



**ORGANISED
CRIME**
TASK FORCE



2012 Annual Report & Threat Assessment

Organised Crime in Northern Ireland

www.octf.gov.uk



Introduction



I am pleased to introduce the eleventh Organised Crime Task Force (OCTF) Annual Report and Threat Assessment which reports on the collective successes of OCTF partners during 2011/12 and sets out the main threats looking ahead. You will see from the results in Chapter 2 that it was a busy and successful year for OCTF partners and for our law enforcement agencies in particular. Their investigations into organised crime and subsequent operations against those involved removed over £13 million worth of drugs from our streets, closed down 30 laundering plants and seized 863,000 litres of illegal fuel with a value of £1.3 million. In doing so they have made Northern Ireland a safer place. Naturally there is always more to do.

They also collectively seized and had confiscated nearly £4.5 million worth of criminal assets through robust use of Proceeds of Crime legislation and its civil and criminal recovery procedures. Half the receipts have been utilised by law enforcement agencies and for the first time legislation has enabled me to divert part of the proceeds into community funding for crime prevention and projects that reduce the fear of crime. You will find more detail in Chapter 5 of this Report.

I want to highlight one particular threat which has received a great deal of focus in 2011/12. Over the year there has been clear evidence of organised criminals callously trading human beings for sexual exploitation, forced labour or domestic servitude. PSNI rescued 33 potential victims of human trafficking in Northern Ireland during the year and put an end to their inhumane treatment. OCTF will continue to tackle this issue head on but everyone in Northern Ireland can help by contacting Crimestoppers if they notice any suspicious behaviour which may be linked to human trafficking; some of the signs to look out for are included at Appendix 1 of this report.

Clearly we must not lose sight of the other forms of organised crime that impact on our communities and threaten our economy and the environment. Organised criminals also deal in drugs, counterfeit goods and laundered fuel. I urge the public to support our work to catch the criminals and think twice before buying a counterfeit DVD or filling their car with illegal fuel. In this connection the OCTF is running research on how attitudes and behaviours can be changed. This is explained more fully in Chapter 6. The OCTF wants to significantly drive down demand for such goods and services.

The OCTF will continue to tackle organised crime through its multi agency partnership – I would encourage you to give us your support.

David Ford MLA
Minister of Justice

Everyone's Help Is Needed To Combat Organised Crime...

Please do not let Organised Criminals prey on Our Society

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

TELEPHONE NUMBERS

HMRC HOTLINE	0800 595 000
PSNI	0845 600 8000
CRIMESTOPPERS	0800 555 111

WEBSITES

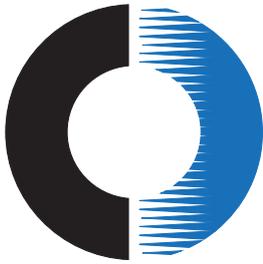
ORGANISED CRIME TASK FORCE	www.octf.gov.uk
POLICE SERVICE OF NORTHERN IRELAND	www.psni.police.uk
HER MAJESTY'S REVENUE & CUSTOMS	www.hmrc.gov.uk
SERIOUS ORGANISED CRIME AGENCY	www.soca.gov.uk
UK BORDER AGENCY	www.ukba.homeoffice.gov.uk
DEPARTMENT OF JUSTICE	www.dojni.gov.uk

You can follow the OCTF on Facebook at www.facebook.com/pages/OCTF/136184833076303

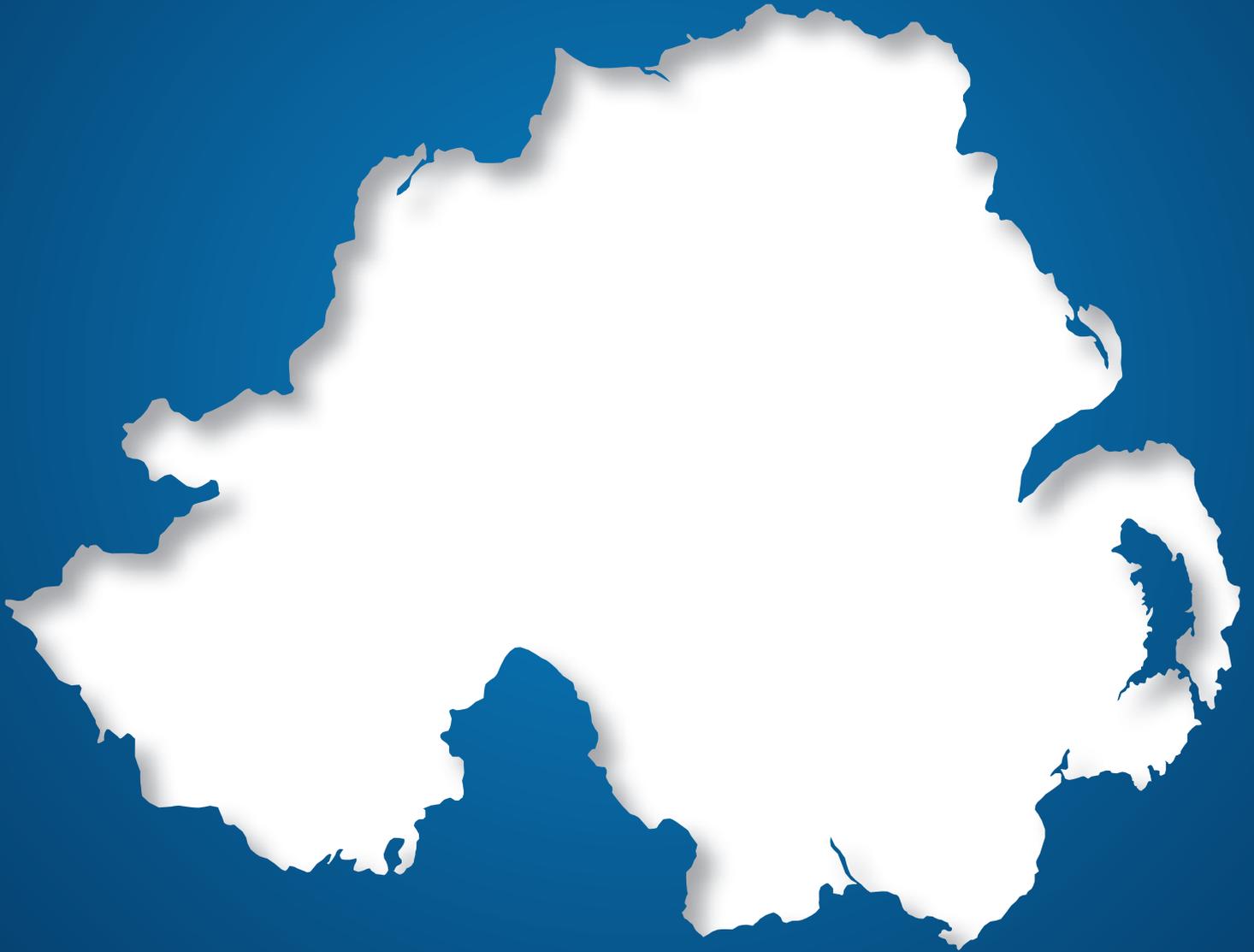
OCTF Annual Report And Threat Assessment 2012

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Chapter 1

Structural Overview

Structural Overview

The Organised Crime Task Force (OCTF) was established in 2000 to provide strategic direction to tackle organised crime in Northern Ireland through multi-agency partnership. The OCTF does not take any operational responsibility – that remains with the individual law enforcement agencies - but is supported by a structure of sub groups each dealing with specific operational and policy issues:

Stakeholder Group

Chaired by David Ford MLA (Justice Minister)
Meets quarterly



Strategy Group

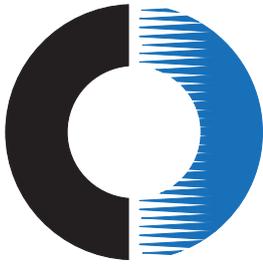
Chaired by the Director
Safer Communities
Meets bi-monthly



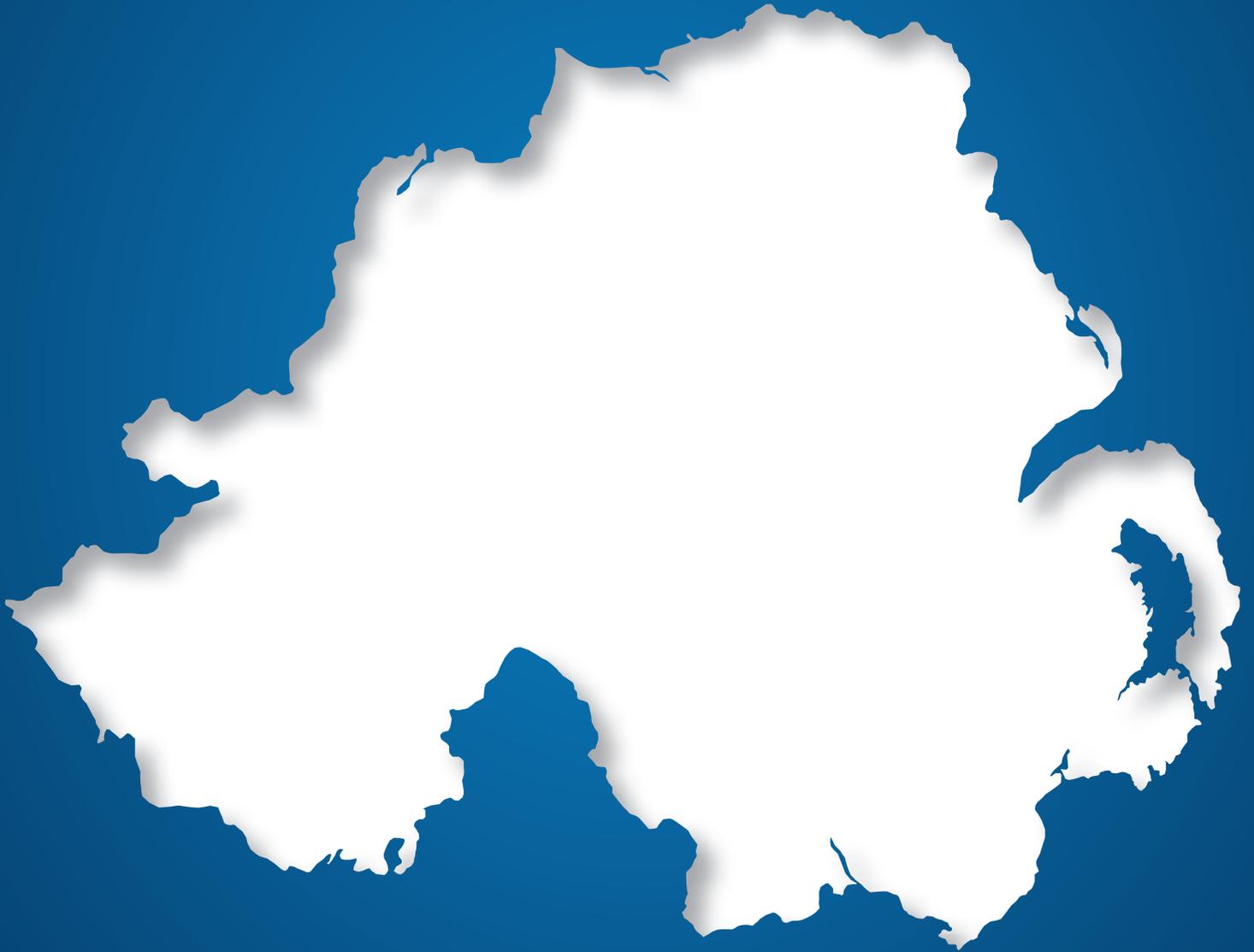
Subgroups

Legal
Armed Robbery
Publicity
Intellectual Property Crime
Criminal Finance
Drugs
Immigration and Human Trafficking
Cross Border Fuel Fraud

A list of OCTF partner organisations is at Appendix 2, although contacts are maintained with others too.



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Chapter 2

Prior Year Results

OCTF Mission

The mission of the OCTF is to help secure a safe, just and prosperous society in Northern Ireland by confronting organised crime through multi-agency partnership between Northern Ireland Government Departments, law enforcement, the Public Prosecution Service, Policing Board, business community and the community at large.

Key Priorities in 2011/12

Over the past twelve months the principal threats from organised crime were assessed to be:

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

Key Successes in 2011/12

In this reporting year:

- **over £13 million of drugs were seized**
- **33 potential victims of human trafficking were rescued**
- **30 fuel laundering plants were closed down**
- **Some £4.44million of criminal assets were seized**
- **23.45 million counterfeit and smuggled cigarettes were seized**
- **23 criminal convictions for serious environmental offences**

The following are just some examples of the law enforcement activity that led to these successes:

i. **Armed Robbery and Cash-in-Transit**

There was a slight reduction in the number of Cash-in-Transit attacks, down from 25 in 2010 to 23 in 2011. By the end of 2011 charges had been made in relation to 43% of the attacks, a total of 17 people were charged in relation to 10 of the attacks.

There were three ATM attacks during 2011, the same number as in the previous year. However, two of the attacks were unsuccessful. PSNI arrested and charged six people in relation to one of the incidents.

ii. Tiger Kidnaps

There were seven tiger kidnaps during the 2011 calendar year, one less than in 2010. By the end of 2011 eight people had been arrested and seven charged in relation to three of these incidents.

Case Study

In April 2011 two males were sentenced to 9 years and 5 years imprisonment. The charges related to the attempted tiger kidnap against a bank employee in the Maghera area in October 2009.

iii. Drugs

PSNI seized drugs with an estimated street value of £13,160,066, including:

Class A:

- 302 seizures of cocaine powder amounting to 12.2kg, up from 7.8kg seized in 2010/11. PSNI also seized 317 cocaine wraps, up from 174 in the previous year.
- 165 seizure incidents of ecstasy tablets, up from 150 in 2010/11. The quantity seized more than doubled from 14,774 tablets in 2010/11 to 30,220 in 2011/12.
- other Class A drugs seized included LSD and opiates.



Class B:

Seizures of all types of cannabis increased in 2011/12 compared with the previous year:

- cannabis resin seizures amounted to 191.5kg in 2011/12, up from 87.1kg in 2010/11.
- herbal cannabis seizures amounted to 402kg, more than the previous two years combined (2009/10, 215.9kg and 2010/11, 176.3kg).
- 14,307 cannabis plants were seized in 2011/12, in 286 seizure incidents, averaging 50 plants per seizure.

