 calendar year there were a number of serious armed

robberies and hijackings against businesses, with a wide range of organisations targeted. PSNI recommend that all businesses regularly consider their cash handling processes and take all possible precautions to ensure staff members are not given access to large amounts of cash as this may inadvertently put them at risk. Business owners should avoid keeping unnecessary cash on the premises or in their homes but should also avoid setting patterns, for example, lodgement trips to the bank should be done at irregular intervals with days and times varied.

### **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 2010 Threat Assessment it was reported that the emergent trend of blackmail and extortion of non-indigenous population by members of their own community appeared to be diminishing. This remains the case in 2010/11. It is likely this is partially due to reduced migration into Northern Ireland. PSNI continues to work towards improving community policing in Northern Ireland in order to ensure increased reporting from minority groups.

The extortion of individuals believed to be involved in criminal activity themselves continues to be seen in Northern Ireland. In particular those suspected of being involved in drug supply continue to be 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 and how much is for personal gain.

<sup>22</sup> Definition provided by PSNI

Victims of extortion are often reluctant to come forward to police. They are often fearful of the consequences for themselves and their family. In reality, where an extortion has been reported to PSNI, detection rates are extremely high. Failure to report an extortion attempt will not only lead to a significant loss of money to that victim but also allows the crime gang to continue operating, targeting other victims and making significant profits. These profits may be used for other criminal activities, such as the purchase of drugs for onward supply or the purchase of firearms or explosives for use in punishment attacks or murder attempts, or to finance paramilitary activity.

### ORGANISED IMMIGRATION CRIME

The term 'organised immigration crime' is used to describe both the facilitation of illegal entry into, and presence in, the country and also human trafficking.

- 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.<sup>23</sup> 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.<sup>24</sup>

#### **Smuggling and Facilitation**

Smuggling a person into the country involves an illegal immigrant who is complicit and has usually paid a significant amount of money for the 'service'. Facilitators will often assist in arranging illegal entry as well as assisting those already here illegally to remain. Facilitation methods seen in Northern Ireland include the arranging of flights and transport, the provision of false passports and other documentation and the arranging of so-called 'marriages of convenience', or 'sham' or 'bogus' marriages. Such marriages usually involve the making of a payment by, or on behalf of, an illegal immigrant who is a non EU national, to a national of an EU Member State, in return for that person

entering into a marriage with the illegal immigrant. The non EU national subsequently claims EU Treaty Rights relating to residency in the EU, based on the existence of the marriage. Sporadic series of these 'marriages of convenience' have been seen over the past number of years. In Northern Ireland, under immigration law, if UKBA have evidence of a 'marriage of convenience' they can revoke a person's leave to remain in the country (subject to the appeals process), and PSNI have carried out a number of investigations into organised criminal gangs who had been facilitating such marriages for substantial fees.

#### **Human Exploitation - Human Trafficking and Vice**

It is estimated that, globally, between two and four million people are trafficked across borders and within their own country every year<sup>25</sup> and it is believed to be the third largest source of income for organised crime.<sup>26</sup> The most frequent form of trafficking seen locally 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. PSNI have carried out 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.

In the past, the vice trade in Northern Ireland was a relatively small industry that was largely 'on street'. It was predominantly based in the South Belfast area and involved a small number of individuals. In recent years however, the vice trade in Northern Ireland has become more organised and has moved 'off street' into private residences, apartment blocks and hotels. Law enforcement agencies in Northern Ireland recognise that there can be a link between the organised vice trade and a variety of other 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 vice and a strategy has been developed based on in depth analysis of the problem. 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

<sup>23</sup> A fuller definition can be found at [www.unodc.org](http://www.unodc.org)

<sup>24</sup> A fuller definition can be found at [www.unodc.org](http://www.unodc.org)

<sup>25</sup> [www.stopthetraffik.org](http://www.stopthetraffik.org)

<sup>26</sup> [www.blueblindfold.co.uk](http://www.blueblindfold.co.uk)

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 and have extensive previous criminal involvement. There have also been some identified links to organised crime gangs predominantly based overseas. 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.

