



**ORGANISED
CRIME**
TASK FORCE

2017-18
Annual Report &
Threat Assessment

Foreword



I am pleased to introduce the sixteenth edition of the Organised Crime Task Force (OCTF) Annual Report and Threat Assessment which reports on the collective successes of the OCTF partners during 2017/2018 and sets out

emerging threats and anticipated developments for the year ahead.

In particular I want to thank the partner agencies that make up the OCTF for their work throughout the last year. I want to commend the dedication and determination of our law enforcement partners in seeking to frustrate, disrupt and dismantle organised crime groups and to pursue offenders. I also want to commend the strong leadership that has been shown by these partner agencies - through their willingness to embrace new challenges and to evolve and adapt to meet the ever-shifting threat posed by organised criminality.

Since 2000 the OCTF has been a champion of the benefits of agencies working together to agree shared aims, objectives and priorities; to identify and resolve emerging issues and threats; and to provide strategic leadership in the response to organised crime. Now in its eighteenth year, as the OCTF comes of age, it remains as relevant as ever and continues to provide an essential forum for a strategic multi-agency response to organised crime. The benefits of this collective, multi-agency approach are well established and so it is not surprising that it is now being replicated in an operational context - through enhanced sharing of intelligence and information, through joint multi-agency operations, through co-located multi-agency teams and, in most recent years, through the two new multi-agency operational task forces: the Paramilitary Crime Task Force and the cross-border Joint Agency Task Force, which were established under the Fresh Start Agreement. These dynamic operational task forces are now providing focused multi-agency responses to the criminality associated with paramilitary groups

and to crime on the island of Ireland respectively.

I believe the operational results highlighted in this Annual Report and Threat Assessment speak for themselves about how collectively, and as individual agencies, the OCTF partners are keeping people and communities safe and helping the most vulnerable in our society by disrupting organised criminals and bringing them to justice. In particular I want to highlight just a few of these operational results: 183 organised crime groups frustrated, disrupted or dismantled; 36 potential victims of modern slavery recovered from exploitation; almost 7000 separate drugs seizures that have removed illicit and dangerous drugs from circulation within our communities; interventions at the border that have prevented drugs, illicit cigarettes, offensive weapons and other contraband from being imported to Northern Ireland to harm our communities; and approximately £1.9 million criminal assets recovered from convicted offenders and reinvested in projects and initiatives that are tackling crime and reducing the fear of crime. However, to end the harm that is caused by organised crime and paramilitarism within Northern Ireland we need a whole-societal response. That is why the work of the OCTF and its partner agencies - with their law enforcement focus - needs to complement work being taken forward through the Tackling Paramilitarism Programme that not only focuses on robust law enforcement, but also on the implementation of long-term prevention measures; on addressing social issues that affect communities; and on building public confidence in the justice system.

Ultimately, we all have a part to play in making Northern Ireland a safe place where we respect the law and each other. However I am grateful to the OCTF partner agencies for their work throughout the year to protect communities in Northern Ireland from organised crime, as evidenced through this Annual Report and Threat Assessment.

A handwritten signature in blue ink that reads "Peter May". The signature is fluid and cursive.

PETER MAY
Permanent Secretary, Department of Justice
October 2018

EVERYONE'S HELP IS NEEDED TO COMBAT ORGANISED CRIME

DON'T SUPPORT IT. REPORT IT!

TELEPHONE NUMBERS

PSNI	101
HMRC HOTLINE	0800 788 887
CRIMESTOPPERS	0800 555 111
ENVIRONMENTAL CRIME	028 90 569453
ACTION FRAUD	0300 123 2040
CONSUMERLINE	0300 123 6262
MODERN SLAVERY	0800 0121 700

You can follow the OCTF on Facebook at

 www.facebook.com/pages/OCTF/136184833076303

CONTENTS

OCTF ANNUAL REPORT AND THREAT ASSESSMENT 2018

Chapter 1	ABOUT THE OCTF	05
Chapter 2	THREAT ASSESSMENT AND OCTF ACHIEVEMENTS IN 2017/2018	11
2.1	Cyber Crime	13
2.2	Drugs	18
2.3	Modern Slavery Human Trafficking	25
2.4	Organised Immigration Crime	30
2.5	Border Crime	32
2.6	Criminal Finance	36
2.7	Intellectual Property Crime	43
2.8	Armed Robbery and Extortion	48
2.9	Public Sector Fraud	50
2.10	Environmental Crime	55
2.11	Prosecution Decisions	58
Chapter 3	ASSETS RECOVERY	61
Appendix 1	OCTF PARTNER ORGANISATIONS	65
Appendix 2	EXECUTIVE ACTION PLAN TO TACKLE PARAMILITARY ACTIVITY - ACHIEVEMENTS	67
Appendix 3	LIST OF ARCS PROJECTS	71
Appendix 4	USEFUL WEBSITES	75



CHAPTER
ABOUT THE
ORGANISED CRIME TASK FORCE

1

ABOUT THE ORGANISED CRIME TASK FORCE

The Organised Crime Task Force (OCTF) has been providing a strategic multi-agency forum since 2000 in order to tackle organised crime and reduce the harm it causes to communities, individuals and businesses in Northern Ireland.

This Annual Report and Threat Assessment:

- sets out the current assessed threat from organised crime in Northern Ireland;
- outlines how the member agencies of the OCTF have been confronting the threat, both collectively and individually, including any results and successes that have been achieved;
- notes emerging threats and developments; and
- seeks to provide guidance to the public in Northern Ireland – whether individuals, families, communities or businesses – about steps they can take both to protect themselves and others from the harm caused by organised crime, and to help secure a safe community in Northern Ireland, where organised criminals and their activities are not tolerated and where we respect the law and each other.

What is organised crime?

Organised crime generally involves a group of two or more people who are engaged in serious criminal activities, usually with the aim of generating material gain.

Organised crime is usually profit driven and has no regard to the damage or distress it causes to individuals, communities, businesses or the environment. It may take many forms and involve many types of crime, including cyber crime, drug trafficking, modern slavery, counterfeiting, fuel laundering, tobacco smuggling, fraud or money laundering. In some cases organised crime may involve violence or the threat of violence and some organised crime groups in Northern Ireland also have paramilitary connections. Organised crime is not constrained by geographical boundaries and if we are to be effective in our response we need to continue to work collaboratively both within Northern Ireland and with law enforcement in other jurisdictions.

Many organised crime groups are continuing to grow in sophistication and are becoming more innovative, often enabled by advances in technology and communications and as such our strategic and operational responses also need to evolve and grow and make use of the same cutting edge technologies and techniques.