Other Class B drugs seized include amphetamine and mephedrone:

- the number of amphetamine tablets seized in 2011/12 was 4,572, up from 411 in 2010/11.
- seizures of mephedrone decreased to 2.3kg of powder and 6 wraps in 2011/12, down from 20.9kg of powder and 104 wraps in 2010/11.



Case Studies

On 8 November 2011 one male person was convicted on 15 counts relating to six cannabis factories throughout Northern Ireland. He was sentenced to 6 years imprisonment.

As part of an international investigation into the importation of mephedrone and money laundering, SOCA searched a number of properties in Northern Ireland. Approximately 12 kilos of a synthetic Class B controlled drug was recovered along with £7,100 cash. Three men were arrested between October 2011 and January 2012 and have been charged with a number of offences including conspiracy to import controlled drugs, possession with intent to supply controlled drugs and money laundering. This operation is ongoing with more arrests possible.

iv. Excise and Tax Fraud

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

A. Fuel Fraud

HMRC has used the full range of sanctions available. These range from civil action including seizure of fuel, pumps, vehicles and/or cash, civil investigation of tax (direct and indirect), combined with a strong regulatory control system and civil penalties regime, through to criminal prosecution and confiscation of assets.

During 2011/12 HMRC officers in Northern Ireland seized 863,000 litres of illegal fuel with a value of £1.3 million and detected and dismantled 30 fuel laundering or mixing plants.

The latest available figures published in 'Measuring Tax Gaps 2011' show that the market share of Non-UK duty paid diesel in Northern Ireland has fallen from 39% in 2005/06 to 12% in 2009/10, with the associated uncollected revenue reducing from £180 million to £70 million. For petrol the illicit market share has fallen from 19% in 2005/06 to 16% in 2008/09, with an associated decrease in uncollected revenue from £70 million to £60 million in the same period.

Fuel fraud and misuse of rebated fuel is not just a local or national issue and the extent of the problem across Europe was highlighted during a Pan-European oils workshop held in Belfast in March 2012, see Chapter 4 for further details.



Case Study

In June 2011 HMRC officers arrested four individuals and searched 13 commercial and domestic premises as part of a planned operation targeting commercial scale fuel fraud and money laundering. A fully operational fuel laundering plant was dismantled and approximately 18,000 litres of laundered fuel seized. A substantial quantity of bleaching earth used to remove the dye from fuel was also recovered together with two vehicles, including a lorry that had a concealed tank capable of storing and transporting fuel.

Further searches, carried out in follow up investigations, resulted in the seizure of four more vehicles, one containing a fully operational laundering plant, bags of bleaching earth and approximately £285,000 of cash. The cash was seized under Proceeds of Crime legislation. This HMRC led operation was supported by OCTF partners including the Police Service of Northern Ireland (PSNI), Serious Organised Crime Agency (SOCA) and the Northern Ireland Environment Agency (NIEA).

B. Evasion of Duty

"Tax fraud and attempts to launder the proceeds of crime are key priorities for HMRC, and we will continue to work with our partners in the Organised Crime Task Force to pursue any individuals or crime gangs believed to be attacking the public purse in this way." (John Whiting, Assistant Director HMRC Criminal Investigation, 13 March 2012.)

Case Study

In March 2012, in the largest operation of its kind ever undertaken in Northern Ireland, 174 HMRC officers from across the UK, supported by 300 officers from the PSNI, searched 31 business and residential properties in Belfast, Counties Armagh, Antrim and Londonderry and Greater London and seized business records, computers and cash. As part of the operation a total of 14 suspects were arrested and interviewed by HMRC investigating a suspected £15 million money laundering, income tax and VAT fraud linked to the construction industry. After interview all of the suspects were released on bail pending further investigation.

C. Tobacco Fraud

The trade in illicit cigarettes includes the smuggling of genuine products from areas where duty is lower than that in the United Kingdom, the smuggling of counterfeit cigarettes, which are generally manufactured in illegal factories in the Far East, and the smuggling of cigarettes produced entirely independently of the International Tobacco Manufacturers (ITM's) and which have no true, or a very limited, legitimate market. The latter are referred to by the tobacco industry as "illicit whites" and are cigarette brands manufactured for the purpose of smuggling. They are seen as a cost effective, reasonable alternative to poor quality counterfeit brands and are in high demand. Providing legal obligations are adhered to in the country of manufacture, it is possible to legitimately produce and distribute cheap whites. They only become contraband when there is an attempt to evade duty by smuggling them into the UK.

Although across the UK the illicit market share of cigarettes has reduced from 16% in 2005/06 to 10% in 2009/10 it is estimated that this fraud still costs the Westminster Government £2.2 billion in lost revenue annually.

In Northern Ireland, HMRC officers have seized 2.1 million counterfeit and smuggled cigarettes and 356kg of hand rolling tobacco with a value of £828,000, and UK Border Agency officers seized 21.35 million cigarettes and 500 kilos of hand rolling tobacco. Many millions of cigarettes have been prevented from entering the local market by working closely with counterparts in other jurisdictions, both in the Republic of Ireland and further afield, ensuring that organised, worldwide distribution networks have been breached and seizures made.



Case Studies

In May 2011 HMRC arrested two men as they were in the process of unloading boxes from an articulated trailer. A search of the vehicle uncovered 8.7 million illicit white cigarettes which had been smuggled from Dubai to the South Armagh area. The

cigarettes were subsequently seized by UK Border Agency officers. The men were interviewed and bailed pending further investigation.

In October 2011 as part of a national investigation into postal importations of tobacco, HMRC officers in Northern Ireland arrested a Londonderry man and seized nearly 200kgs of hand rolling tobacco.

In February 2012 HMRC officers arrested two people and seized 1.2 million cigarettes at Larne Harbour following the discovery of the cigarettes in a groupage load.

v. Immigration and Human Trafficking

There were 33 potential victims of human trafficking recovered in Northern Ireland in 2011/12. Their nationalities included British, Czech, Tanzanian, Zimbabwean, Ghanaian, Slovakian, Chinese and Austrian.

Eighteen of the victims were female. Seventeen of these females were trafficked for sexual exploitation and one was trafficked for labour exploitation. Seven were males trafficked for labour exploitation and eight were minors (seven of which were UK nationals trafficked within the UK for the purposes of sexual exploitation).

Case Study

A male pleaded guilty to human trafficking for sexual exploitation, controlling prostitution and brothel keeping at Court in Belfast on 01 February 2012. The conviction related to an investigation into a Dublin based Hungarian organised crime gang. He was sentenced to 3 years for human trafficking (to serve a minimum of 18 months) and, concurrently, 2 years for controlling prostitution and 18 months for controlling a brothel. This was the first conviction for human trafficking in the Crown Court in Northern Ireland. The Judge used the judgment to set down guidelines for future cases.

Operation Gull

Whilst the Common Travel Area (CTA) has major benefits to all who live and work legally in Northern Ireland and Ireland it is also open to exploitation by illegal migrants. The UK Border Agency (UKBA) and the PSNI work together under "Operation Gull" to focus on domestic UK flights into and out of Northern Ireland, on domestic UK sea crossings between Northern Ireland and Scotland, and the border with the Republic of Ireland to identify and arrest illegal migrants.

In the last year Operation Gull detection of illegal immigrants increased by over 60% with nearly 300 people intercepted attempting to abuse or facilitate abuse of Northern Ireland ports as a means of illegal transit across the UK. Over 70% of these offenders were removed from the UK.

Operation Gull also intercepts people who could cause harm to Northern Ireland and other parts of the UK.

Case Studies

A foreign national intercepted at Belfast docks and detained as an illegal immigrant was found to be wanted in the Republic of Ireland where he was subject to an arrest warrant for serious theft charges. He was detained and handed over to the An Garda Síochána.

Immigration and police checks on a foreign national stopped at Belfast docks revealed that he had been deported from the UK in 2007 after serving a 5 year prison sentence for bank fraud. He was detained and returned to his country of origin.

Sham Marriages

Last year the UKBA moved to a more targeted intelligence led approach to dealing with people attempting to flout immigration rules through marriage. This followed the abolition of the certificate of approval scheme in May 2011. Some 50 reports of suspicious marriages were received. All were investigated resulting in 12 sham marriages being interrupted and 23 others being prevented from taking place. More than 30 people connected to these marriages (would-be sham brides, grooms and associates) were convicted of trying to gain entry to the UK by deception or attempting to assist unlawful immigration to the UK and were sentenced by the courts. The other 15 marriages were found to be genuine.

Case Studies

A groom at a sham marriage was charged with seeking leave by deception and sentenced to 16 months at Newtownards Magistrates' Court. The Pakistani male and his associates were intercepted the day before the wedding was due to take place. The prospective bride, a Polish female, and a prospective witness, her Polish boyfriend were both charged with assisting unlawful immigration (facilitation). Each received a 6-month prison sentence suspended for 2 years.

A Pakistani national, the groom at a sham marriage interrupted by immigration officers and the police, was sentenced at Belfast Crown Court to 14 months imprisonment for seeking leave by deception. He will be removed back to his home country on completion of his sentence.



vi. Intellectual Property Crime

The PSNI continues to focus its efforts on the investigation of counterfeit products and its links with organised criminality and terrorism.

The OCTF intellectual property crime subgroup continues to be a model of best practice for its collaborative working between Government, law enforcement agencies and stakeholders.

Operational activity has continued throughout 2011/12. Sub judice rules prevent publication of these successes in this report. Above is an example of the international nature of counterfeit products with fake i-phones being seized at several locations in Northern Ireland. As well as being counterfeit these items can pose a dangerous fire risk due to defective electronic components and may cause injury.

vii. Extortion/Blackmail

There were 35 blackmail offences recorded by PSNI in 2011/12, a decrease of 20% on the previous year. Detections were made in respect of 20% of these offences. In the past two years (2010/11 and 2011/12) blackmail detection rates have been at their highest since 2000/01.

viii. Social Security Benefit Fraud

During 2011/12 the Social Security Agency's Benefit Security Services convicted 519 individuals and imposed 506 Administrative Penalties.

Throughout the year the Social Security Agency's Organised Fraud Unit (OFU) carried out a number of separate proactive exercises to establish if there was any evidence of organised fraud being committed against the Northern Ireland Social Security system. The team plans to carry out an analysis in 2012/13 to look for patterns of suspicious activity in relation to payments being made directly into bank accounts.

Case Studies

The OFU carried out analysis of payments going directly into Post Office Card Accounts. Although no evidence of organised fraud was found, this operation uncovered four cases of potential fraudulent activity and these are currently being considered for prosecution.

The SSA Document Examination Teams work closely with the Department for Work and Pensions' National Identity Fraud Unit to detect individuals falsely applying for National Insurance Numbers using counterfeit documentation. During 2011/12, six such cases were identified, helping prevent potential losses to the benefit system.

Liaison and co-operation with other law enforcement agencies continues with the SSA undertaking joint operations in certain cases. For example, SSA has worked with the UK Border 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 of Northern Ireland (PSNI) on appropriate investigations.

Case Study

Allegations of four cases of hijacked identities were received by the SSA. The cases involved people who had emigrated from Northern Ireland but whose identities were hijacked and used to defraud the Social Security System. Three individuals were arrested by the PSNI and their cases are currently pending prosecution. The fraud committed by them is estimated at over £110,000. Enquiries are continuing in the remaining case.

The SSA continues to participate in data matching exercises with HMRC, other government departments and private organisations to identify inconsistencies in data provided that may point towards benefit fraud.

During 2011/12 230 new cases were referred to the SSA's Financial Investigation Unit (FIU) for investigation.

ix. Illegal dumping of waste

As readers of previous reports will be aware, the Northern Ireland Environment Agency's (NIEA) Environmental Crime Unit (ECU) focuses its resources on the investigation of the most serious and complex environmental offending.

In the past year, ECU's criminal investigators have overseen 23 criminal convictions for the most serious of environmental offences, generating £104,051 in fines. Their financial investigator colleagues have, during the same period, seen their work secure confiscation orders valued at £50,000, made in the Crown Court under the Proceeds of Crime Act 2002.

This brings to £1,745,421 the total value of confiscation orders secured against environmental criminals in 17 cases.



ECU's successes to date demonstrate the added value of confiscation proceedings taken against offenders in environmental cases compared to the imposition of over £1.1 m in fines imposed by the courts in around 430 cases instigated by the NIEA's ECU since 2003.

Case Study

Following a guilty plea, a Newtownards-based skip hire operator was fined a total of £20,000 for four offences under the Waste & Contaminated Land (Northern Ireland) Order 1997 at Newtownards Magistrates' Court on 12 March 2012.

During the investigation, which commenced in July 2010, officers from the Northern Ireland Environment Agency visited commercial premises outside Newtownards where they noted that controlled waste was being kept and processed without any waste management licence being in force. Various waste types including soil, clay, tiles, brick, concrete and wood chippings had been dumped on the site. The activities on site gave rise to a number of complaints from members of the public and the local council relating to smoke, dust and noise.

The owner/operator admitted to operating an unauthorised waste transfer station on the site.

x. Criminal Finance & Assets Recovery

Law enforcement agencies in Northern Ireland seized £4,442,560 and €21,816 of criminal assets during 2011/12 through cash seizure and confiscation orders. A further £43,282 and €3,172 was forfeited. The full value of these assets will be realised when the amounts involved are paid over in accordance with directions set by the Court.

Case Studies

PSNI Financial Investigators obtained a confiscation order for £75,000 in a case against a defendant convicted of controlling prostitution for gain and money laundering offences.

A confiscation order for £78,000 was secured against an individual from Northern Ireland who had pleaded guilty to 50 charges of money laundering, theft and fraud and was sentenced to seven years imprisonment. He had been employed as an office manager in a pensions & investments company. The range of benefit in this investigation was considered to be between £848,166 and £1.26 million. The money realised by the confiscation will be distributed to the injured parties by way of part-compensation to them.

A criminal gang based in Northern Ireland were involved in the movement of 'ringer' stolen motor homes from England to Northern Ireland and subsequent sale to innocent third parties. The defendants were convicted and confiscation proceedings were commenced. This led to £74,000 being confiscated in April 2011.