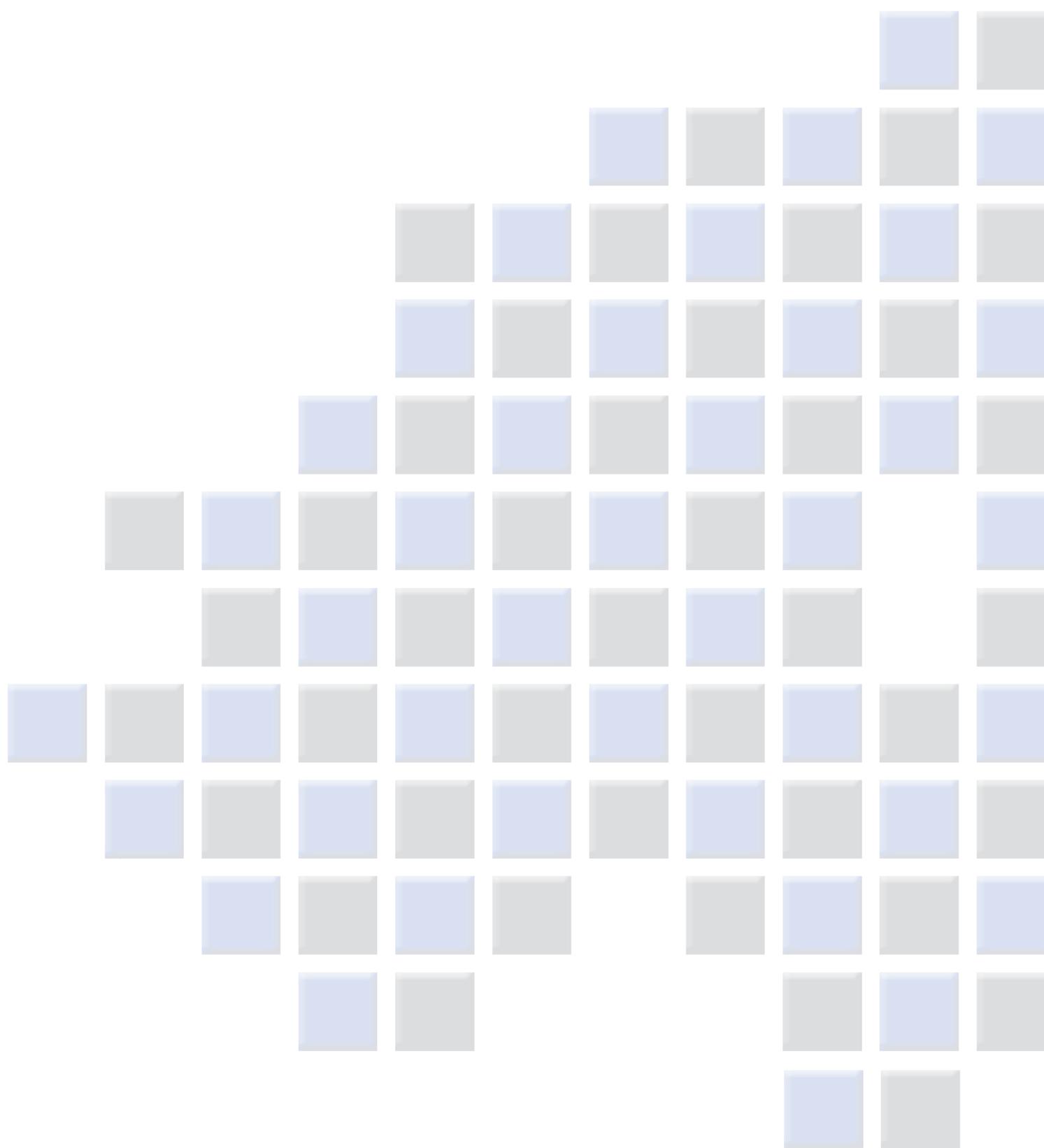
For more information in relation to human trafficking go to [www.blueblindfold.co.uk](http://www.blueblindfold.co.uk)

#### **EU DIRECTIVE ON TRAFFICKING IN HUMAN BEINGS**

On 22 March 2011 the Home Secretary wrote to the parliamentary scrutiny committees in both Houses, seeking their views on the government's intention to apply to opt in to the EU Directive to combat human trafficking upon its adoption.