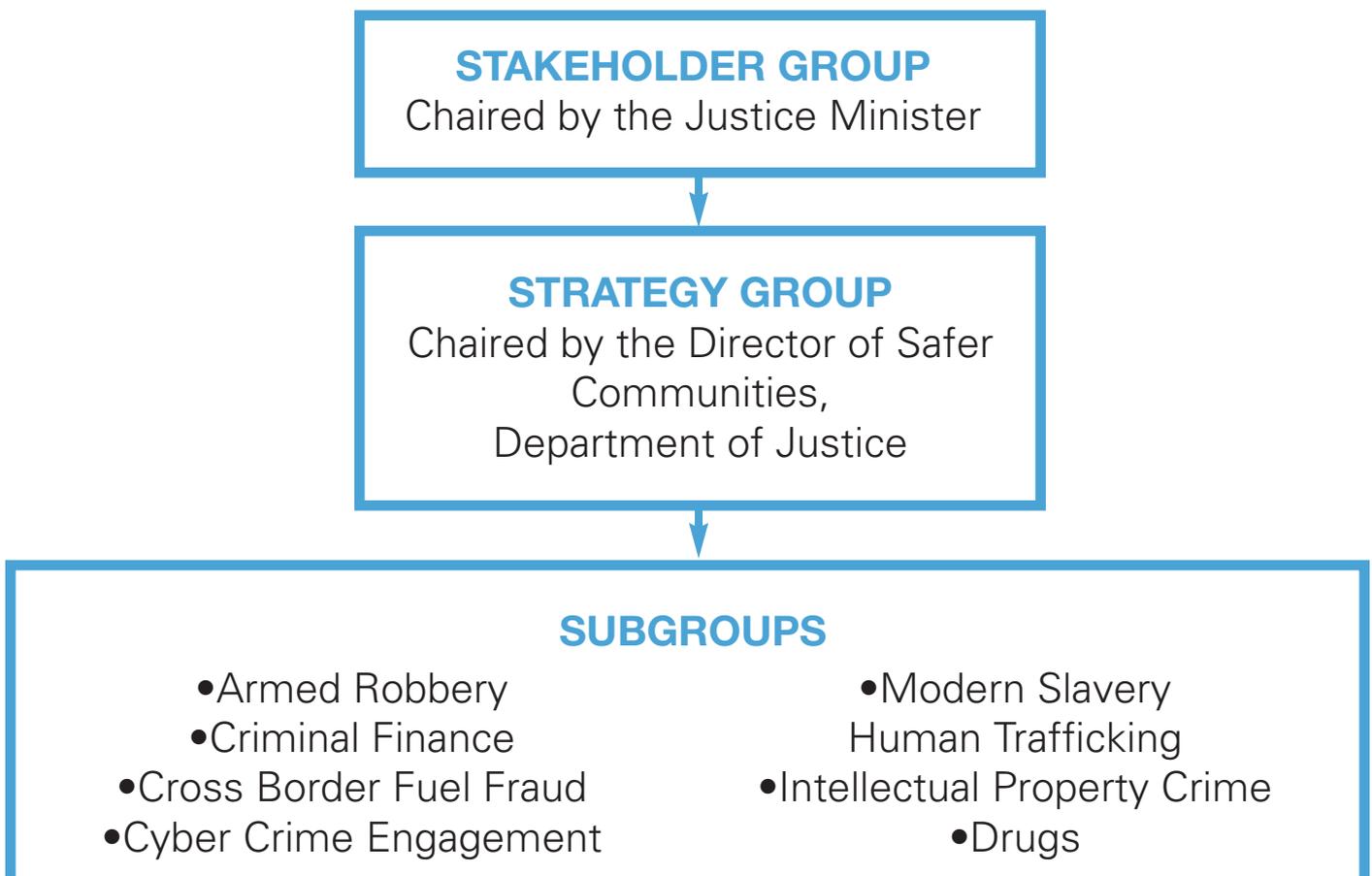
The OCTF provides strategic leadership and supports a collaborative, joined up response to the threat posed by organised crime through multi-agency partnership working.

Member organisations (See Appendix 1) include relevant Government departments, law enforcement agencies, the Public Prosecution Service, the Northern Ireland Policing Board and representatives from the business community.

Through this forum, the OCTF has helped to shape new legislative tools and has informed the development of new strategies and practices to protect from or prevent organised crime. It has provided a space for information, intelligence and expertise to be shared and has supported the development of operational partnerships. It has played a key role in informing the public about

emerging threats and has led to the re-investment of recovered criminal assets back into projects aimed at benefitting communities by preventing crime and reducing the fear of crime. Together the OCTF partner agencies are committed to the continued frustration, disruption and dismantling of organised crime groups in Northern Ireland.

The OCTF's current structure is set out below, although this is subject to a review intended to take account of developments at local, national and international levels and of emerging interdependencies and to ensure that the best outcomes are being delivered.



Work to develop a refreshed organised crime strategy for Northern Ireland is ongoing. The current Northern Ireland Organised Crime Strategy¹ was developed and agreed by the OCTF partners with key aims brigaded under three strategic objectives, Action, Analysis and Awareness, as set out below:

- **ACTION – To make Northern Ireland a hostile environment for organised criminals by:**
 - reducing the harm caused by organised crime;
 - enhancing the response to organised crime;
 - improving the effectiveness of removing assets from criminals and confiscating their profits;
 - improving the effectiveness of organised crime legislation;
 - targeting specific organised crime threat areas; and
 - monitoring delivery against the Organised Crime Strategy.
- **ANALYSIS – To understand the threats and emerging organised crime trends to predict actions required and facilitate proactive responses by:**
 - collection, collation, analysis and dissemination of information regarding organised crime and organised crime groups; and
 - development of up to date knowledge of emerging threats in specific areas.
- **AWARENESS – To inform the public about organised crime trends and impacts and the work of OCTF by:**
 - Raising public awareness of organised crime and preventing people from engaging in organised crime.