Operation Howe is a civil recovery investigation against a member of a violent armed robbery gang. Although convicted of conspiracy to commit robbery, a money laundering investigation against the gang member showed that although he maintained a lifestyle that was well beyond his legitimate means, there was insufficient evidence to prosecute. Therefore in March 2008 the PSNI referred the case to SOCA for a civil recovery investigation. After an extensive financial investigation, SOCA was able to prove that the gang member's family home purchased in 1999 had been partly funded by criminal activity. In June 2011 the High Court in Belfast ordered the home to be sold with the majority of the proceeds of the sale going back to the public purse.

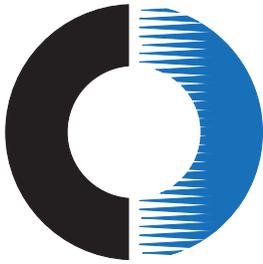
Organised Crime Gangs frustrated, disrupted and dismantled by PSNI during 2011/12.

PSNI estimate that there are between 160 and 180 organised crime gangs operating in Northern Ireland. The majority are engaging in more than one type of organised criminal activity.

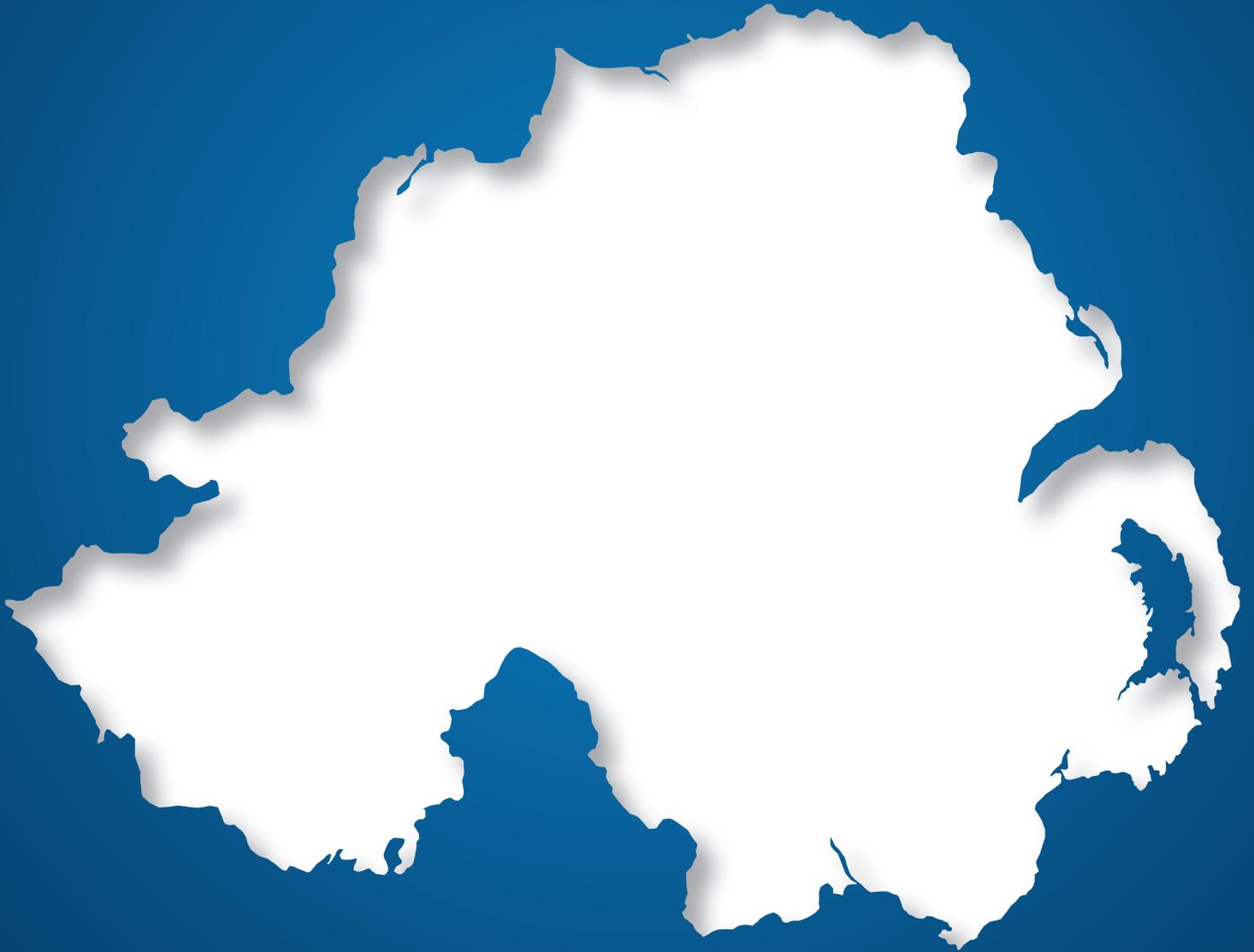
During 2011/12 PSNI made the following interventions against organised crime gangs operating in Northern Ireland –

Frustrated	36
Disrupted	70
Dismantled	23





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Chapter 3

Threat Assessment 2012

Overview

The Organised Crime Task Force (OCTF) continues to work in partnership in order to tackle organised crime in Northern Ireland. Organised crime gangs are often fluid, with members changing depending on the skills needed for a particular enterprise. They will also adapt to the environment in which they are operating by changing the types of crime they are involved in, developing new expertise and exploiting perceived weaknesses and loopholes. In the past year there have been a number of examples of this seen in Northern Ireland.

For instance increased security measures by cash-in-transit companies and financial institutions have resulted in cash-in-transit robberies becoming higher risk for lower gain. In the early part of 2011 there was a rise in 'bunker' style cash-in-transit attacks (where the courier is attacked as he enters the area to the rear of the ATM or where a prospective robber follows the courier into a financial institution) seen in the greater Belfast area, as organised criminals attempted to increase the profits gained from each attack. In reality the tactic did not work. It is indicative, however, of an organised crime gang's willingness to try new methods.

The area of fraud and criminal finance continues to develop as criminals become involved in new activities such as illegal money lending as well as adapting their methods to a changing economic environment. In the past year law enforcement agencies in Northern Ireland have seen an increase in the use of 'electronic money' and pre-pay cards in order to facilitate both fraud and money laundering. In addition there has been a notable increase in the use of professional facilitators as organised crime gangs seek to circumvent money laundering legislation.

The drugs market in Northern Ireland has seen extensive changes over the past few years, mirroring that seen in other parts of the UK and in Europe as a whole. The emergence of legal highs and new psychoactive substances has been challenging for law enforcement and also increases the risks for users who may be unaware of the true nature of the substance they are taking. A growing illicit market in prescription drugs is increasingly being exploited by organised crime gangs who are keen to make money, regardless of the potential impact on the communities in which they live. The extortion of those involved in drugs supply has also become a way for paramilitary groups to both raise money and exert control over the community.

Increasing pressures on the environment and a European commitment to reduce the amount of waste being sent to landfill has opened up a 'black market' in waste disposal. The illegal dumping of waste continues to be seen on unlicensed sites in Northern Ireland with long term environmental harm resulting.

The increased use of the internet and online shopping has been exploited by organised crime gangs who can take advantage of the increased amount and type of counterfeit goods available as well as increasing their potential market size.

Human exploitation has become a growing area of concern as international organised crime gangs have become increasingly involved in organised prostitution and the trafficking of human beings for the purposes of both sexual and labour exploitation. It is an area that organised criminals see as offering high profits.

As fuel and tobacco become increasingly expensive commodities to purchase legitimately, organised crime gangs continue to be involved in laundering and smuggling. The waste product from laundering plants has been found in areas of natural beauty and causes extensive environmental damage. Fuel that has been laundered or stretched has had its

chemical make-up altered and may be damaging to vehicle engines in addition to causing potential risk to life as it is transported in an unsafe way throughout Northern Ireland and the rest of the United Kingdom. Counterfeit and illicit tobacco products that have been produced without quality assurance have obvious health and safety risks and the routes used to import them can open up importation networks for other illicit products.

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

- Armed robbery (including tiger kidnaps)
- Criminal Finance – fraud and money laundering
- Drugs
- Extortion
- Illegal dumping of waste
- Intellectual Property Crime (counterfeiting, including currency)
- Organised Immigration Crime including Human Trafficking
- Public Sector Fraud – excise and tax

Paramilitary Involvement in Organised Crime

In the past in Northern Ireland paramilitary groups carried out organised criminal activities in order to fundraise, for personal gain, and also to exert control over the communities in which they operate. Whilst the political landscape has changed dramatically, there are still some who refuse to engage with the peace process that the rest of the community are committed to, and who remain intent on the use of violence. These groups remain a threat to national security and are also heavily engaged in organised crime.

Despite publicly denouncing organised criminality, dissident republican groups remain largely dependent on organised crime to fund their terrorist activities. Some dissident republicans are generating significant sums of money from fuel laundering and tobacco smuggling. In addition there has been suspected dissident republican involvement in a range of other criminality in the past year, including armed robbery, fuel and cigarette smuggling, extortion, money laundering, drugs supply, burglary, tiger kidnaps and counterfeit currency. Dissident republican groups also remain heavily involved in 'civil administration' and extortion against those they suspect of being involved in organised crime, in particular drugs supply.

There also remains involvement in organised crime by some members of loyalist paramilitary groups. It is often unclear how much of this activity has been sanctioned by leadership however it is clear that some members are involved in extortion, money lending, robbery, contraband, kidnap, drugs and money laundering for extensive personal gain.

Armed Robbery

Within the category of 'armed robbery' the OCTF remains focussed on those higher level offences which involve a degree of pre-planning and are likely to have involved organised crime gangs. This includes large-scale armed robberies and hijackings, cash-in-transit attacks and tiger kidnaps. In the past this section of the Threat Assessment has also included reference to ATM thefts however this section has now been removed due to the significant reduction in incidents (in the 2011 calendar year there were just three ATM theft incidents, only one of which involved the use of stolen plant machinery). PSNI continue to monitor the number of incidents, however it is assessed that partnership work and successful operational activity against organised crime gangs involved in such incidents has led to the dramatic reduction in thefts.

Cash-in-transit attacks

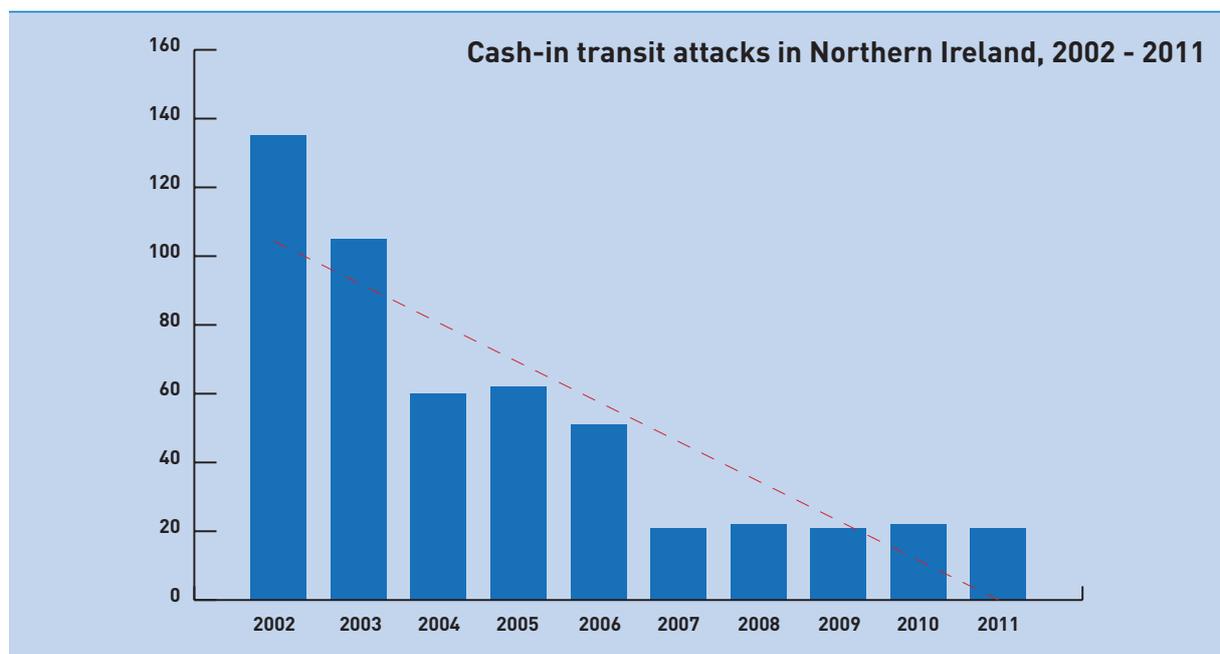
Cash-in-transit (CIT) attacks reached their peak in Northern Ireland in 2002 when there were a total of 134 attacks recorded during the calendar year. At that time the OCTF formed an Armed Robbery Expert Group as part of a partnership-driven approach to dealing with the issue. Since the formation of this group the number of attacks has steadily decreased, with an average of 23 attacks per year over the past five years.

In addition to the reduction in the number of incidents, law enforcement activity has also resulted in particularly high arrest rates in respect of this type of offence. At the end of 2010 PSNI had charged people in respect of 48% of the CIT attacks that year (12 of the total of 25) and at the end of 2011 PSNI had charged people in respect of 43% of the attacks that year (10 of the total of 23). Some arrests and charges will also be made in later calendar years so the charge rate is likely to increase.

During 2009 and 2010 there had been an increase in the proportion of attacks involving firearms (64% in 2009 and 44% in 2010). This trend changed slightly in 2011, with firearms and knives being seen in equal numbers of incidents (each accounting for 26% of attacks). The number of injuries to couriers has also continued to decline, with four recorded in 2011 (compared to nine in 2008).