The UK government had previously indicated that it was minded to opt-out of the EU Directive on preventing and combating trafficking in human beings but the action by the Home Secretary is a strong indication that the government will apply to opt in to a Europe-wide effort to help tackle human trafficking. The Directive will build on policies already in place in the UK and will extend powers to prosecute UK nationals who commit trafficking offences anywhere in the world.





# CHAPTER 4

## OCTF EVENTS

The OCTF is dedicated to supporting communities through information sharing, providing advice and facilitating links to law enforcement experts. Outreach events provided the OCTF with the opportunity to engage with communities and this year the OCTF hosted a number of events across Northern Ireland including:

**BALMORAL SHOW**

In May 2010 the OCTF attended the Balmoral Show at the Kings Hall, Belfast. This was the second year the Organised Crime Task Force had attended the event and it was a good opportunity to directly engage with the rural community in particular to raise awareness of organised crimes like fuel laundering, the counterfeiting of animal feeds and plant theft and to encourage people to report suspicious activity to the police.

**LAUNCH OF THE ANNUAL REPORT AND THREAT ASSESSMENT 2010**

In June 2010 the OCTF Annual Report and Threat Assessment was launched at the Long Gallery, Parliament Buildings. The event was attended by OCTF partners and other invitees and was hosted by the Justice Minister, David Ford and the Chief Constable, Matt Baggot.

**CHOICES PROGRAMME ENNISKILLEN**

In July 2010 members of the OCTF gave a presentation to the young people attending the Choices Programme in Limavady. The Choices programme is an anti social behaviour project which was paid for by confiscated criminal cash. The scheme provided young people with an opportunity to increase their understanding of the consequences of the choices they make and also to appreciate the impact of anti-social behaviour and crime on its victims. The group discussed human trafficking, drugs and the dangers of counterfeit goods.

**VISITOR OR VICTIM CAMPAIGN**

In October 2010 the OCTF launched the Visitor or Victim Campaign at Belfast City Airport. The campaign posters and leaflets were placed in airports, ports and train stations and carried information in nine languages urging victims of trafficking to seek help by contacting Crime Stoppers.



**CROSS BORDER ORGANISED CRIME SEMINAR – LA MON HOTEL 2010**

The 8th Annual Cross Border Organised Crime Seminar was hosted by the Department of Justice in conjunction with the Department of Justice and Law Reform. The event took place in October 2010 at the La Mon Hotel in Belfast and was attended by law enforcement partners from both sides of the border. Keynote speakers included Minister David Ford, Minister Dermot Ahern, Deputy Chief Constable Judith Gillespie and Commissioner Fachtna Murphy. The delegates attended workshops and presentations on topics including cybercrime, human trafficking and drugs.



**DISTRICT POLICING PARTNERSHIPS**

In November 2010 the OCTF gave presentations at two events for the District Policing Partnership organised by the Northern Ireland Policing Board.

### BUSINESS SEMINAR

In November 2010, the OCTF, in conjunction with the Confederation of British Industry, Chamber of Commerce and the Federation of Small Businesses hosted two business seminar events, one in the Grand Opera House in Belfast and one in Hillsborough Castle, Hillsborough. The events were hosted by Justice Minister, David Ford. These events gave OCTF the opportunity to engage with the local business community and discuss organised crime types which particularly affect small businesses.