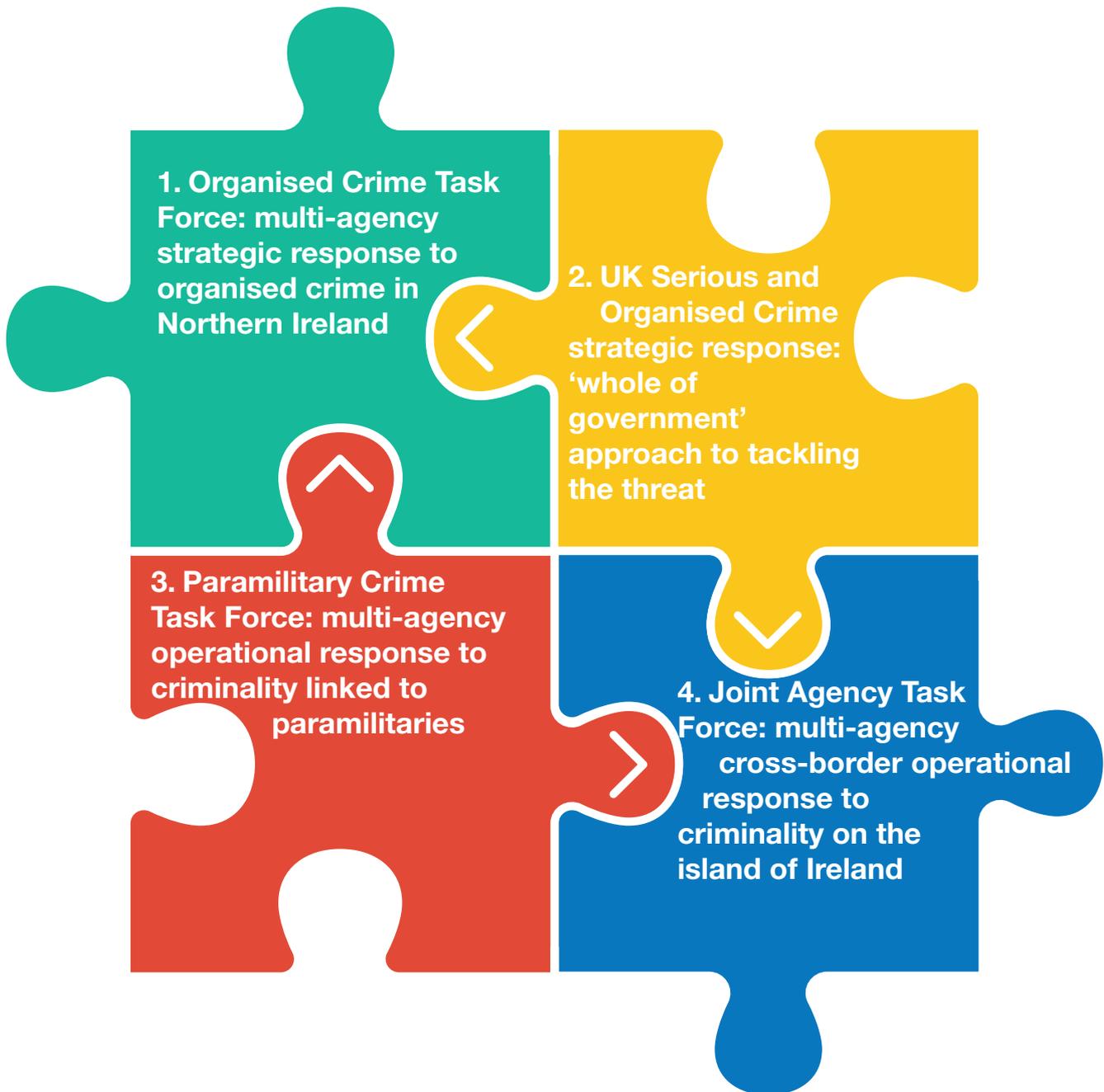
STRATEGIC CONTEXT

The OCTF and its partner agencies exist within a wider strategic context and are actively contributing to delivery against the draft Programme for Government, in particular to Outcomes 1 (we prosper through a strong, competitive economy) and 7 (we have a safe community where we respect the law and each other). The work of the OCTF therefore needs to acknowledge and take account of inter-dependencies with other relevant structures, organisations and programmes. In particular the OCTF complements work being taken forward through the delivery of the **Executive Action Plan to Tackle Paramilitary Activity, Criminality and Organised Crime**, as well as the operational focus of both the cross-jurisdictional **Joint Agency Task Force** and the **Paramilitary Crime Task Force**.

However, given the transnational nature of much organised crime, the OCTF must also take account of developments nationally (such as work to develop a new National Economic Crime Centre for the UK) and internationally. In order to tackle organised crime in Northern Ireland effectively and collaboratively, it is important that our strategic approach complements that of neighbouring jurisdictions and as such it is vital that the OCTF develops and maintains appropriate and effective links and partnerships with these other jurisdictions.

More information can be found at Appendix 2

¹ <http://www.octf.gov.uk/OCTF/media/OCTF/documents/publications/N.I.%20Organised%20Crime%20Strategy/The-NI-Organised-Crime-Strategy-April-2016.pdf?ext=.pdf>



Working together to end the harm caused by organised crime

The Executive Departments, law enforcement agencies and other statutory and non-statutory organisations that make up the OCTF have a clear role in providing strategic leadership and (in the case of law enforcement) the operational response to organised crime. However, just as organised crime can affect all of us, we all can play a part in stopping it.

Organised crime is driven by profit and so can only exist where there is a demand for its commodities, whether drugs, cheap counterfeit goods or services provided through human exploitation. Tackling

organised crime effectively therefore requires a whole societal response. It needs us, both collectively and individually, to recognise the harm that is caused by organised crime and to take the necessary steps to end the harm. Together we can make Northern Ireland a place where organised criminality cannot thrive:

- by not supporting illicit goods, commodities or services;
- by recognising the coercive control that organised crime and paramilitary groups seek to have over our communities; and
- by reporting concerns to **PSNI on 101** or **999 in an emergency**, or anonymously to **Crimestoppers on 0800 555 111**.



CHAPTER
THREAT ASSESSMENT AND OCTF
ACHIEVEMENTS IN 2017/18

2

THREAT ASSESSMENT AND OCTF ACHIEVEMENTS IN 2017/18

The OCTF provides a Northern Ireland-based approach to increasing our understanding of the local organised crime landscape and in doing so helps to inform the operational and strategic responses. It allows law enforcement agencies to work alongside Executive Departments, other statutory agencies and private industry in order to share knowledge and tackle organised crime in partnership. This annual OCTF Threat Assessment provides an opportunity to share publicly the key threats posed to Northern Ireland from organised crime.

This chapter also sets out the operational results achieved by the OCTF member

agencies during 2017/18 against the various organised crime trends and threats identified in the OCTF Threat Assessment. The results represent examples of successes delivered by OCTF agencies, either working independently or on a multi-agency basis, for example through the collective operational activity of the Paramilitary Crime Task Force (see Appendix 2 for further details). The chapter also takes a forward look, to describe anticipated developments and emerging threats and, where possible, seeks to provide guidance to the public about steps they can take both to protect themselves and others from the harm caused by organised crime.