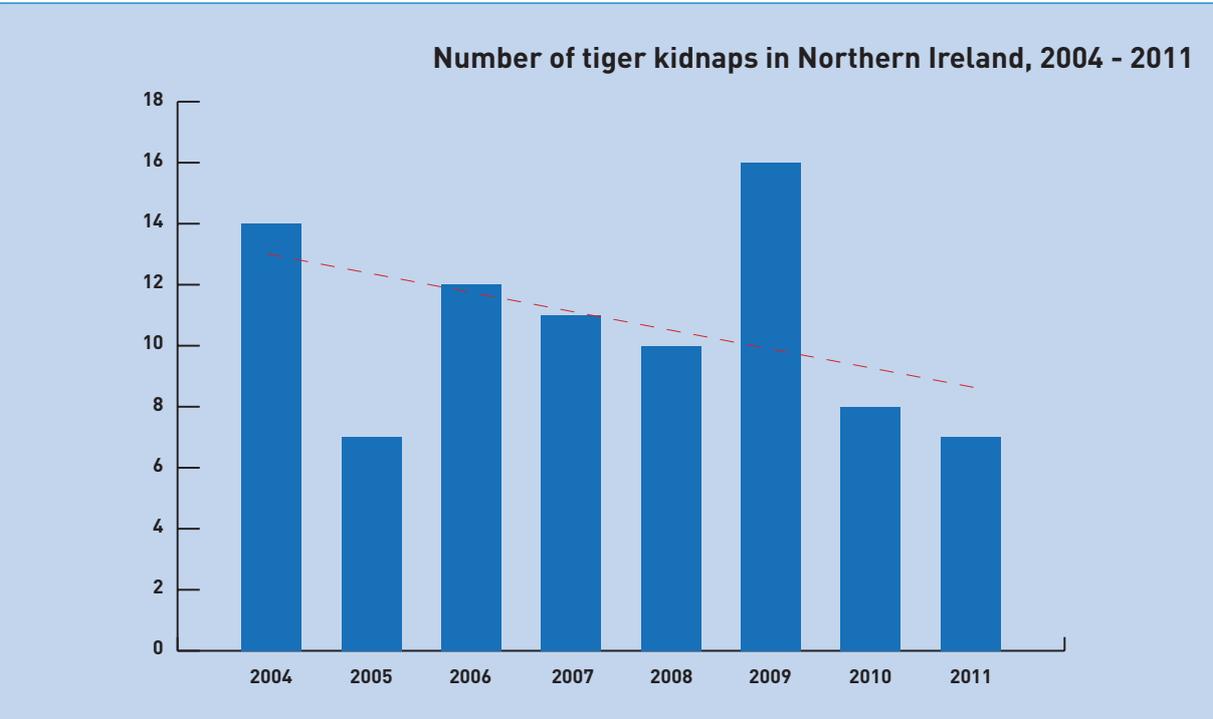
There has been a reduction in the geographic spread of attacks, with the majority in the past two years occurring in the greater Belfast area, particularly in South and West Belfast.

The beginning of 2011 saw an increase in 'bunker' style attacks. As noted earlier, a 'bunker' attack is one where the courier is attacked as he enters the area to the rear of the ATM or where a prospective robber follows the courier into a financial institution. The change in tactic appears to have been perceived as having a higher potential gain however, in reality, improved security measures have resulted in limited gains and increased risk from any type of CIT attacks, regardless of whether it is a 'bunker' or 'across pavement' attack. The crime series involving bunker attacks lasted for around four months, with five attacks during the February to May period last year, however there has not been a similar attack since, largely due to law enforcement action against those believed to be responsible.



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.”²



There were a total of seven tiger kidnaps in the 2011 calendar year, which is one less than occurred in 2010. The number of substantive incidents increased (i.e. the number of tiger kidnaps which directly resulted in a loss of cash or valuables). There was also a significant increase in tiger kidnaps where it was later discovered that no hostage had actually been held. In 2011 tiger kidnaps resulted in the theft of both cash and designer clothing, and targeted businesses have included retail outlets, CIT companies, public houses and bookmakers. As with CIT attacks, the incidents tend to centre round the greater Belfast area however businesses in Newry, Ballymena and County Down have also been targeted. Whilst some of the incidents involved the use of firearms and were clearly carried out by experienced organised crime gangs, there were other incidents that were less well planned and where no hostage was actually being held which appear to have been attempts by less experienced gangs.

As with CIT attacks, the arrest rate in respect of tiger kidnaps remains high. At the end of 2011 PSNI had arrested people in respect of 43% of the tiger kidnaps that year (a total of eight people arrested and seven charged in relation to three of the seven tiger kidnap incidents). In addition PSNI arrested a further four males en route to carrying out a suspected tiger kidnap or aggravated burglary offence in August 2011. Some arrests and charges will also be made in later calendar years so the charge rate is likely to increase.

¹ Definition provided by PSNI.

In addition to tiger kidnaps, there have also been a number of ordinary kidnaps of business owners and staff. In some cases these incidents involved threats against the victim and/or family members and suspects are usually armed and may use violence to ensure compliance. The types of businesses targeted were the same as those targeted in tiger kidnap incidents; public houses, bookmakers and retail outlets. Another methodology being used is an organised crime gang telling a business owner or staff member that his or her family are in danger if he or she does not comply with the gang's demands. These incidents are not classified as tiger kidnaps because, despite the threat of harm, there is no claim that the family are being held. They can, however, be similar in nature to a 'claim only' tiger kidnap (where no hostage is actually being held) and PSNI will examine all such incidents when investigating crime series.

Large scale armed robberies and hijacking

Any business dealing with large amounts of cash or easily disposable commodities can become the target of an organised crime gang. Experienced criminals will target businesses that have become relaxed in their cash handling processes or where individual staff members may have access to large quantities of valuables or cash. In addition, high value loads can also be hijacked whilst in transit. Any type of business can be vulnerable. However some examples from the past year have included travel agents, gaming machine and vending machine companies, bingo halls, filling stations, credit unions, financial institutions and post offices, wholesalers and delivery companies.

Criminal Finance

Criminal finance covers a variety of organised crime activities, including fraud and money laundering. An area of growing concern to law enforcement is that of illegal money lending. The economic downturn has led to a decrease in lending by financial institutions to clients with 'less than perfect' credit ratings and an increased dependence on alternative lending options such as Social Fund and Budgeting Loans, Credit Unions, pawnbrokers, door step lenders, pay day loan companies and also illegal money lenders ('loan sharks'). Northern Ireland has been identified as a 'personal debt hotspot' and has the highest rate of economic inactivity in the UK. Analysis carried out by PSNI last year indicated that a number of loan sharks were operating locally, with victims ranging from vulnerable people with drug or alcohol dependencies, to those on benefits, to small businesses. Benefits books and Post Office cards are often held as collateral against the loan, and failure to pay can result in threats, physical assault, seizure of goods or in the client being forced to carry out an illegal task on behalf of the loan shark.

Fraud

The National Fraud Authority's Annual Fraud Indicator 2012 estimates the loss to the UK economy from fraud to be £73 billion. Of this amount, they estimate £9.9 billion is linked to organised criminal gangs. These gangs both commit fraud and use it as an enabler. Specific frauds linked to organised crime gangs included tax and benefits fraud, frauds against retail banking, insurance fraud, mortgage fraud, telecommunications fraud and mass marketing fraud. Around 14% of UK organised crime gangs identified through organised crime group mapping data are suspected of involvement in fraud activities.³ In Northern Ireland, the figure appears to be slightly lower (around 6%) and those identified as being involved in fraud were also linked to other types of criminality including drugs, money laundering, organised vehicle theft, plant theft, fuel laundering, counterfeit currency, extortion, burglary and armed robbery. In the past year the types of fraud linked to organised crime gangs operating in Northern Ireland have included:

- Property investor scams – in these incidents the victim is persuaded to hand over money, often after having attended a free presentation on how to invest in property. The victim is told the payment is a membership fee to allow access to the company's advice and expertise and to allow investment opportunities to be shared with them.
- Mass marketing fraud - this type of fraud encompasses a wide range of frauds including pyramid schemes, foreign lottery and prize draw scams and holiday club scams. In Northern Ireland one of the commonly seen mass marketing frauds is '419 fraud', also known as 'West African letter fraud' or 'advance fee fraud'. This type of fraud involves asking you to help with transferring money out of another country - such as Iraq, South Africa or somewhere in west Africa - in return for a percentage of the money you helped to transfer.⁴ Locally, PSNI have seen an increase in advance fee frauds involving 'electronic money' or 'e-money'. The victim is told to purchase 'e-money' vouchers in exchange for a promised lump sum (usually as an upfront fee for a bank loan or for a refund of tax or bank charges) and is then asked for the voucher codes. The fraudster can then use the codes to buy goods online, load up pre-pay cards or send money via electronic transfer.
- 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 (POCA) obligations should result in the submission of 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.
- Identity fraud – this is where personal details are stolen and the identity is then used to commit fraud.
- 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.
- 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.
- 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

² National Fraud Authority (March 2012). Annual Fraud Indicator. Available online at <http://www.homeoffice.gov.uk/publications/agencies-public-bodies/nfa/annual-fraud-indicator/annual-fraud-indicator-2012?view=Binary>

³ National Fraud Authority - <http://www.attorneygeneral.gov.uk/nfa/actionfraud/OtherFraud/Pages/WestAfricanLetter.aspx>

passengers as a result of road traffic collisions; false reports of stolen property, ranging from small items such as mobile telephones 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.

- Telecommunications fraud – there have been a number of fixed line frauds reported locally. This is where the criminals gain access to a switchboard and sell the ability to make calls through it. The victim company is left to pay an expensive telephone bill which could run to hundreds, or even thousands, of pounds.

Social Security Benefit Fraud

Investigations carried out by Social Security Agency's Benefit Security Services during the year involved overpayments amounting to £8.09m, in addition to £566k of losses identified through cheque fraud. Counter fraud activities continue to be a high priority and although the threat of organised crime within the benefit system is considered to be low the SSA remains vigilant. The SSA Organised Fraud Unit investigated 145 serious and complex fraud allegations during 2011/12 - no evidence of organised criminal activity was detected.

Money Laundering

The introduction of money laundering regulations and the Proceeds of Crime Act 2002 (POCA) has resulted in organised criminal gangs having to increase their levels of expertise in respect of money laundering. There are a number of methodologies being seen in Northern Ireland:

- The use of professional services - in order to legitimise criminal proceeds, organised crime gangs will often enlist the services of corrupt professionals such as accountants, solicitors and banking officials. These 'professional facilitators', sometimes referred to as 'gatekeepers', can provide a range of services and whilst some may do so unknowingly, others will be fully aware of their clients' involvement in organised crime. Even those who are genuinely not aware of their clients' involvement may have acted illegally or irresponsibly by not showing due diligence in the execution of their duties. The economic downturn may make professionals more vulnerable to corruption as they struggle to keep their businesses afloat.
- The use of pre-pay cards and e-money – in the past organised crime gangs would have physically moved cash across borders in order to reduce the chance of scrutiny at financial institutions. Whilst this is still the case, the increase in electronic money, payment systems and transfers has made it a less attractive option. Many of these facilities are not easily traced and allow money to be 'loaded' in one jurisdiction and withdrawn in another in quick time.
- The use of cash businesses and 'shell companies' – some businesses lend themselves more readily to money laundering as they deal mostly with cash. Examples would include public houses, restaurants, car washes, bookmakers, used car dealers and vehicle recovery companies. 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. 'Shell companies' can be used to disguise the true owner of a business.

- Property and land purchase – many organised criminals have invested criminally obtained profits in property and land. Property in the United Kingdom, Republic of Ireland and also Eastern Europe has been popular however the recession has led to many of these properties losing much of their value, making this a less attractive option at the current time. Despite this, there are still indications that organised criminal gangs based in Northern Ireland have laundered money in this way in the past year.
- The use of money service businesses (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.

Drugs

There have been some noted changes in the global drugs market which have been reflected locally. The emergence of so-called ‘legal highs’ in particular has led to new challenges for law enforcement and there is also an identified emerging ‘grey’ market in prescription drugs which organised crime gangs are increasingly becoming involved in.

Cannabis remains the most commonly seized illicit drug in Northern Ireland, found in around 89% of all PSNI seizure incidents in 2011/12. In the 2011/12 financial year, PSNI made an average of 289 cannabis seizures per month in Northern Ireland (3,470 seizures in the year). Herbal cannabis was more commonly seized than cannabis resin, however there has been a significant increase in cannabis resin seizures this year when compared to the previous year (up from 127.4kg in 2009/10 to 87.1kg in 2010/11 to 191.5kg in 2011/12). Cannabis seizures have been made throughout the country, however significant seizures of resin in the last year have been noted in Newtownabbey, Lisburn, Newtownards and Newry, and significant seizures of herbal cannabis have been noted in Antrim, Armagh, Ballymoney and East Belfast. Whilst seizures are often as a result of proactive police operations, there have also been some significant successes as a result of information provided directly to police from members of the public. One example of this includes the seizure of over 200kg of herbal cannabis in East Belfast in late 2011 following a report of suspicious activity by an alert passer by. The co-operation of local communities has also been vital in the recovery of cannabis farms in Northern Ireland. Large-scale, sophisticated cannabis farms were first seen in Northern Ireland in 2007. Since then, increasing numbers of organised crime gangs, involving both local and foreign national principals, have gained a level of expertise in this area. They are frequently set up in residential properties and pose significant health and safety risks. Reports from concerned neighbours who have noted unusual activity in nearby properties have been invaluable to police investigating this type of incident.

In the 2011/12 financial year, PSNI made an average of 28 cocaine seizures per month (339 seizures in the year). Cocaine was found in around 9% of all seizure incidents and, contrary to the previous year, the amount seized was above the level of amphetamine seized (12.2kg of cocaine seized, compared to 5.5kg of amphetamine). PSNI made an average of 11 amphetamine seizures per month in the 2011/12 financial year (132 seizures in the year), with amphetamine being seized in around 3% of all seizure incidents. In general, the amounts of cocaine and amphetamine seized have decreased over the past few years. This is likely to be due to the emergence of new synthetic drugs, such as mephedrone and so-called ‘legal highs’ which offer a cheaper alternative. Mephedrone has seen a significant reduction in the amount seized during 2011/12 (down from 20.9kg in 2010/11 to 2.3kg in 2011/12), however the average number of seizures per month (18) and the proportion of all seizure incidents (5%) remained above those seen for amphetamine.

Ecstasy tablets (MDMA) seizures increased in 2011/12 when compared to the previous year, with twice as many tablets seized (up from 14,774 in 2010/11 to 30,220 in 2011/12). The overall long-term trend in respect of ecstasy tablet seizures however remains downward, with seizures since 2009/10 well below those seen in the early 2000s. This decline in the ecstasy market is noted throughout most of Europe, with new synthetic drugs taking a larger market share. Overall in 2011/12 there was an average of 15 seizures of ecstasy per month, with ecstasy found in 5% of all seizures.