### NORTHERN IRELAND CIVIL SERVICE LIVE

In November 2010 the Northern Ireland Civil Service hosted an event entitled NICS Live 2010 in the Waterfront Hall, Belfast. The OCTF was invited to give a workshop at the event to showcase the partnership approach the OCTF enjoys with the public and private sectors and to demonstrate how working together has helped to combat organised crime.

### BLUE BLINDFOLD CAMPAIGN

The Blue Blindfold campaign, to raise awareness of human trafficking, was launched by David Ford, Minister of Justice, on 17 January 2011 and ran for a three month period. The campaign was promoted across Northern Ireland using a variety of media including billboards; posters at bus stops and other outlets such as shopping centres; advertising on buses; press advertising in regional newspapers and on radio across Northern Ireland; and on the internet. A information campaign was run at the same time in the Ireland by then Minister of Justice and Law Reform, Dermot Ahern.

OCTF will seek to build on the success of this and other campaigns to raise awareness of organised crime in the coming year.



### POCA SEMINAR

In February 2011 the OCTF held a Proceeds of Crime Act 2002 training seminar for legal and law enforcement practitioners at the Holiday Inn Express in Belfast. The lunchtime seminar was attended by over 150 delegates.

### FOYLE WOMEN'S AID DAY OF ACTION

In February 2011 the Minister of Justice opened the Foyle Women's Aid Day of Action. This year the event entitled Women on the Margins focussed on Human Trafficking. Speakers from Women's Aid, PSNI and Ruhama outlined their experiences in dealing with human trafficking and helping the victims.

**IRISH BAPTIST NETWORK CONFERENCE ON HUMAN TRAFFICKING**

In March 2011 the Justice Minister, David Ford provided a keynote address at the Irish Baptist Network’s conference on human trafficking at the Mount Centre, Belfast. The Conference was primarily aimed at raising awareness among the voluntary sector and faith communities and provided a good opportunity to engage with groups which the OCTF had not previously engaged.



**NORTHERN IRELAND OMNIBUS SURVEY**

The Northern Ireland Omnibus Survey is carried out on a regular basis and is designed to provide a snapshot of the lifestyle and views of the people of Northern Ireland. Results of the January 2011 Northern Ireland Omnibus Survey were published in May 2011.

19% 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, 40% 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, 97% thought there was a problem with organised crime in Northern Ireland; 48% of respondents considered this to be very serious.

71% of respondents believed individual victims suffered as a result of organised crime; 70% felt organised crime had an impact on the general public.

Almost three-quarters (74%) of those taking part in the survey thought organised crime could lead to fear in the community.

Respondents considered the police (92%), the government (59%) and the Serious Organised Crime Agency (55%) as having a role in tackling organised crime.

46% of those surveyed believed they had a role in tackling organised crime, 71% of whom felt their role was to refuse to purchase counterfeit or illicit goods.

66% of respondents were of the opinion 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 (79%); fuel smuggling/laundering (41%); and money laundering (35%).

38% of those surveyed had heard of the Organised Crime Task Force (OCTF), 71% of whom had heard through the television.

Of those who had heard of the OCTF, 55% thought it was fairly or very effective in raising awareness about organised crime.

**EVALUATION OF THE BLUE BLINDFOLD CAMPAIGN**

Post evaluation of the campaign included When prompted 35% of adults in Northern Ireland saw/heard the campaign. When promoted 50% of those aged between 16 and 34, saw/heard the campaign. (This means that approx. 500,000 adults in Northern Ireland are aware of the campaign)