2.1 CYBER CRIME

THE THREAT

Cyberspace is developing at an increasing rate and as such, so are the opportunities available to cyber criminals. The omnipresence of the internet is changing the face of crime across the globe, with a substantial number of crimes now assessed to have a cyber or digital footprint; the World Economic Forum views Cyber Attacks as being the third most likely global risk behind extreme weather and natural disasters.

At the same time, Northern Ireland continues to emerge as a European hub for cyber security companies and investment, resulting in Northern Ireland becoming a highly capable

online community. The reputation of Northern Ireland as a cyber security hub continued to grow during 2017/18, with individuals and companies from outside Northern Ireland setting up here and international events being attracted to the region. However, under-reporting of cyber crime is an ongoing concern and acts as a barrier to accurately profiling the scale and nature of cyber related offences within the country.

What is cyber crime?

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

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

Cyber dependent crimes are crimes that can only be committed using computers, computer networks or information communication technology. Cyber dependent crimes are occurring throughout Northern Ireland, affecting individuals and businesses alike. Cyber dependent crimes are what are traditionally seen as "Computer Hacking" or "Viruses". These can be high profile and cause major financial loss or damage to local / national business (recent examples include the NHS Wannacry Cyber Attack and NotPetya attacks).

Cyber dependent crime, that is crime that can only be committed using computers or computer networks, continued to affect business and industry across Northern Ireland with multiple reports received by the PSNI and Action Fraud (the UK's national fraud and cyber crime reporting centre).

Examples of **cyber dependent crimes** occurring in Northern Ireland include:

<p>Installation of Malicious Software (Malware):</p>	<p>Malware is intrusive unwanted software that becomes installed on a computer without consent, for example concealed in an email attachment, bundled in with a free download or within a website. In Northern Ireland this has included banking Trojans (which compromises banking credentials) or Spyware (which monitors all activity on a company or user's system). Often a demand is then made for payment in order for the software to be removed and the systems to be restored (Ransomware). This type of attack has the potential to cause widespread disruption as evidenced by the significant ransomware attack on the National Health Service (NHS) in England in May 2017 which was part of a global cyber attack. There are a number of variants attacking Northern Ireland business and private users on a daily basis and there is potential for attacks to spread across networks.</p>
<p>Business Email Compromise:</p>	<p>These include frauds whereby the email account of a business is compromised and emails are sent to another company with which it has a pre-existing business relationship. Often invoices are sent requesting the transfer of money to a specific bank account or to amend beneficiary accounts for a specific reason. There have been an increasing number of these frauds across Northern Ireland affecting businesses financially.</p>
<p>Distributed Denial of Service (DDOS):</p>	<p>DDOS attacks are designed to bring down websites and networks by overloading them with requests. The severity of the financial and business disruption may increase as criminal demands and the level of intrusion escalate.</p>
<p>Network Intrusions:</p>	<p>Network Intrusions relate to the unauthorised access of computer networks, allowing attackers to take control of servers and then manipulate data, for example, changing banking details and faking identities.</p>

Business Email Compromise (BEC) and Business Email Spoofing (BES) remained prevalent in cyber offending in Northern Ireland. This involves the email account of the business being compromised and the business being duped into transferring funds for payment to a bogus account. In some cases the reports have resulted in the loss of tens of thousands of pounds to the affected business. This type of activity is committed by organised groups and is highly targeted despite generally requiring a lower level of technical expertise. Sums lost can be substantial and reputational damage severe.

Action Fraud figures show there were 331 cyber dependent crimes in Northern Ireland reported during the 2017/18 financial year, with a total loss of £591,000 to victims.

Cyber enabled crime continued to expand and the use of digital and cyber environments in traditional crime is growing rapidly with almost every conventional crime type now having a digital footprint. PSNI Cyber Crime Officers continued to work in partnership with private businesses and local government agencies to run joint cyber awareness events for businesses.

CONFRONTING THE THREAT: RESULTS

There have been considerable developments in the reporting year to protect against cyber crime and reinforce our cyber security resilience. The work of the OCTF has complemented wider strategic work with other Executive Departments to develop a **Cyber Security Strategic Framework for Action**^[2] and to establish a Northern Ireland **Cyber Security Leadership Board**.

Responding to the specific threat posed by cyber crime, the OCTF has established a dedicated **Cyber Crime Engagement Group** which brings together law enforcement and government with representatives from business, academia and the cyber-security sector. Through this group the OCTF has continued to promote the numerous partnership initiatives between law

enforcement agencies and statutory and non-statutory bodies that seek to raise awareness of cyber crime and provide prevention initiatives to help safeguard individuals and businesses when online.

New developments and achievements in the reporting year have included:

- Increased promotion of the Cyber Information Sharing Partnership (CISP) and Cyber Essentials to provide 'live time' threat advice and protection measures to business and industry continue to be developed across Northern Ireland and further awareness is being planned in partnership with the National Cyber Security Centre (NCSC).
- Between April 2017 and March 2018 the PSNI Cyber Crime Centre was engaged in 25 searches and made 5 arrests. These cases remain within the criminal justice system. The digital forensic work conducted by the Cyber Crime Centre forms an integral part of numerous cases across the spectrum of police disciplines including Public Protection, Murder and Terrorist Investigations. Current investigations led by PSNI Cyber Crime Centre cross multiple global jurisdictions and necessitate collaborative working with the National Crime Agency and other authorities worldwide.
- Our increasing access to and reliance on technology both as a society and as individuals delivers many benefits and opportunities but also creates vulnerabilities that cyber criminals will seek to exploit. Cyber security is a priority across Government and PSNI and DoJ are working strategically with other Northern Ireland Departments to **Defend** against cyber attack, **Deter** cyber criminals and to **Develop** Northern Ireland's cyber resilience.
- PSNI is continuing to develop and enhance its operational capacity to respond to cyber crime. Officers have recently moved to a new purpose-built PSNI Cyber Crime Centre which will enhance PSNI's forensic and investigative

² A copy of the Cyber Security Strategic Framework for Action can be accessed at <https://www.finance-ni.gov.uk/publications/cyber-security-strategic-framework-action>

capabilities in response to cyber crime and will strengthen public protection through a strategy based on prevention, protection and enforcement, underpinned by industry engagement.