The heroin market in Northern Ireland remains limited. There are indications, however, of a slow expansion, both in terms of the number of users and the geographic locations affected. Heroin was seized in less than 1% of incidents in 2011/12 and there were an average of three seizures per month. Heroin abuse remains largely contained within specific clusters of users however it remains the illicit drug most commonly mentioned on the death certificates from 'drugs misuse'⁵ fatalities in Northern Ireland.

Northern Ireland continues to see the emergence of new synthetic drugs and so-called 'legal highs'. New drugs such as mephedrone and benzylpiperazine (BZP) have been criminalised however new synthetic psychoactive substances are being constantly developed, making it increasingly difficult to initially identify what a user has actually taken. In general, these new drugs are either marketed as another drug (for example, miscellaneous tablets being sold as ecstasy) or are sold in 'head shops' and online as a 'legal high'. When being sold as a 'legal high', the drugs will often be packaged as plant food, bath salts or pond cleaner however the manufacturer, the shop/person selling the item and the user will usually all be complicit in its intended use. It is suspected that many substances packaged and sold as 'legal highs' actually contain illicit substances. An example of this was seen recently in the Belfast area when PSNI seized a quantity of 'ocean snow'. Forensic testing proved it contained paramethoxymethamphetamine (PMA), a 'Class A' drug which has similar to, but significantly stronger effects than ecstasy and can lead to muscle spasms as well as dangerously increased blood pressure and pulse rates.

In addition to the traditional illicit drugs and the emerging new synthetic drugs, there is also an increasing illicit prescription drugs market in Northern Ireland. This is, in particular, in respect of benzodiazepines such as diazepam and temazepam. Northern Ireland already has a significantly higher than UK average prescribing rate for benzodiazepines and organised crime gangs are exploiting a growing illicit market. Prescription drugs enter the illicit market through fraud or theft from the legitimate market or, more commonly, through illegal importation. The most frequent importation method for illicit prescription drugs entering Northern Ireland has been through the postal system. Many of these drugs are imported from countries such as Pakistan, the Far East and Africa and it is suspected that the majority are either counterfeit or unlicensed. In the past year there has been a number of identified incidents involving counterfeit or unlicensed medication, including the seizure of unlicensed topical anaesthetic cream which had been imported from China, and the seizure of anti-inflammatory tablets that had been packaged as oxycontin (a 'Class A' synthetic form of morphine). In March 2012 the Department of Health issued an alert to all medical professionals regarding a batch of 10mg diazepam which had originated in Pakistan and had been linked to several overdoses as well as verbal and physical aggression. Law enforcement agencies within the OCTF are working alongside the Department of Health Medicines Regulatory Group to address issues resulting from this emerging market in counterfeit and unlicensed prescription drugs.

⁴ 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.

Extortion

Extortion in Northern Ireland was traditionally carried out by paramilitary groups and often took the form of 'protection rackets', usually against the construction sector. Extortion was used to raise capital for paramilitary activity, as well as to exert control over communities. More recently organised criminal gangs, some of whom have maintained links to paramilitary groups, have used extortion as a way of gaining funds for personal use. The extortion of money in exchange for 'protection' is still seen locally, with businesses such as construction companies, restaurants and nightclubs being targeted during 2011/12. In some instances the criminal will use the name of a paramilitary group in order to threaten the business owner. It is not always clear, however, whether the actions have been sanctioned by the group. Extortion cases reported in the past year have included suspects claiming to be from a variety of both loyalist and dissident republican groups.

Extortion against others also involved in criminality remains an issue, with drug suppliers often being the target. Dissident republican groups remain particularly active in this area but it is unclear how much of the money extorted is used for terrorist funding and how much is for personal gain. It is not unusual for drug suppliers to be forced to pay a premium for permission to supply in particular areas unchallenged.

Illegal Dumping of Waste

In the 2010/11 financial year, 985,176 tonnes of municipal waste was collected in Northern Ireland, with around 63% being sent for landfill.⁶ The European Union Landfill Directive sets challenging targets to reduce the amount of biodegradable municipal waste being sent to landfill – "For Northern Ireland, as with the rest of the UK, the targets are to reduce the amount of BMW [biodegradable municipal waste] sent to landfill to 75% of 1995 levels by 2010, to 50% of 1995 levels by 2013 and to 35% of 1995 levels by 2020."⁷ The Westminster Government has implemented significant increases in respect of Landfill Tax on active waste in order to encourage recycling and help reduce climate change. The standard rate of Landfill Tax has increased from £24 per tonne in 2007 to £64 per tonne in 2012/13, and is set to increase by £8 per year until at least 2014/15 when it will reach £80 per tonne.⁸ 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. Further to this, 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 recent years this variance has reduced as both governments work towards fulfilling their obligations under the European Union Landfill Directive. Landfill Levy in the south is currently less

⁵ DOENI. Northern Ireland Municipal Waste Management Statistics, Annual Report 2010/11. Available from http://www.doeni.gov.uk/northern_ireland_environmental_statistics_report_2012r.pdf

⁶ http://www.doeni.gov.uk/index/protect_the_environment/waste/landfill.htm

⁷ Further information available online from <http://www.doeni.gov.uk> or <http://www.defra.gov.uk>

than that charged in the north (€50 per tonne as of September 2011, set to rise to €65 per tonne from July 2012), making illegal movement of waste from the Republic of Ireland into Northern Ireland a less attractive option. It should be noted however that some of those involved in providing illegal waste disposal in Northern Ireland have remained active and it is likely that they have simply reduced their fees in order to ensure they remain a competitive option for clients in the south.

In Northern Ireland there are two main modus operandi seen – the illegal dumping of waste product in registered landfill sites (for example a landfill site which is licensed to take builders rubble and plastic only taking other types of waste not permitted by their license such as household or clinical waste), and the illegal dumping of waste on unlicensed sites such as farmland. This practice can cause serious environmental damage and it often costs the NIEA millions of pounds to clean up the site following discovery to prevent further environmental damage. The downturn in the construction industry has also created a situation where sites due for development have either been left derelict or have been demolished and the waste left on site. This has included sites which have been contaminated by asbestos.

NIEA in Northern Ireland continue to see the illegitimate use of NIEA-provided authorisations. This is where illegal operators are using NIEA authorisations, and particularly carrier registration and exemption, to provide an apparent legitimacy to cover their illegal operations. This activity is compounded by illegal operators making more use of 'shell companies', i.e. ones with no significant assets or active business operations. This assists offenders in distancing themselves from the criminal activity by diverting any penalties onto the limited company, thereby protecting their own assets.

The direct harm resulting from waste crime includes environmental pollution and harm to human health together with a negative impact on the economy and legitimate waste providers, who put significant effort into complying with environmental laws. Illegally dumped waste will leave a legacy of environmental damage that will continue to impact on the lives of future generations.

Intellectual Property Crime (counterfeiting)

The growth in the internet and online sales has led to some changes in the traditionally seen counterfeit goods market in Northern Ireland. In the past, counterfeit goods were most commonly located at car boot sales and markets. Even with the online sales these locations remain important outlets for organised criminals involved in this type of criminality. Large-scale suppliers will often visit a number of different markets, sometimes on both sides of the border.

The rise in popularity of online shopping has also allowed organised criminal gangs to expand their potential market size and, in some cases, to act as a distributor for goods being delivered directly to the consumer from overseas. The growth in online shopping has also led to a significant expansion in the types of goods available in Northern Ireland. Counterfeit goods recovered locally have largely been manufactured in the Far East, although many CDs and DVDs are still produced locally. Some examples of counterfeit goods being seen in Northern Ireland in the past year include DVDs, CDs, clothing and footwear, handbags and purses, sunglasses, hair styling irons, jewellery, cosmetics, cigarettes and washing powder.

Currency

The production and distribution of counterfeit currency is carried out by organised criminal gangs throughout the United Kingdom. In Northern Ireland counterfeit currency is produced locally but can also be imported from parts of Great Britain and, depending of the level of expertise, the quality can vary greatly. The production and/or supply of counterfeit currency is often linked to other types of organised crime and also to criminals connected to paramilitary groups, including dissident republican groups. In the past year PSNI have identified suspects in counterfeit currency production or distribution who have also had links

to firearms supply, fuel laundering, counterfeit cigarettes, drugs, anti social behaviour and public order offences.

Counterfeit currency incidents are, unsurprisingly, often centred round areas of high retail activity and Northern Ireland has seen clusters in most major town centres in the past year. Organised criminal gangs are willing to counterfeit almost any type of note, as well as £1 coins, and counterfeit notes recovered in the past year in Northern Ireland have been seen from all four of the local banks as well as Scottish banks, Bank of England, Isle of Man and Euros.

Organised Immigration Crime

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

- Human trafficking – a full definition of human trafficking is given in the Council of Europe Convention on Action against Trafficking in Human Beings, which the UK ratified in December 2008.⁹ Trafficking involves a combination of three main elements – recruitment and movement, control and coercion, and exploitation. In short, a person who has been trafficked has been illegally moved into or through a country for the purposes of exploitation. The control exercised by the trafficker may be physical or psychological.
- People smuggling – this term refers to the provision of a service or goods that will facilitate illegal migration.¹⁰ Smuggling does not involve the element of coercion.

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, organised abuse of our domestic sea and air ports to illegally enter other parts of the UK or the Republic of Ireland by way of the land border, the provision of false passports and other documentation and the arranging of so-called 'marriages of convenience', or 'sham' marriages.

Sham 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. Following the abolition of the certificate of approval scheme in May 2011 and a move to a more targeted intelligence led approach, there has been a sharp rise in the detection of attempts at sham marriage in Northern Ireland. Under immigration law, if the UK Border Agency has evidence of a 'marriage of convenience' it can revoke a person's leave to remain in the country (subject to the appeals process).

The UK Border Agency and PSNI have carried out a number of investigations into organised criminal gangs who had been facilitating such marriages for substantial fees. People either involved in, or connected to, sham marriages have been prosecuted and significant sentences have been handed out by the courts.

⁸ Full details available at http://www.coe.int/T/E/human_rights/trafficking/PDF_conv_197_trafficking_e.pdf

⁹ A fuller definition can be found at <http://www.unodc.org>

Abuse of the Land Border

Whilst the Common Travel Area (CTA) has major benefits to all who live and work legally in Northern Ireland and Ireland, it is also open to exploitation by illegal migrants. As a part of the CTA, the Irish/ UK land border, coupled with differences between Irish and UK visa requirements, means that Northern Irish domestic ports are susceptible to abuse and are a risk to UK and Irish immigration controls.

The UK Border Agency and the PSNI work together under Operation Gull to intercept immigration offenders arriving in Northern Ireland, transiting Northern Ireland to reach Great Britain and in the opposite direction to reach the Republic of Ireland. Operation Gull has also intercepted illegal immigrants with serious criminal records who could potentially cause harm in Northern Ireland and other parts of the UK.

The fact that Operation Gull and other operations like it operate not just in Northern Ireland, but across the whole of the UK means that hiding undetected throughout England, Scotland and Wales is also becoming less and less possible.

Human Exploitation - Human Trafficking and Vice

'On street' prostitution in Northern Ireland remains largely confined to a specific geographic location in South Belfast and involves a small number of individuals. In recent years the local vice trade has become more organised and has largely moved 'off street' into private residences, apartment blocks and hotels. There are also a number of 'touring prostitutes' who visit Northern Ireland for short periods, residing and operating out of hotels and apartments. An increasing number of brothels operating in Northern Ireland have links to organised crime gangs. In some instances this involves acting as a 'pimp' and/or providing accommodation. In other instances their involvement is more organised, for example, assisting females into Northern Ireland specifically to work in the sex industry, or human trafficking for the purposes of sexual exploitation. Often the organised crime gangs which gain financially from the brothels have extensive previous criminal involvement.

There may be a mix of trafficked and non-trafficked women within a brothel, however those employed 'voluntarily' may also be vulnerable due to their background or problems with addiction. Section 15 of the Policing and Crime Act 2009 criminalises the payment or promise of payment for sexual services of a prostitute who has been subjected to force. This is a 'strict liability' offence, meaning the defendant can be prosecuted even if they did not know the victim had been exploited. To date PSNI have interviewed six men in Northern Ireland in relation to paying for sexual services from a trafficked victim.

Human trafficking has become a growing issue in Northern Ireland in recent years. Whilst human trafficking for sexual exploitation is the most common type of trafficking seen in Northern Ireland, there are an increasing number of cases of human trafficking for labour exploitation being discovered also. Northern Ireland, like the rest of the UK, is predominantly a destination country however it is also used as a transit country for traffickers bringing people into Ireland and/or GB.

The nationality of victims tends to broadly mirror the ethnic minority communities legitimately living in Northern Ireland (Chinese, Eastern European and Indian). There have also been a number of victims from Africa, predominantly from West African countries. The principal organised crime gangs identified as operating as trafficking networks tend to be of Chinese or Eastern European origin (examples have included Romanian, Czech and Hungarian organised trafficking networks) and, in some instances, will be working alongside local facilitators.

The methods used to coerce victims into Northern Ireland for both sexual and labour exploitation, and the ethnicity of organised crime gangs involved, are fairly typical of that seen in other parts of the UK and in Europe as a whole. The dominant methods used to coerce victims include the following:

- Deceptive or fraudulent job advertisements in newspapers and online - these are often positions working as a nanny, in a restaurant or as a model.
- Targeting of vulnerable individuals – for example those from poorer backgrounds with low educational attainment.
- The ‘lover boy’ technique – this is a technique commonly used by Eastern European organised crime gangs as well as for internal trafficking within the UK. The victim, usually a young girl, will be lured into a relationship with an older male who will spoil them with gifts and attention, as well as often providing alcohol and drugs. Gradually the victim will spend more and more time with their ‘boyfriend’ and become cut off from their family, before being persuaded to move to another town or country. On arrival the ‘boyfriend’ will disappear, leaving the victim with a ‘pimp’ and forced to work as a prostitute.¹¹

Trafficking victims have been identified as working in brothels throughout Northern Ireland and it is not uncommon to have a mix of trafficked and non-trafficked women working together. In addition to trafficking into Northern Ireland from other countries, there is also an identified problem with internal trafficking for sexual exploitation. This predominantly involves young women in their mid to late teens that are coerced using the ‘lover boy technique’. Girls in local authority care appear to be particularly vulnerable.

There were a number of business types which have been identified as being particularly attractive to those involved in trafficking for labour exploitation, in particular, restaurants, hotels and the food industry. Chinese nationals are also trafficked to work in cannabis farms.