**Impact of advertising**

**I know something about the issue of human trafficking?**

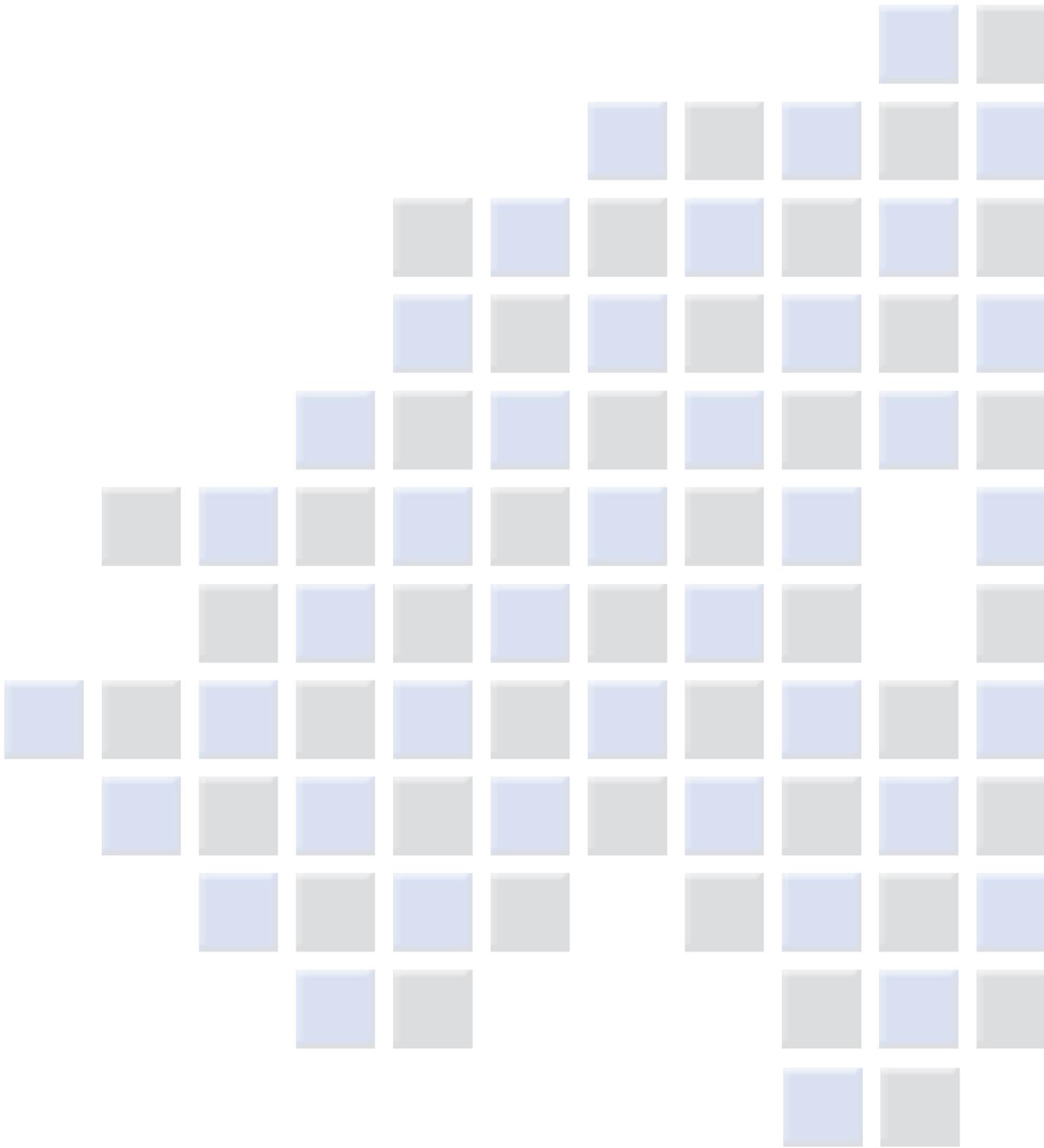
- 41% of those who haven’t seen the advertising agree.
- 60% of those who have seen the advertising agree.

**Human Trafficking is an issue in Northern Ireland?**

- 60% of those who haven’t seen the advertising agree.
- 75% of those who have seen the advertising agree.

**I would call Crimestoppers or the PSNI if I became suspicious of human trafficking taking place?**

- 60% of those who haven’t see the advertising agree.
- 84% of those who have seen the advertising agree.