- Under-reporting of cyber crime continues to obscure our understanding of its true scale and cost. However, the introduction of the EU's General Data Protection Regulations (GDPR), which came into force in May 2018, may help gain a more accurate picture of the level of cyber crime in relation to data breaches or loss. These regulations apply to all organisations handling personal details of EU citizens and require certain measures to be put in place regarding data protection. One significant aspect of the GDPR is that it requires all data breaches to be reported to the relevant supervisory authority within 72 hours of any data breach and as such it is likely that cyber crime levels will see an increase after introduction of these regulations.
- During 2017/18 the National Crime Agency (NCA) recorded 96 disruptions in or impacting on Northern Ireland, 57 of which related to either cyber crime or child sexual abuse and exploitation.

FORWARD LOOK

The PSNI Cyber Crime Centre has appointed a dedicated Prevent officer. The role of this officer is to fulfil the national Prevent objective, which aims to deter individuals from getting involved in cyber crime in the first place, moving deeper into cyber crime and/or from reoffending. This officer will work

in close liaison with internal and external partners to increase awareness around cyber offending.

PSNI Cyber Crime officers continue to work in partnership with private businesses and local government agencies to run joint cyber awareness events for businesses, in order to help protect from and build resilience to cyber crime. With the adoption of Area Cyber Liaison Officers, the Cyber Crime Centre will encourage local Districts and Crime Prevention Officers to be represented at Cyber Awareness events to ensure businesses receive advice and information on a wider range of topics.

Together with other UK's Regional Police Cyber Crime Units, the PSNI Cyber Crime Centre plays an active role in the UK Cyber Protect team, coordinated under the City of London Police with the aim of reducing the volume of offences, the value of the losses and the wider impact on the quality of life for individual and business victims in the UK.

Working alongside public and private sector bodies, the PSNI Cyber Crime Centre is involved in enhancing the current threat picture through encouraging and facilitating an increase in cyber crime reporting and focussing on the greatest threats posed. Through partnerships developed with public and private sector bodies and local businesses, the PSNI Cyber Crime Centre supports local cyber protect events and initiatives, enabling the key national protect themes and resources to be shared with local Small Medium Enterprises (SME).

***Do you know what your kids are up to?
Are you aware of their online activities?
Would you be able to recognise if they
cross the line into criminality?***

The average age of a cyber offender is 17 years old (much lower than other crime types), but in reality, offending behaviour is likely to begin even earlier, as 17 is the age when most offenders come under the notice of law enforcement. Research has shown links to cyber offenders with gaming and being part of a gaming community, as well as through the increased availability of 'off the shelf' malware and services. Young people generally have a lack of understanding of the Computer Misuse Act 1990, as well as a misguided perception of online anonymity.

#cyberchoices NCA YouTube video – link below:

<https://www.bing.com/videos/search?q=cyber+choices+you+tube+video&qvvt=cyber+choices+you+tube+video&view=detail&mid=AA6FD4BE72E096E48CEAA6FD4BE72E096E48CCE&&FORM=VRDGAR>

The **PSNI Cyber Prevent Programme** is concerned with promoting key messages and objectives to as wide an audience as possible, including young people and their parents. The emphasis is to **promote positive objectives** rather than criminalising young people while **diverting them from online crime** and encouraging them to put their skills to legitimate use (perhaps towards a career in cyber security).

PSNI Cyber Prevent plan to organise future cyber events in partnership with other agencies and private industry during which they can engage with young people and educate them, while giving them the opportunity to see what career possibilities are available in Northern Ireland's growing Cyber Employment arena.

How we can... help ourselves, our families, our businesses

Did you know the majority of cybercrime is preventable by taking simple steps to secure your cyber security? Our key themes for 2018 have included:

- promotion of reporting incidents (#everyreportmatters); and
- the use of secure passwords and regular software updating.

These are the initial basic steps that individuals and businesses can take to help protect against the vast majority of cyber incidents they may face.

Sites which offer up to date advice and tools to help manage the threats include:

-  (www.getsafeonline.org);
-  www.cyberessentials.ncsc.gov.uk
(advice specifically for Small Businesses)
-  www.ncsc.gov.uk/cisp
-  www.havebeenpwned.com
-  (www.cyberaware.gov.uk);
-  (www.actionfraud.police.uk)

Report actual or attempted cyber crime at:

-  www.actionfraud.police.uk
-  Call Police on 101
-  Use the PSNI website

2.2 DRUGS

THE THREAT

While the number of drug seizure incidents increased across most drug types between 2016/17 and 2017/18, lower quantities of drugs were seized across many drug types. This is believed to be linked to a change seen in the drugs market in terms of importation during 2017/18 which saw a

shift in the way drugs are being imported with larger numbers of parcels being imported but much smaller quantities of drugs in each parcel, therefore limiting the risk to offenders and potential loss of product should the parcel be intercepted and seized.

Drugs seizure incidents and drug arrests, 2017/18 compared with 2016/17

	2016/17	2017/18	change between years	% change between years
Drug Seizure Incidents	5,546	6,872	1,326	+23.9
Drug-related Arrests	2,702	3,121	419	+15.5

- There were 6,872 drug seizure incidents recorded by the PSNI during 2017/18, the highest level recorded since 2006/07 and an increase of 23.9% when compared with 2016/17.
- Trafficking of drugs offences increased by 3.1% during 2017/18 with 854 offences recorded compared to 828 during 2016/17.
- Possession of drugs offences were up 23.1% on 2016/17 with 5,648 offences during 2017/18 compared to 4,588.
- The number of drug seizure incidents has increased year on year from 2006/07, apart from a slight fall in 2016/17. The number of drug seizure incidents has more than doubled in the last ten years.
- Each month during 2017/18 recorded a higher level of drug seizure incidents when compared with the same month the previous year.
- The higher number of seizure incidents recorded during 2017/18 reflects an increase in proactive work by all elements within PSNI and OCTF partners.

Class A

In general the number of seizure incidents increased across most of the Class A drug types and formats when compared with 2016/17, however this was coupled with a reduction in the quantities of drugs seized across the same drug types and formats.

Cocaine

Cocaine seizures increased by 51.9% during 2017/18 with 942 compared to 620 during 2016/17. This included 108 cocaine wraps which was almost double the number seized during the previous year (56). During the same period the weight of cocaine powder seized fell by more than half, from 67.1kg to 30.8kg.

Ecstasy

The number of ecstasy seizures increased notably by 62.6% compared to 2016/17 with 278 compared to 171. However this was coupled with a reduction in the total amount of ecstasy seized with reductions in the amount of both powder and ecstasy tablets seized. Powder fell from 1.7kg to 1.05kg while the number of tablets fell from 5,980 to 5,632, a reduction of 5.8%.

LSD

Seizures of LSD increased by 38.5% to 18 from 13 during 2016/17. However in line with the overall trend of increased seizure incidents and reduced amounts, the number of LSD microdots seized fell by nearly half, from 2,060 to 1,111.