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, however with the pound currently performing strongly against the Euro this is an increasingly viable option again.
- 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.

¹⁰ For more information on the ‘lover boy’ recruitment method, see <http://www.mydangerousloverboy.com/>

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. 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. 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 causes significant environmental damage. The waste can contaminate surrounding land as well as waterways and can lead to extensive clean-up costs. Earlier this year a lorry trailer was found on fire in the Omagh area. The trailer contained the by-product of a laundering plant, much of which had been burned off releasing noxious gases into the air. Some of the chemicals had also leaked onto the road, resulting in potential environmental damage and an expensive clean-up cost for taxpayers.

- Fuel 'stretching' - the narrowing of price differentials between Northern Ireland and the Republic of 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 significant engine damage.

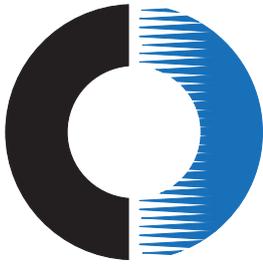
As the price of fuel continues to rise there has been an increasing involvement of organised crime gangs in the retail of illicit fuel as well as in the laundering and 'stretching' processes. This has resulted in the increased availability of illicit fuel at seemingly legitimate filling stations located throughout Northern Ireland. 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, thereby increasing the profit for the criminal gang.

Tobacco Fraud

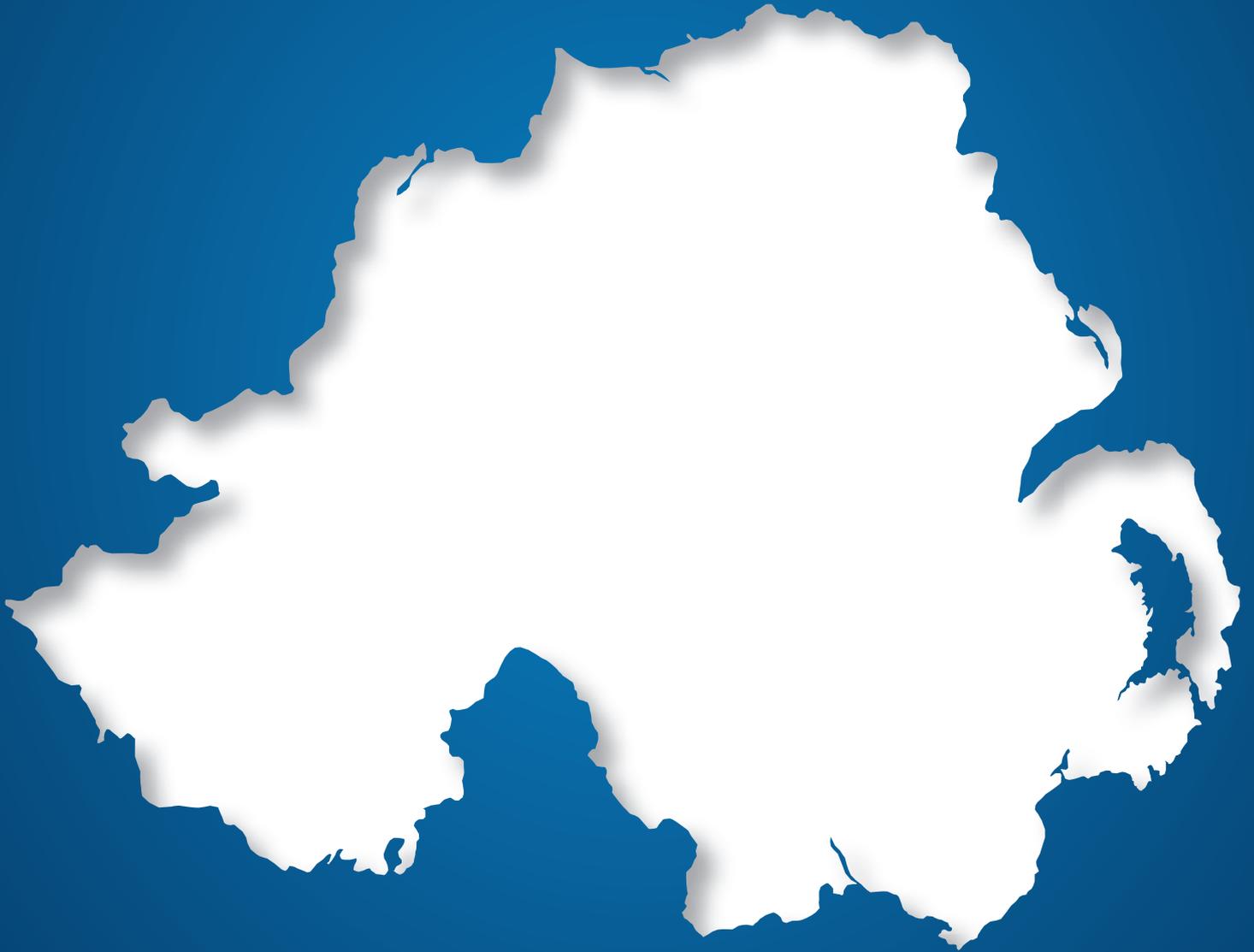
Tobacco fraud can take place at a variety of levels: from individuals bringing in tobacco products in excess of the allowed amounts for onward sale to family and friends, through to large scale importations by organised crime gangs. Smaller quantities are predominantly brought into the country by air passengers or through postal deliveries.

Organised crime gangs continue to take advantage of rising cigarette and hand rolling tobacco prices in the UK by smuggling tobacco products in from countries with lower duty rates and by importing counterfeit brands and 'illicit whites' from overseas. '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.

Large-scale shipments are favoured by organised crime gangs as they allow bulk quantities to be imported. Sophisticated concealment methods will often be used to hide the true nature of the load and, 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 using containers with an average load consisting of between 6 and 10 million cigarettes. Locally based organised crime gangs will frequently bring loads in through ports in the Republic of Ireland or the south of England before transporting the tobacco products via land into Northern Ireland. Local criminals operating in this area will have links to international organised crime gangs and it is not unusual for these established importation networks to be used to import other goods as well, such as drugs or firearms.



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Chapter 4

Public Awareness & Outreach Events

Each year the OCTF members attend and organise a number of outreach events. These events give the members of OCTF an opportunity to engage with the general public, voluntary organisations and the business sector on the issues which affect them and to raise awareness of the key organised crime threats being faced in Northern Ireland.

Balmoral Show

In May 2011 the OCTF attended the Balmoral Show in the Kings Hall, Belfast and distributed over 6,000 leaflets. It was the third time that the OCTF had attended the show and once again it provided a valuable opportunity to directly engage with the rural community, to raise the awareness of organised criminal activity, and to encourage the general public to report suspicious activity to the police.



Launch of the OCTF Annual Report and Threat Assessment 2011

In June 2011 the OCTF Annual Report and Threat Assessment was launched at the Lecture Theatre, W5 in the Odyssey Complex in Belfast. Keynote speeches were provided by David Ford, Chair of the Organised Crime Task Force, Chief Constable Matt Baggott, and Tim Phillips, author of "Knockoff: the Deadly Trade in Counterfeit Goods". Tim Phillips provided an insight into the challenges that the OCTF would face in trying to counter the perception that some types of organised crime are victimless.

Cross Border Organised Crime Seminar 2011

The 9th annual Cross Border Organised Crime Seminar was hosted in November 2011 by the Department of Justice in conjunction with the Department of Justice and Equality in Dublin. Delegates attending the seminar received presentations and workshops on topics including drugs, cybercrime and firearms. Justice Minister David Ford, Chief Constable Matt Baggott along with their counterparts Minister Alan Shatter and the Garda Commissioner Martin Callinan provided keynote speeches at the event.

Business Seminar

In November 2011 the OCTF, in conjunction with the Chamber of Commerce, hosted a lunchtime business seminar in Belfast for the local business community. The event, which was launched by the Justice Minister and Chair of the OCTF, David Ford, provided the OCTF with an opportunity to engage with the local business sector on organised crime issues that directly impact on them. The first edition of the OCTF business e-newsletter was also launched at the event. A copy of the newsletter can be found at www.octf.gov.uk.

Financial Investigators Conference

In February 2012 the OCTF hosted a conference for financial investigators, funded from the proceeds of assets recovered from criminals engaging in environmental crime. The Minister of Justice and Chair of the OCTF, David Ford, and Environment Minister Alex Attwood provided keynote addresses. Lawyers and financial investigators provided presentations on the financial investigation process.



Criminal Assets for Crime Prevention



In February 2012, David Ford hosted an event at Parliament Buildings to highlight the range of initiatives being funded in communities across Northern Ireland from recovered criminal assets. The event featured cage soccer, a youth diversionary project designed and run by Strabane Community Safety Partnership. It is a creative and innovative way of engaging with young people and can be transported and deployed anywhere within the community. Further details of funding for community projects are at Chapter 5.

Pan-European Fiscalis workshop

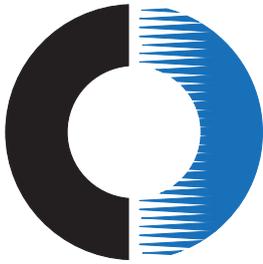
In March 2012, David Ford provided a keynote address to delegates from across Europe attending the two day event on fuel fraud hosted by HMRC and funded by the Fiscalis EU funding stream. The workshop, an initiative of the OCTF Cross Border Fuel Group, focused on tackling the illicit trade in fuel oils across the EU. It was the first workshop of its kind in Europe and gave representatives from 24 EU Member States an opportunity to discuss ways of tackling EU-wide fuel fraud, share skills and intelligence and look at developing ways of working together. HMRC officers were on hand to demonstrate a range of techniques used in Northern Ireland to detect illicit fuel.

Human Trafficking

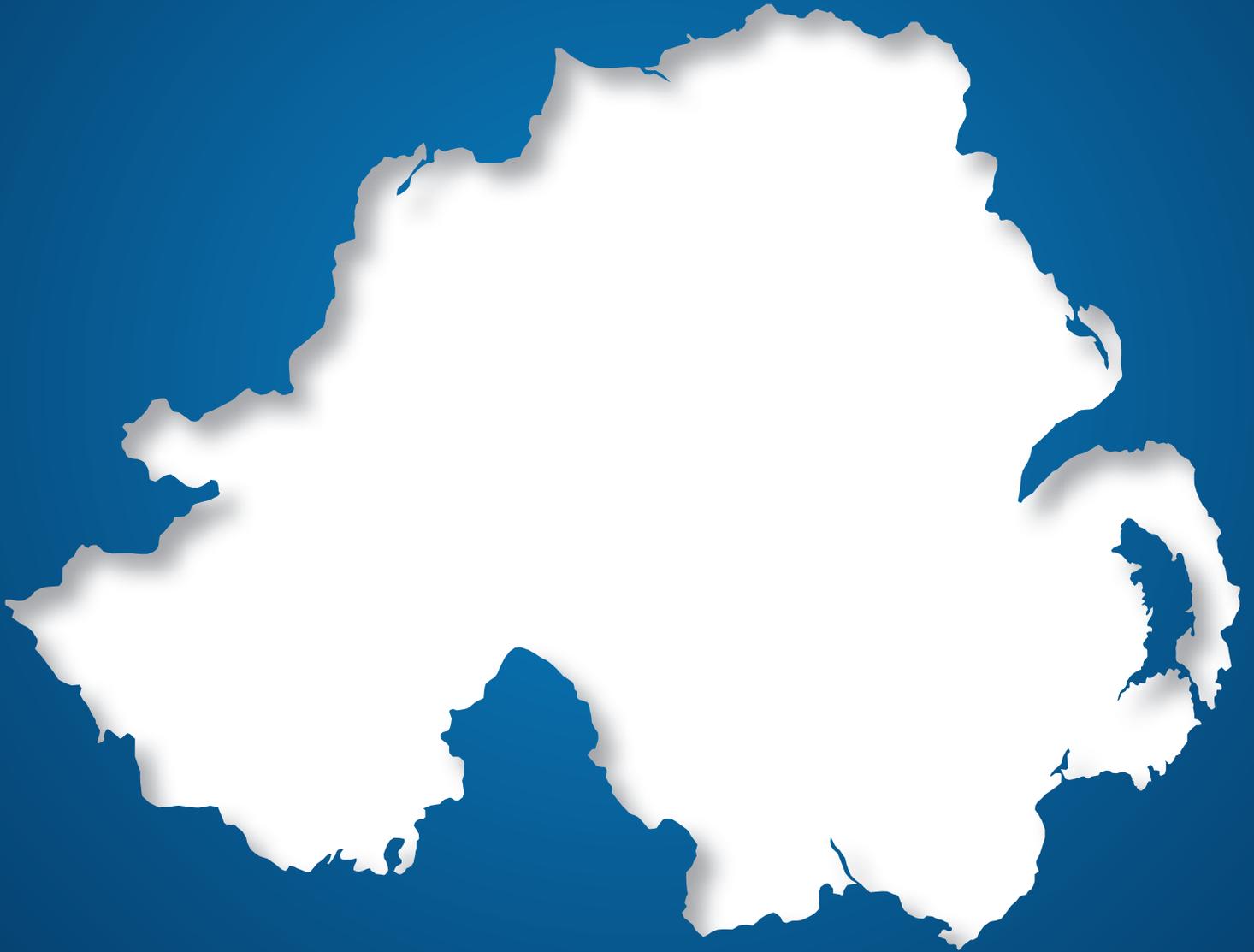
OCTF members attended a number of Human Trafficking events and awareness raising seminars including:

- in October 2011, David Ford provided opening remarks at the Youth and Family Judges and Magistrates' Association (UK) seminar entitled Human Trafficking – Modern Slavery: Spotlight on Northern Ireland.
- in March 2012, David Ford provided a keynote address at the Beautiful Slave event held in Elim Conference Centre Bangor and organised by A21. The event used drama and music to raise awareness of Human Trafficking.





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Chapter 5

Assets Recovery

In 2011/12 David Ford secured agreement from the Home Office that the full value of assets recovered in Northern Ireland through the criminal recovery process would be returned to Northern Ireland. David Ford announced his proposal to direct 50% of these assets to community projects that reduce crime or the fear of it. The other 50% is returned to the law enforcement agencies to further enhance their assets recovery work and to continue the fight against organised crime (ARIS).

During 2011/12 the total value of criminal recovery receipts in Northern Ireland was approximately £3 million.