# CHAPTER 5

## ASSETS RECOVERY

## ASSETS RECOVERY

Prior to the devolution of justice in April 2010, the value of all assets (both civil and criminal) recovered in Northern Ireland under Proceeds of Crime legislation was remitted to the Home Office. The Home Office retained half of the value and returned the other half to the agencies responsible for its recovery under the Assets Recovery Incentivisation Scheme (ARIS).

Since devolution, the full value of criminal confiscation recovered in Northern Ireland is returned to the Northern Ireland Consolidated Fund (NICF) and the Department of Justice (DoJ) distributes 50% to the agencies concerned, in accordance with established ARIS procedures.

The DoJ has since June 2011 been given approval by HM/Treasury to access the 50%. DoJ officials will work with the Department of Finance and Personnel to agree how these funds may be spent to support communities affected by crime and to reduce the fear of crime.

The total value of assets recovered in Northern Ireland using civil recovery procedures continues to be returned to the Home Office, from where 50% is distributed under the ARIS scheme to the agencies involved. The DoJ has asked the Home Office to return a higher proportion of these receipts to Northern Ireland and this is being considered.

The assets recovery process is unpredictable and data can be skewed by a large recovery in any one year. The OCTF agencies have agreed not to set new assets recovery targets (no targets are set in the rest of the UK) but have agreed two assets recovery related objectives. They are to:-

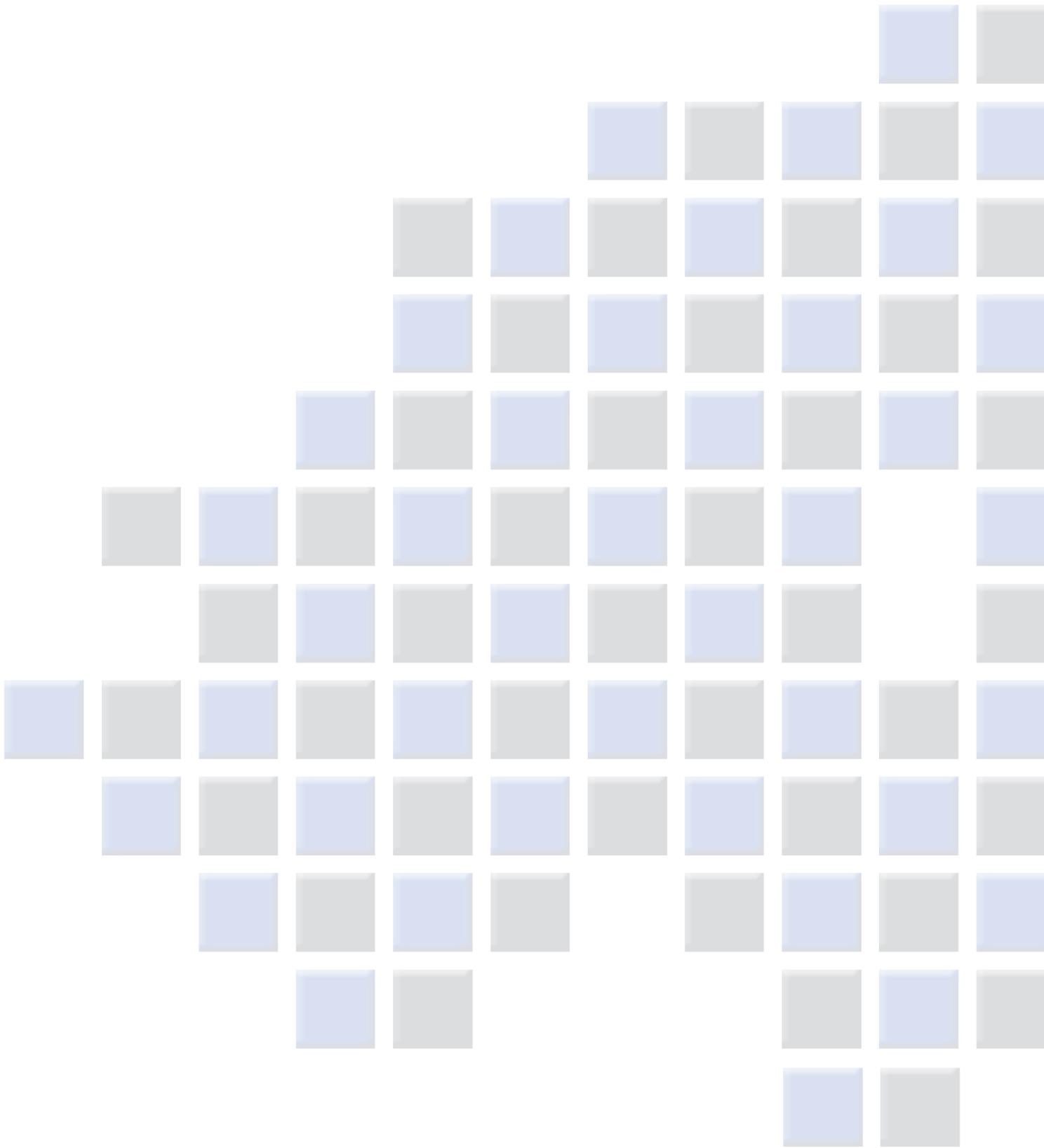
- Maximise the value of criminal assets recovered by agencies operating in Northern Ireland, and
- Increase the proportion of the value of criminal assets recovered that are returned to Northern Ireland.