Opiates

Overall seizures of opiates increased by 26.6% with increases in all drug formats apart from methadone which saw a reduction of 50% in seizures from 2016/17. Heroin seizures increased by 30% during 2017/18 with 194 seizures compared to 149 during 2016/17. The use of heroin in public toilets and other public places continues to be a concern given the risks associated with discarded needles and paraphernalia. Needle boxes have been installed at various sites and local pharmacies are regularly being recruited as needle exchange locations, giving users the opportunity to safely dispose of their needles and in turn helping to reduce the risk to the general public.

In spite of the overall increase in seizure incidents, opiate patches were the only category to see an increase in the quantity seized with 46 patches compared to 28 during 2016/17. The amount of opiate powder seized decreased from 5.1kg to 0.6kg. There was also a fall in the volume of liquid opiates seized, from 480.8mls to 222.4mls.

Class B

In line with Class A, the number of seizures of Class B drug types and formats increased compared to 2016/17, however there was more of a mixed picture when comparing the quantities seized during 2017/18.

Cannabis

Cannabis was the most commonly seized drug during 2017/18 with 5,120 seizure incidents. This is 788 more than the

number of seizures in the previous 12 months.

For the second year in a row the number of cannabis farms discovered in Northern Ireland fell with 22 during 2017/18 compared to 39 during 2016/17. In spite of this the number of cannabis plants recovered increased by nearly two thirds from 2,461 during 2016/17 to 3,980 during 2017/18. Increases were also seen in quantities of cannabis oil and cannabis joints seized. The weight of cannabis resin seized fell by more than half from 86.7kg to 35.4kg, however 2016/17 included a single seizure of 49.9kg while the largest seizure in 2017/18 was 11.1kg.

Amphetamine

The number of seizure incidents involving amphetamines increased by 43.1% during 2017/18 with 73 compared to 51 during 2016/17. The amount of amphetamine powder seized increased from 1.8kg during 2016/17 to 6.9kg in 2017/18, 6.0kg of which was attributed to a single seizure. The amount of amphetamine wraps also increased slightly from 7 in 2016/17 to 9 in 2017/18.

During the same period there was a slight fall in the number of amphetamine tablets recovered, from 68 to 63.

Psychoactive Stimulants

The number of seizure incidents involving psychoactive stimulants fell considerably from 28 during 2016/17 to 16 during 2017/18. This is coupled with a notable reduction in the weight of controlled psychoactive stimulants seized which fell from 3.2kg in 2016/17 to 0.4kg in 2017/18. Mephedrone was the most common type seized however there was a reduction in the number of seizures and the amount seized when compared to 2016/17.

Class C

Seizures of Class C drugs increased by 44.2% during 2017/18, to 845 from 586 during 2016/17. This resulted in an increase in the overall weight of powder seized however a fall in the number of tablets seized during 2017/18 when compared with 2016/17.

Benzodiazepines

The weight of benzodiazepine powder seized increased from 0.01kg to 2.1kg, however the number of benzodiazepine tablets seized fell from 168,500 to 129,348 during 2017/18, a reduction of 23.2%.

Diazepam tablets accounted for the majority of benzodiazepine tablets seized during 2017/18, however the number seized was less than half the amount seized during the previous year with 67,681 seized during 2017/18 compared to 151,903 during 2016/17.

The quantity of other benzodiazepine tablets, including temazepam, more than trebled from 16,597 to 61,667 during 2017/18. One seizure accounted for half of the quantity seized.

DRUG RELATED DEATHS

Deaths as a result of drugs misuse continue to be a concern with a variety of both illegal and prescription drugs suspected of being a contributory factor in a number of deaths in Northern Ireland. The anticipated rise in deaths related to fentanyl has so far not been seen in Northern Ireland, with the presence of the drug low here compared to the rest of the United Kingdom where it has been linked to multiple deaths. Fentanyl is an extremely strong opioid which is significantly more potent than morphine and anyone who uses heroin which contains even a small amount of fentanyl is at very high risk of overdosing and therefore it remains an extremely high risk, high harm drug.

Official figures are currently only available up to 2016 with 126 deaths registered that year. This is a reduction of 18 compared to 2015 which saw the highest levels of drug related deaths since 2006³.

- **There were 3,121 drug related arrests during 2017/18, up 419 from 2016/17 which represents an increase of 15.5%.**
- **Drug related arrests have increased in most years since 2006/07, with levels in 2017/18 the highest experienced since 2006/07.**

³ Drugs deaths statistics: All statistics relating to deaths - from NISRA "Drug related and Drug Misuse Deaths 2006 - 2016". (Date published 19 December 2017).

CONFRONTING THE THREAT: RESULTS

Examples of some operations in 2017/18:

CASE STUDY

OP HIGHFLYING

In March 2018, as part of a proactive Joint Agency Task Force investigation alongside An Garda Síochána and Irish Customs, in respect of an organised crime group involved in the importation and supply of large quantities of controlled drugs, PSNI carried out an intervention in Dromore. Herbal cannabis with an estimated value of £1.3m in 55 vacuum packed plastic bags was recovered from a large fuel tank delivered from Spain.

5 persons were arrested at the scene with 3 further arrests following enquiries. 3 were subsequently charged with fraudulently importing, being concerned in the supply of, being in possession of and being in possession with intent to supply a Class B controlled drug.



CASE STUDY

OP JUNIUS (KINAHAN OCG ACTIVITIES IN NI)

In October 2017, police stopped and searched a vehicle in Newry. A small quantity of cocaine was recovered along with a large quantity of cash. During follow up searches, police located a further quantity of cash, 4 packages of cocaine and a package of Benzocaine. Forensic testing established that the cocaine ranged from 84 - 92% pure, with an estimated value of £200k. The driver was arrested and charged with possessing criminal property, possession of a Class A controlled drug and possession of a Class A controlled drug with intent to supply.

CASE STUDY

OP JUNIUS (KINAHAN OCG ACTIVITIES IN NI)

In November 2017, police carried out 2 warrant searches and recovered a large quantity of herbal cannabis, resin, cocaine and cash secreted in adapted hides at both properties. The controlled drugs have an estimated value £300k. 2 arrests were made and they were subsequently charged with the related drug offences.

CASE STUDY

OP CRAFTID

In December 2017 police conducted a search at an industrial estate in the Comber area under warrant by virtue of Section 23 Misuse of Drugs Act 1971 and Art 10 PACE (NI). As a result of this search 1212 cannabis plants were recovered, 1 male was arrested at the scene and a further 3 persons were arrested on the Lisburn Road, Belfast.