Assets Recovery Community Scheme (ARCS)

50% of the recovered criminal assets were made available from the Assets Recovery Community Scheme to be invested in innovative projects to reduce crime and the fear of crime, and to support communities affected by crime. Bids for this first tranche of funding were invited from areas of work across the Department of Justice, including Agencies and Arms Length Bodies, and law enforcement agencies, and were assessed by an evaluation panel comprising representatives of the OCTF including PSNI and the Business Community. In total, 21 separate proposals were received: five from the Probation Board for Northern Ireland, 13 from the Community Safety Unit, DoJ, and the Community Safety Partnership (CSP) network; two through PSNI and one from the Northern Ireland Courts and Tribunals Service. Funding to the value of £794,611 was approved for those projects that were deemed to have met the criteria, audit and governance requirements.

Examples of projects funded by ARCS are:

- Cage Soccer: Strabane CSP designed this youth diversionary programme as a creative and innovative way of engaging with young people. It involves a mobile arena which can be transported and deployed where needed within the community.
- Safety Warden Scheme: Derry City Council CSP applied for, and was granted, £23,500 for the purchase of transport for the City Community Safety Warden Scheme. Two vans were purchased, enabling the Wardens to increase their capacity to reduce anti-social behaviour and fear of crime, both in the city and rural communities of Derry City council region.
- Assisting People and Communities (APAC): Banbridge CSP received £10,000 from the fund to develop the APAC work in the Borough. The CSP, with others, work with repeat offenders engaged in 'low-level' offences and in anti-social behaviour. A holistic assessment of need is carried out and a care pathway developed with the individual and his or her family. This can include mental health support, alcohol / drugs support, as well as re-entry to education or employment.
- ehoops/egolf: a good relations program for young men and women aged 16+ to improve team working skills, leadership skills, active citizenship skills and self-confidence through the delivery of a sporting curriculum, a good relations curriculum and an interactive multimedia design curriculum. Partnerships with Ulster University and the PSNI enable a programme that encourages engagement at all levels, creating an all-inclusive programme. The programme involves young people who are not engaged in education or employment and is intended to provide them with a structured pathway to becoming involved within their own community and improve their own life circumstances.
- 'Bin It Now' campaign: developed by a collective of community organisations and statutory partners, namely; Belfast City Council, Community Restorative Justice, Falls Community Council, Forum for Action on Substance Abuse and the PSNI. It includes

education, encouragement and enforcement in relation to dangers and disposal of drugs which have the potential to cause harm. ARCS funding of £30,000 was provided to roll the project out to 8 police districts and Hydebank Young Offenders Centre.

The Department of Justice intends focussing the funding of DoJ priority areas in 2012/13 as well as widening access to the scheme so that a broader range of projects may be considered for ARCS funding.

Assets Recovery Incentivisation Scheme (ARIS)

The value returned to each law enforcement agency under the Assets Recovery Incentivisation Scheme (ARIS) is set out below:

Agency	ARIS Payments 2011/12
Her Majesty's Revenue & Customs	£312,214
Northern Ireland Courts and Tribunal Service	£150,801
Northern Ireland Environment Agency	£96,593
Social Security Agency	£81,346
Police Service of Northern Ireland	£188,286
Public Prosecution Service	£678,608
	£1.508 million

In addition to funding Financial Intelligence Officers, Financial Investigators, Administrative Support and refresher training, ARIS money was also used for:

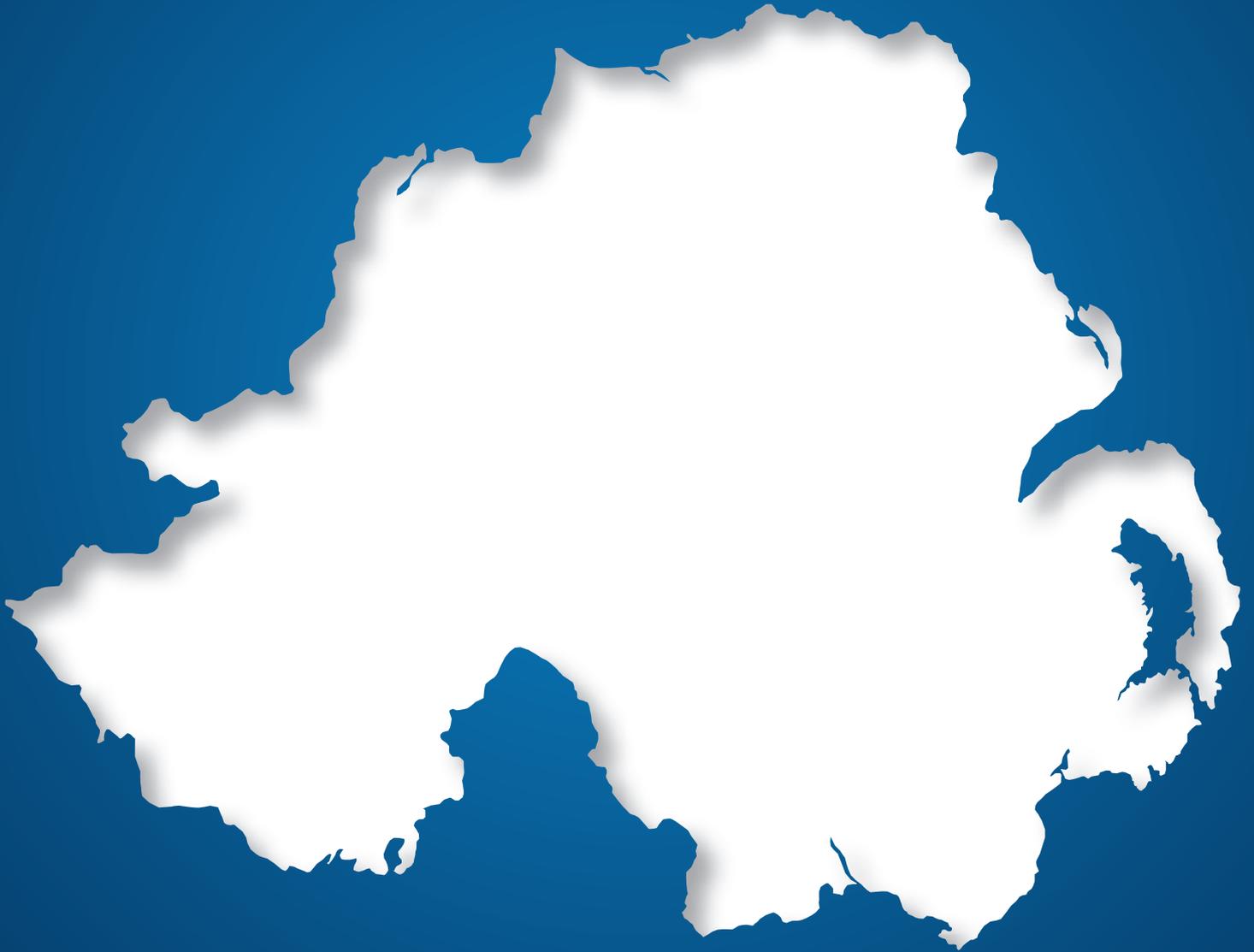
- Five "Misuse of Drugs Workshops" delivered to post primary schools in the Craigavon area;
- A "One Punch" educational package within a visually impactful media campaign seeking to reduce violent crime and murder;
- Interactive Workshops and Education Sessions targeted at young girls who are particularly vulnerable and at risk of exploitation;
- A "Farm Watch" initiative to reduce theft from the rural community in County Fermanagh;
- A Financial Investigators Conference;
- A Heritage Crime Workshop to share knowledge and increase awareness of this emerging crime;
- Purchasing plant and equipment to enhance the NIEA's Environmental Crime Unit's capability when carrying out intrusive site investigations.

Civil recovery receipts continue to be sent to the Home Office, who return 50% to law enforcement under ARIS arrangements. During 2011/12 the total net value of civil recovery and tax receipts was £1.2 million.





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Chapter 6

Looking Ahead

National Crime Agency

The Home Office published a strategy document in 2011 outlining its proposal to replace SOCA with a new National Crime Agency (NCA). The NCA would lead the UK's fight against organised and /or serious crime. 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 Home Office have been working on the NCA model and their Ministers determined that the NCA would be a UK-wide body but that it would respect the devolution of powers of Northern Ireland and Scotland. The Department of Justice has been engaging with the Home Office on the relevant legislation, to ensure that the NCA will be an effective organisation for Northern Ireland, and that Northern Ireland issues, such as the primacy of the PSNI, will be taken into account. The next stage is to consider the legislative approach to extend the NCA to Northern Ireland.

EU Directive on Human Trafficking

In March 2011, the UK signed up to EU Directive 2011/36/EU on preventing and combating trafficking in human beings and protecting its victims. The UK already complies with a number of the requirements relating to legislation and law enforcement, however, the Department of Justice in Northern Ireland is required to introduce legislation to amend the Sexual Offences Act 2003 and the Asylum and Immigration (Treatment of Claimants etc) Act 2004 to introduce new offences to comply with the Directive.

The Department launched a consultation on these amendments on 5 April 2012 and plans to include the amendments in the next Criminal Justice Bill so that Northern Ireland can achieve compliance by April 2013.

The consultation document also asked how the Department of Justice can improve engagement with non-governmental organisations and the voluntary sector, in relation to human trafficking. The closing date is the end of June. The responses will then be reviewed and next steps identified.

Human Trafficking Events

Public awareness of, and interest in, human trafficking has increased recently with many local organisations approaching the Department of Justice on the subject. Various members of the OCTF, including the Minister of Justice, have been involved in attending and addressing awareness raising events. It is also noteworthy that a new Assembly All Party Group on Human Trafficking has been launched.

During 2012/13 OCTF members will hold an event to mark Anti Slavery Day on 18 October and seek out other opportunities to raise awareness of this crime.

GRETA report

Implementation of the Council of Europe Convention on Action against Trafficking in Human Beings is monitored by a Group of Experts on Action Against Human Trafficking, known as GRETA. A delegation visited Northern Ireland in October 2011 to assess compliance with the Convention. The GRETA report will be published in 2012 and will contain recommendations for the UK as a whole, and some specific to Northern Ireland.

OCTF colleagues will work together to consider the recommendations.

NIAC report on fuel fraud

The Northern Ireland Affairs Committee commenced an inquiry into fuel laundering and smuggling in 2011. Environment Minister Alex Attwood and Justice Minister David Ford gave oral evidence to the Committee in January 2012. OCTF colleagues will work together to consider NIAC's recommendations on how to enhance the response to fuel fraud in Northern Ireland.

Changing the Mindset

The OCTF has developed a "Changing the Mindset" project. The focus is to engage effectively with the public in an effort to bring about a reduction in the demand for goods and services provided by organised crime gangs. At present the general public often do not realise that buying a counterfeit DVD may be supporting the more sinister side of organised crime such as drugs or human exploitation, or that illegal fuel supports other organised criminal activity whilst undermining legitimate trade and producing waste.

That is why the Department of Justice initiated a project to develop a better understanding of what motivates people's behaviour, and what would encourage them to change. The outcome of the project, to be completed during Summer 2012, will be a communication strategy including press / media engagement and PR opportunities as well as other steps to inform the public.

Unduly lenient sentences - evasion of duty/non - sexual exploitation

Concern has been expressed about sentencing in Northern Ireland for fuel fraud, including by NIAC during its inquiry into fuel fraud. As a result, the Department of Justice intends to consult on legislation to enable sentences in this area to be referred to the Court of Appeal if the Director of Public Prosecutions regards them as unduly lenient.

The Department also intends to consult on adding human trafficking for non-sexual exploitation to the schedule of referable offences. Trafficking for sexual exploitation is already covered.

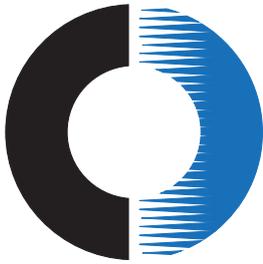
Lord Chief Justice's Programme of Action on Sentencing

The Justice Minister welcomed the Lord Chief Justice's first Programme of Action on Sentencing which the Chief Justice announced in September 2011. The areas identified for sentencing guidelines include, human trafficking (on which there has now been a case in the Crown Court setting out guidance), duty evasion and smuggling, environmental crime in the Crown Court, tiger kidnapping and intellectual property crime.

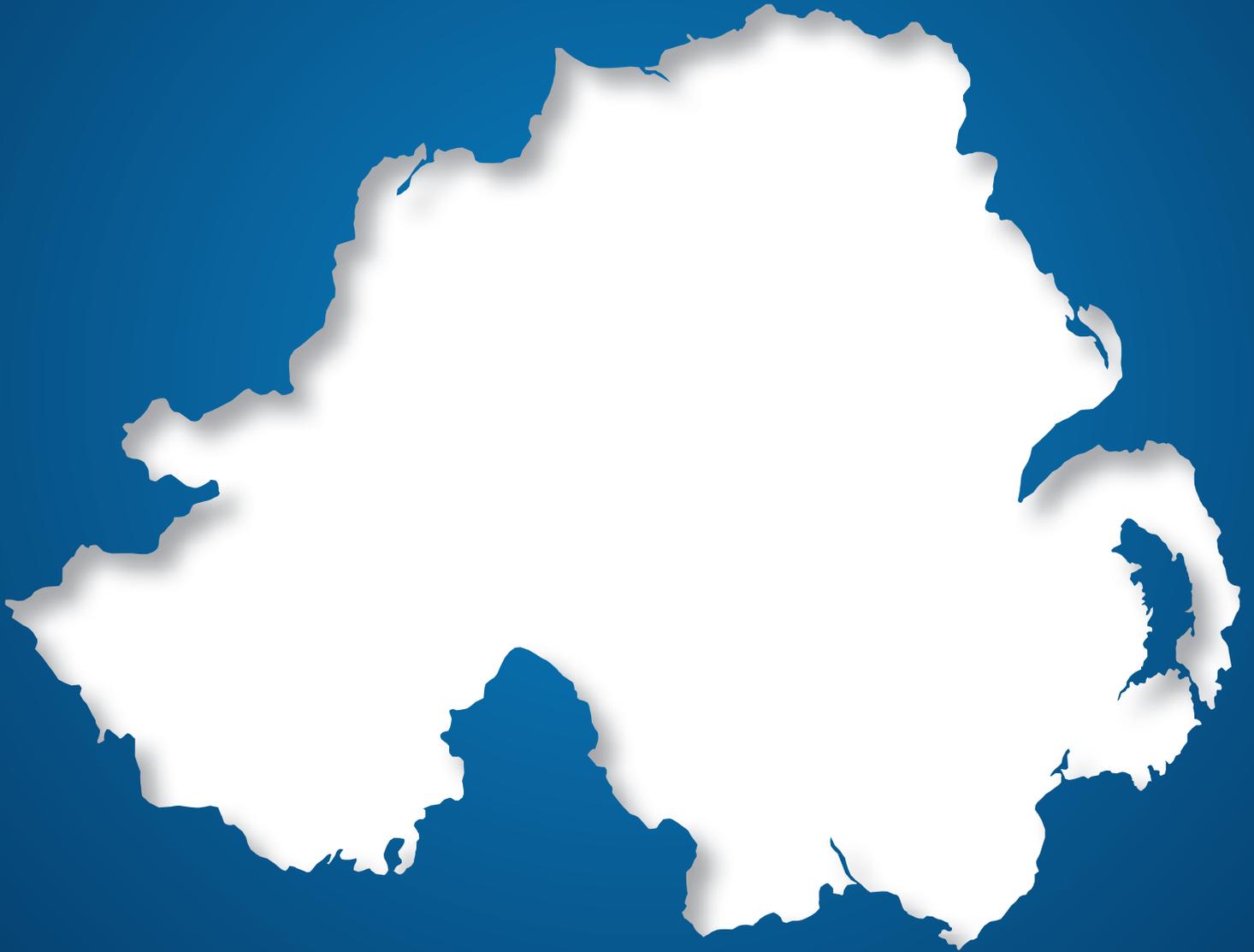
'Real Deal'

The OCTF will be working with the 'Real Deal' Markets Campaign, Belfast City Council and Newtownards Council to launch the Real Deal campaign which encourages markets to sign up to the national markets' charter. This discourages illegal trade, particularly in pirated and counterfeit goods.