The total value of assets (both criminal and civil) recovered in Northern Ireland in 2010/11 was £4.42 million. This represents an increase of 5% on the previous year. The table below shows assets recovery data for Northern Ireland for the last three years.

	2008/09	2009/10	2010/11
No of cash seizures	158	168	141
Value of cash seizures	£1,785,588	£1,648,707	£1,308,742
Value of cash forfeited	£777,324	£848,349	£929,629
Value of Court Orders	£16,125,241	£18,476,011	£6,238,161
Total net assets recovered	£7,315,629	£4,207,852	£4,422,149

The value of criminal confiscation receipts returned by the DoJ to each agency under ARIS arrangements during 2010/11 was £1,412,030 and was used for crime fighting purposes including funding for financial investigators and equipment. Some funds were also provided to benefit communities affected by crime.

Agency	ARIS Payments 2010/11
Her Majesty's Revenue & Customs	£291,761
Northern Ireland Court Service	£141,203
Northern Ireland Environment Agency	£82,418
Social Security Agency	£61,668
Police Service of Northern Ireland	£199,568
Public Prosecution Service	£635,414
	<b>£1,412,030</b>



# CHAPTER 6

## FORWARD LOOK

## NEW LEGISLATION

New legislation was introduced in 2010/11 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 commenced for Northern Ireland on 18 April 2011.

### • Justice Act (Northern Ireland) 2011

The Justice Bill completed its Assembly passage on 23 March 2011 receiving Royal Assent on 4 May 2011.

Section 56 of the 2011 Act adds a new section 78(aa) into the Serious Organised Crime and Police Act 2005. This will add the offences of money laundering, corruption and fraud to the list of offences which can receive a Financial Reporting Order. This section will be commenced by order later this year.

Section 94 of the 2011 Act gives the Department of Justice the power to allocate funds to prevent crime and reduce the fear of crime and to support the recovery of criminal assets. This section commenced on Royal Assent and will be used to allocate receipts from criminal assets.

## SECURITY INDUSTRY AUTHORITY

The private security industry in Northern Ireland has been fully regulated by the Security Industry Authority (SIA) since 1 April 2010. It is 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

To date almost 11,000 licences have been issued to individuals in Northern Ireland; and there are over 50 Approved Contractor Scheme companies based or operating here.

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.

During the first year of regulation being in place the focus of the SIA has been on ensuring that the high level of compliance found in the rest of the UK is also achieved in Northern Ireland and on establishing good working relationships with a number of partners with whom they have shared intelligence and carried out joint operations.