All 4 persons have now been charged with drugs and money laundering offences.

This is being linked to a further 2 cannabis factories recovered in the Coalisland area in September 2017 where 310 cannabis plants were recovered and in south Belfast in October 2017 where 141 cannabis plants were recovered. A further 3 persons have been charged in relation to these 2 incidents.

CASE STUDY

OP TANTIVY

Between April 2017 and December 2017 the Police Service of Northern Ireland conducted a proactive investigation into an Organised Crime Group who were involved in the sale and supply of Class A drugs throughout Northern Ireland. Police conducted a number of interventions with various members of the Organised Crime Group which resulted in the recovery in total of 12Kg of cocaine, 220g of cannabis, 31,000 Xanax tablets and £62,000. As a result of these interventions 10 members of the Organised Crime Group were charged. The principle of the Organised Crime Group was charged and remanded in custody with his release from prison licence having been revoked. 2 group members who were stopped in May 2017 with 5Kg of cocaine have been convicted of serious drug offences and been sentenced to 7 and 8 years imprisonment respectively.



ASE STUDY

OP IDOLA

Between January 2018 and July 2018 the Police Service of Northern Ireland conducted a proactive investigation into an Organised Crime Group who were involved in the importation, sale and supply of Class B drugs throughout Northern Ireland. The investigation focused on the supply chain by Chinese nationals to residents of Northern Ireland using postal deliveries and the subsequent lodgement of cash into bank accounts and transfer of these funds to "mule accounts" in Great Britain which were linked to Chinese nationals. As a result of this investigation police recovered approximately 45 KG of Cannabis and recovered £30,000 cash. 7 members of this Organised Crime Group have been charged with drugs offences and money laundering offences with 5 of them remaining in custody.

ASE STUDY

OP GAUD

Between May 2017 and February 2018 the Police Service of Northern Ireland conducted a proactive investigation into an Organised Crime Group who were involved in the sale and supply of Class A drugs throughout the North West area of Northern Ireland. Police conducted a number of interventions with various members of the Organised Crime Group which resulted in the recovery of Cocaine with a street value of £415,000, Amphetamine with a street value of £120,000 and £11,000 in cash. 4 members of this Organised Crime Group have been charged with drugs offences and money laundering offences.

FORWARD LOOK

Drug misuse in Northern Ireland over the last 20 years has reflected the changing nature of illicit drug use. Northern Ireland's pattern of drug misuse has broadly followed the same trends as that in Great Britain and the Republic of Ireland in terms of recreational use, but has not seen the same intensity of problem drug misuse, especially in respect of heroin and crack cocaine.

Evidence from the Public Health Agency's Substance Misuse Database 2016/17, based on the experiences of just over 2,000 clients, demonstrates that in Northern Ireland cannabis is the most commonly used drug (66%), followed by cocaine (37%), benzodiazepines (35%), ecstasy (15%), and heroin (11%). These figures are broadly reflective of police seizures during the same period lending support to the view that cannabis is the most used drug in Northern Ireland and the back bone of its recreational drugs market.

The harm caused by drug misuse is cross cutting and impacts people's lives at every level in Northern Ireland. It includes crime committed to fuel drug dependence; organised criminality, the violence and exploitation that goes hand in hand with production and supply; paramilitary style attacks and the irreparable damage and loss to the families and individuals whose lives it destroys.

The role of PSNI is to Keep People Safe:

Prevent – Restricting, frustrating and disrupting the supply of illicit controlled drugs as defined under the Misuse of drugs (NI) Act and the illegal supply of prescription drugs to prevent misuse.

Protect - Support harm reduction and prevention initiatives.

Detect – Frustrate, disrupt and dismantle the Organised Crime Groups responsible for drug importation and distribution in Northern Ireland.

As part of the Protect strand PSNI supports harm reduction and prevention initiatives. For 2018/2019 these initiatives will include –

RAPID - Reduce all prescription and illegal drugs. A joint initiative with Public Health Agency's (PHAs) Drugs and Alcohol Co-ordination Team (DACT) and PCSP's across Northern Ireland involving the installation and collection of drugs from disposal bins within communities. Piloted initially in Belfast but now available for implementation across the service.

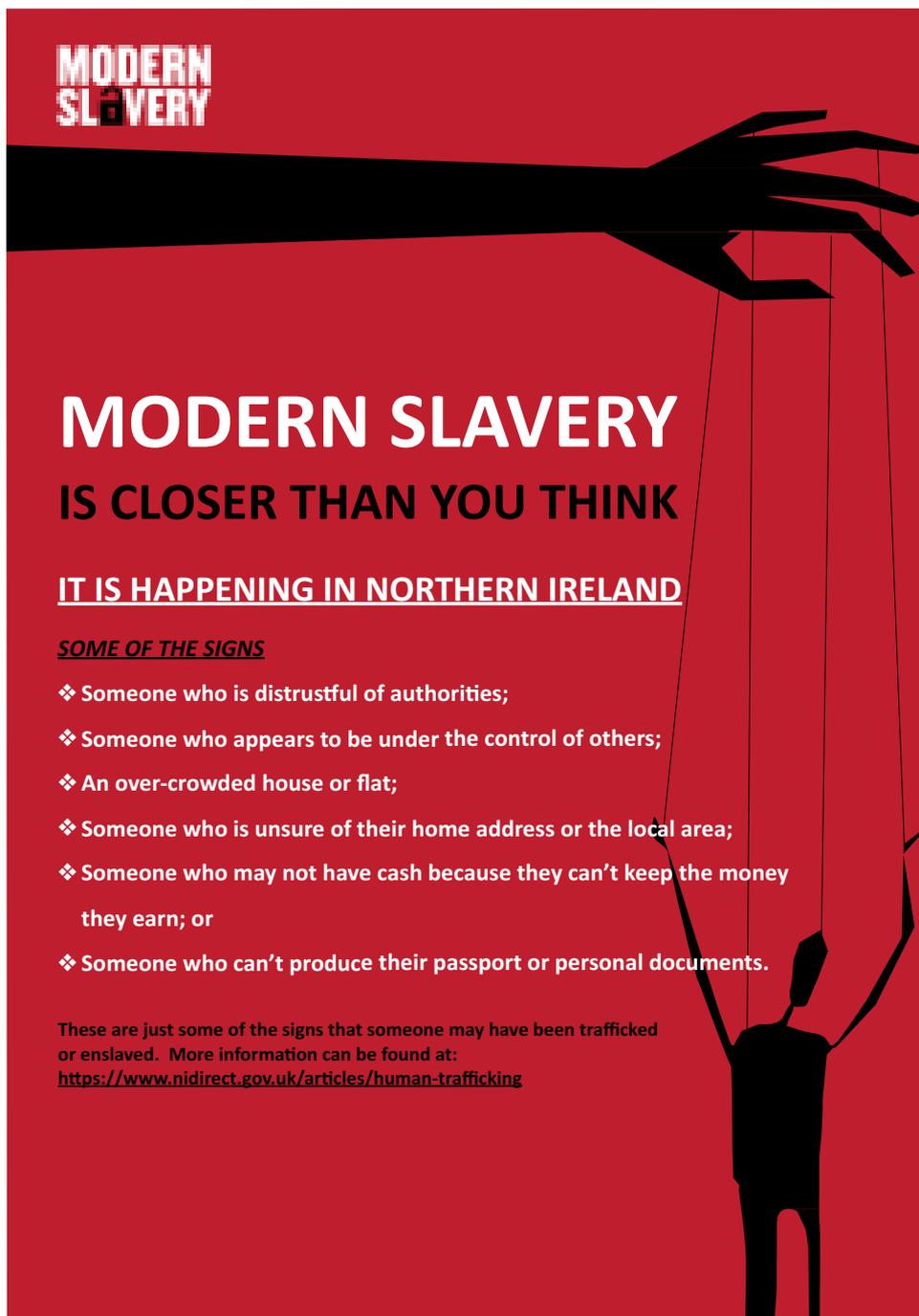
Silent Guardian – DOJ supported initiative promoting the provision of community intelligence against street level drug dealing.