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Appendix 1

United Nations
Human Trafficking Indicators

General Indicators

People who have been trafficked may:

- Believe that they must work against their will
- Be unable to leave their work environment
- Show signs that their movements are being controlled
- Feel that they cannot leave
- Show fear or anxiety
- Be subjected to violence or threats of violence against themselves or against their family members and loved ones
- Suffer injuries that appear to be the result of an assault
- Suffer injuries or impairments typical of certain jobs or control measures
- Suffer injuries that appear to be the result of the application of control measures
- Be distrustful of the authorities
- Be threatened with being handed over to the authorities
- Be afraid of revealing their immigration status
- Not be in possession of their passports or other travel or identity documents, as those documents are being held by someone else
- Have false identity or travel documents
- Be found in or connected to a type of location likely to be used for exploiting people
- Be unfamiliar with the local language
- Not know their home or work address
- Allow others to speak for them when addressed directly
- Act as if they were instructed by someone else
- Be forced to work under certain conditions
- Be disciplined through punishment
- Be unable to negotiate working conditions
- Receive little or no payment
- Have no access to their earnings
- Work excessively long hours over long periods
- Not have any days off
- Live in poor or substandard accommodations
- Have no access to medical care
- Have limited or no social interaction
- Have limited contact with their families or with people outside of their immediate environment
- Be unable to communicate freely with others
- Be under the perception that they are bonded by debt
- Be in a situation of dependence
- Come from a place known to be a source of human trafficking
- Have had the fees for their transport to the country of destination paid for by facilitators, whom they must pay back by working or providing services in the destination
- Have acted on the basis of false promises

Children

Children who have been trafficked may:

- Have no access to their parents or guardians
- Look intimidated and behave in a way that does not correspond with behaviour typical of children their age
- Have no friends of their own age outside of work
- Have no access to education
- Have no time for playing
- Live apart from other children and in substandard accommodations
- Eat apart from other members of the "family"
- Be given only leftovers to eat
- Be engaged in work that is not suitable for children
- Travel unaccompanied by adults
- Travel in groups with persons who are not relatives

The following might also indicate that children have been trafficked:

- The presence of child-sized clothing typically worn for doing manual or sex work
- The presence of toys, beds and children's clothing in inappropriate places such as brothels and factories
- The claim made by an adult that he or she has "found" an unaccompanied child
- The finding of unaccompanied children carrying telephone numbers for calling taxis
- The discovery of cases involving illegal adoption

Domestic Servitude

People who have been trafficked for the purpose of domestic servitude may:

- Live with a family
- Not eat with the rest of the family
- Have no private space
- Sleep in a shared or inappropriate space

- Be reported missing by their employer even though they are still living in their employer's house
- Never or rarely leave the house for social reasons
- Never leave the house without their employer
- Be given only leftovers to eat
- Be subjected to insults, abuse, threats or violence

Sexual Exploitation

People who have been trafficked for the purpose of sexual exploitation may:

- Be of any age, although the age may vary according to the location and the market
- Move from one brothel to the next or work in various locations
- Be escorted whenever they go to and return from work and other outside activities
- Have tattoos or other marks indicating "ownership" by their exploiters
- Work long hours or have few if any days off
- Sleep where they work
- Live or travel in a group, sometimes with other women who do not speak the same language
- Have very few items of clothing
- Have clothes that are mostly the kind typically worn for doing sex work
- Only know how to say sex-related words in the local language or in the language of the client group
- Have no cash of their own
- Be unable to show an identity document

The following might also indicate that children have been trafficked:

- There is evidence that suspected victims have had unprotected and/or violent sex

- There is evidence that suspected victims cannot refuse unprotected and/or violent sex
- There is evidence that a person has been bought and sold
- There is evidence that groups of women are under the control of others
- Advertisements are placed for brothels or similar places offering the services of women of a particular ethnicity or nationality
- It is reported that sex workers provide services to a clientele of a particular ethnicity or nationality
- It is reported by clients that sex workers do not smile

- Be subject to security measures designed to keep them on the work premises
- Be disciplined through fines
- Be subjected to insults, abuse, threats or violence
- Lack basic training and professional licences

The following might also indicate that people have been trafficked for labour exploitation:

- Notices have been posted in languages other than the local language
- There are no health and safety notices
- The employer or manager is unable to show the documents required for employing workers from other countries
- The employer or manager is unable to show records of wages paid to workers
- The health and safety equipment is of poor quality or is missing
- Equipment is designed or has been modified so that it can be operated by children
- There is evidence that labour laws are being breached
- There is evidence that workers must pay for tools, food or accommodation or that those costs are being deducted from their wages

Labour Exploitation

People who have been trafficked for the purpose of labour exploitation are typically made to work in sectors such as the following: agriculture, construction, entertainment, service industry and manufacturing (in sweatshops).

People who have been trafficked for labour exploitation may:

- Live in groups in the same place where they work and leave those premises infrequently, if at all
- Live in degraded, unsuitable places, such as in agricultural or industrial buildings
- Not be dressed adequately for the work they do: for example, they may lack protective equipment or warm clothing
- Be given only leftovers to eat
- Have no access to their earnings
- Have no labour contract
- Work excessively long hours
- Depend on their employer for a number of services, including work, transportation and accommodation
- Have no choice of accommodation
- Never leave the work premises without their employers
- Be unable to move freely

Begging and Petty Crime

People who have been trafficked for the purpose of begging or committing petty crimes may:

- Be children, elderly persons or disabled migrants who tend to beg in public places and on public transport
- Be children carrying and/or selling illicit drugs
- Have physical impairments that appear to be the result of mutilation
- Be children of the same nationality or ethnicity who move in large groups with only a few adults
- Be unaccompanied minors who have

been 'found' by an adult of the same nationality or ethnicity

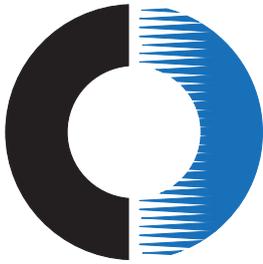
- Move in groups while travelling on public transport: for example, they may walk up and down the length of trains
- Participate in the activities of organised criminal gangs
- Be part of large groups of children who have the same adult guardian
- Be punished if they do not collect or steal enough
- Live with members of their gang
- Travel with members of their gang to the country of destination
- Live, as gang members, with adults who are not their parents
- Move daily in large groups and over considerable distances

The following might also indicate that people have been trafficked for begging or for committing petty crimes:

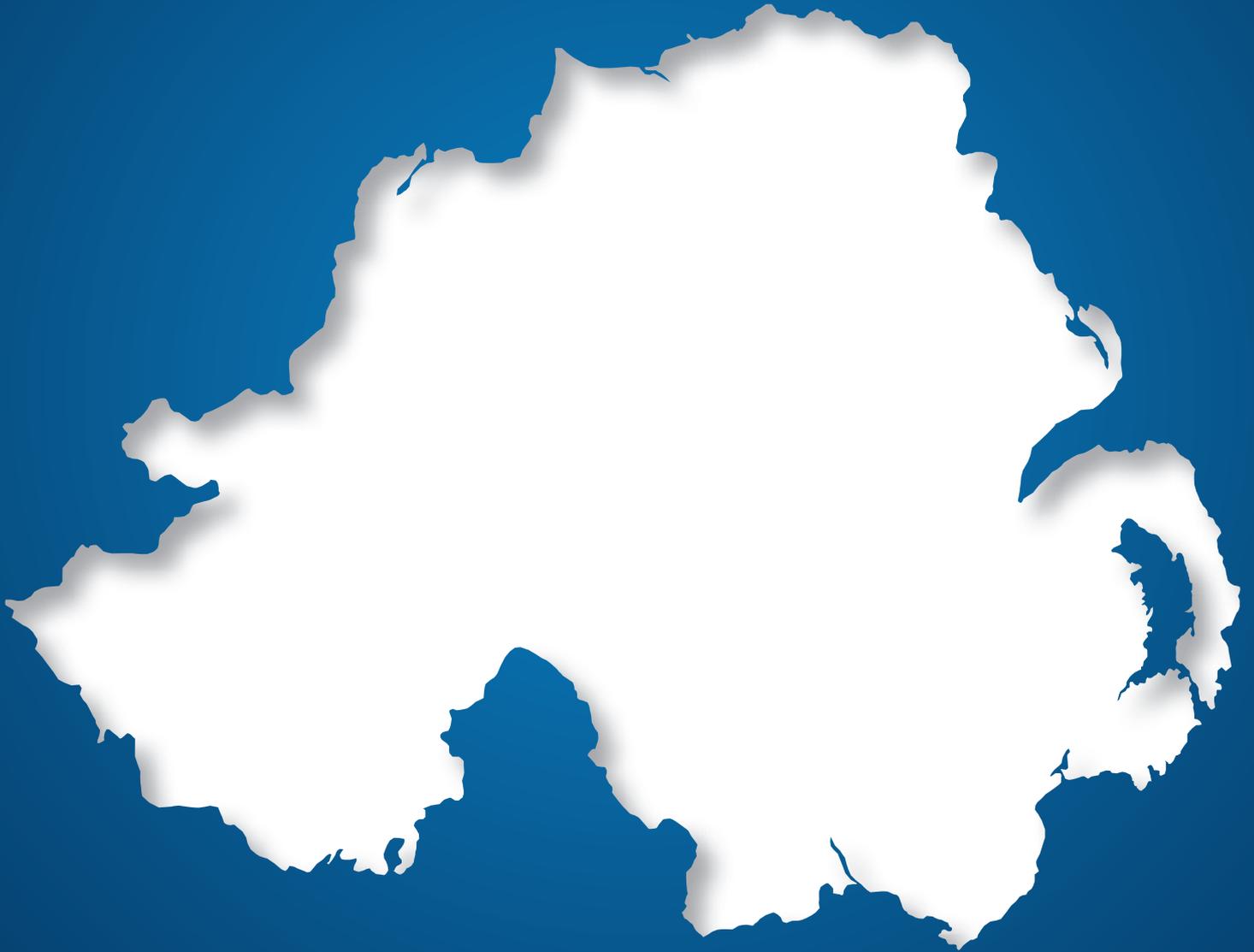
- New forms of gang-related crime appear
- There is evidence that the group of suspected victims has moved, over a period of time, through a number of countries
- There is evidence that suspected victims have been involved in begging or in committing petty crimes in another country

Not all the indicators listed above are present in all situations involving trafficking in humans. Although the presence or absence of any of the indicators neither proves nor disproves that human trafficking is taking place, their presence should lead to investigation. Victims of trafficking in humans can be found in a variety of situations. You can play a role in identifying such victims.





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Appendix 2

OCTF Partner Organisations

- Allied Irish Bank
- An Garda Síochána
- Anti-Counterfeiting Group
- 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
- Criminal Assets Bureau
- Crown Solicitors Office
- Department of Employment and Learning
- Department of Enterprise, Trade and Investment
- Department of the Environment (NI Environment Agency)
- Department of Finance and Personnel
- Department of Health, Social Services and Public Safety
- Department of Justice
- DIAGEO
- Federation Against Copyright Theft
- Federation of Small Businesses
- First Trust Bank
- Forensic Science Agency NI
- Gangmasters Licensing Authority
- Group 4 Security
- Health and Safety Executive
- Her Majesty's Revenue and Customs
- Intellectual Property Office
- Japan Tobacco International
- NI Housing Executive
- NI Policing Board
- NI Chamber of Commerce
- NI Federation of Small Businesses
- Northern Bank
- Police Service of Northern Ireland
- Post Office
- Pubs of Ulster
- 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
- Virgin Media







VISITOR OR VICTIM?

Are you
being treated
as a slave?

French



Visiteur ou victime?
Êtes-vous traité(e)
comme un(e) esclave?

Lithuanian



Sve?ias ar auka?
Ar su Jumis elgiasi
kaip su vergu?

Mandarin



游客还是受害者?
你是否受到
非人般的待遇?

Romanian



Turist sau victim??
E?ti tratat(?)
ca un (o) sclav(?)?

Russian



Гость или жертва?
С Вами обращаются
как с рабом?

Thai



อาคันตุกะหรือเหยื่อกันแน่
คุณได้รับการปฏิบัติ
เยี่ยงทาสหรือเปล่า

Czech



Návšt?vnice nebo ob???
Jedná se s Vámi
jako s otrokyní?

Albanian



Vizitor apo viktimë?
A po trajtoheni
si skllav?



Police Service of
Northern Ireland

Home Office
UK Border Agency