Having made good progress with compliance there is now greater opportunity for the SIA to support activity tackling serious and organised crime groups in Northern Ireland as they do elsewhere in the UK.

## THE NATIONAL CRIME AGENCY

The creation of a National Crime Agency (NCA) is a key objective of the Coalition Government. The new Agency will be established in December 2013 and incorporate many functions undertaken by a range of existing agencies together with some new functions. The objective of the NCA is to improve the national response to serious and organised crime thereby reducing the harm caused to communities and to the economy. The

intention is to create a powerful new body of operational crime fighters to make the UK a hostile environment for serious and organised criminality. The governance arrangements and processes to be adopted by the NCA will recognise the primacy of devolved institutions in Northern Ireland.

### **THE NORTHERN IRELAND ORGANISED CRIME STRATEGY**

The Organised Crime Task Force's impact against organised criminal activity is well documented in the OCTF Annual Report and Threat Assessment. The OCTF is committed to building on the success outlined in this, and previous reports ensuring that there are effective structures, processes and tools in place to make the OCTF as effective as possible. The publication of a Northern Ireland Organised Crime Strategy in the coming year will take account of the UK Organised Crime Strategy but it will also address the specific priorities agreed by the OCTF which reflect the landscape of organised crime in Northern Ireland.

### **CHANGING THE MINDSET**

The results from the Northern Ireland Crime Survey demonstrate that the public perceptions and attitudes to organised crime in Northern Ireland need to be addressed. The results of the 2009/10 survey demonstrated that the majority of respondents (66%) felt that organised crime overall generated a minimal level of harm in their local area with only 7% of respondents considering organised crime to result in a great level of harm. In contrast the UK Threat Assessment of Organised Crime 2009/10 assessed the threat to the UK from organised crime as high and estimated the value of the economic and social costs of organised crime, including the costs of combating it, at upwards of GBP £20 billion a year. The reality is that some organised crime exists because people support it. The OCTF intends to launch a number of initiatives under the concept of Changing the Mindset with a view to informing the public better about the impact of organised crime and how they can help to make Northern Ireland a hostile place for the crime gangs.

### **KEY THREATS FOR 2011/12**

As highlighted in Chapter Three of this report there is a continuing threat from organised criminal gangs who operate in Northern Ireland. The OCTF had assessed the principal threats for 2011/2012 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

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

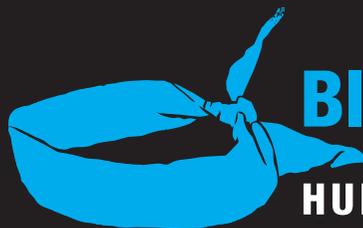
### OCTF PARTNER ORGANISATIONS

- Association for UK Interactive Entertainment
- Bank of Ireland
- Brinks
- British Phonographic Industry
- British Security Industry Association
- BSkyB
- Confederation of British Industry
- Courts and Tribunal Services NI
- Department of Enterprise, Trade and Investment – Trading Standards
- Department of the Environment (NI Environment Agency)
- Department of Health, Social Services and Public Safety
- Department of Justice
- DIAGEO
- Federation Against Copyright Theft
- First Trust Bank
- Forensic Science Agency NI
- Gangmasters Licensing Authority
- Garda Síochána
- Group 4 Security
- Health and Safety Executive
- Her Majesty’s Revenue and Customs
- Japan Tobacco International
- NI Policing Board
- NI Chamber of Commerce
- NI Federation of Small Businesses
- Northern Bank
- Office of the First and deputy First Minister
- Police Service of Northern Ireland
- Post Office
- Public Prosecution Service NI – Revenue Commissioners
- RMS Cash Management
- Safer Cash
- Serious Organised Crime Agency
- Social Security Agency (NI)
- UK Border Agency
- UK Human Trafficking Centre
- Ulster Bank



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**OPEN YOUR EYES TO HUMAN TRAFFICKING**