Currently being piloted in Antrim and Newtownabbey but planned for a service wide roll out during 2018.

Think before you buy – A joint PSNI / An Garda Síochána / Department of Justice awareness campaign highlighting the true harm associated with recreational drug use and impact of the drugs economy on local communities.

Where you can get help...

Parents and children can get drugs advice and sign posting to local support by visiting the Talk to Frank website at www.talktofrank.com or by phoning the service on ☎ 0300 123 6600



MODERN SLAVERY

MODERN SLAVERY IS CLOSER THAN YOU THINK

IT IS HAPPENING IN NORTHERN IRELAND

SOME OF THE SIGNS

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

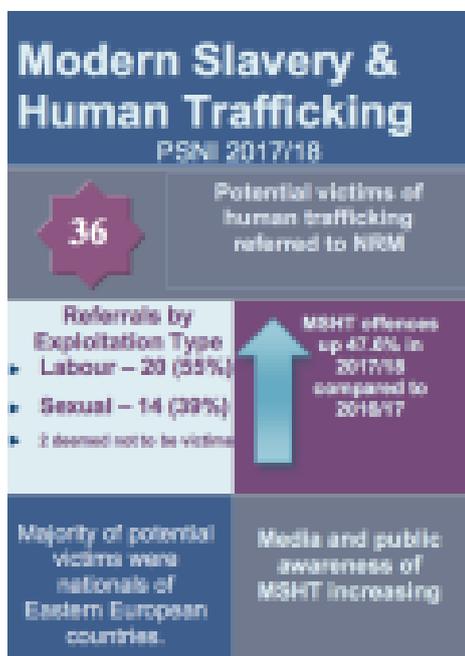
These are just some of the signs that someone may have been trafficked or enslaved. More information can be found at: <https://www.nidirect.gov.uk/articles/human-trafficking>

2.3 MODERN SLAVERY HUMAN TRAFFICKING (MSHT)

THE THREAT

Modern slavery is an umbrella term that incorporates both the offence of slavery, servitude and forced or compulsory labour and the offence of human trafficking. MSHT is an extremely lucrative criminal activity. It is very much a hidden crime and therefore it is difficult to understand the true scale of the problem. MSHT is an extremely high harm crime and the physiological and physical impact on victims can be lifelong. Victims are often afraid to speak out or unable to report their ordeal to police for a number of reasons including language barriers or simply because they are held captive. Unfortunately MSHT is one of the fastest growing crime types in the UK.

MSHT offences in Northern Ireland increased by 47.6% during the 2017/18 financial year compared to 2016/17 with 31 reports (actual crimes recorded) in 2017/18 compared to 21 during 2016/17.



CONFRONTING THE THREAT: RESULTS

During 2017/18 the PSNI Modern Slavery and Human Trafficking Unit (MSHTU) conducted 173 screening assessments (a process to safeguard victims through early recognition and subsequent intervention). The number of screenings reduced from 308 in 2016/17, a reflection of a more targeted approach.

36 potential victims of human trafficking (PVoT) were subsequently referred to the National Referral Mechanism, (NRM) an increase of 2 on the figures from the previous year. The NRM is a system which offers the PVoT accommodation and support until the circumstances can be investigated further. Of the 36 people referred to the NRM there were 12 male adults, 15 female adults, 5 males under 18 and 4 females under 18.

A range of exploitation types were involved: 14 related to sexual exploitation; 20 related to labour exploitation; 1 related to domestic servitude and 1 case where the exploitation type was unknown.

The nationalities of the 36 referrals:

- 9 Romanian
- 6 Lithuanian
- 4 Chinese
- 3 Vietnamese
- 2 Zimbabwean
- 2 Somalian

Other nationalities included: Angolan, Sudanese, Hungarian, Afghan, East Timorian, Albanian, Northern Irish, Nigerian, Malawian and Slovakian.

Other operational activity by the PSNI's MSHTU during 2017/18 included:

- 22 warrant searches and 59 safeguarding visits/non-warrant operations;
- 8 arrests for modern slavery human trafficking and / or related offences;
- 6 persons charged with modern slavery human trafficking and/or related offences (2 were sentenced, 2 are currently on remand and 2 are on High Court Bail);
- 2 persons reported to the Public Prosecution Service (PPS) for modern slavery human trafficking and / or related offences; and
- during the reporting period the MSHTU had, on average, 15 live investigations, of which the majority were related to sexual exploitation.

These links with partner agencies, NGOs and private sector businesses provide links that increase the overall level of skills, knowledge and contacts in areas that can be very relevant in investigating MSHT offences.

The success of Operation Fog by the PSNI's MSHTU, was particularly significant because it was the first conviction for any MSHT offence under the 2015 Northern Ireland Human Trafficking and Exploitation (Criminal Justice and Support for Victims) Act NI 2015 legislation. It was also the first proactive "victimless" prosecution for sexual exploitation in Northern Ireland where the victims did not have to provide any evidence as part of the investigation. The sentencing by the court also included Slavery and Trafficking Prevention Orders, again the first time they have been used in Northern Ireland, providing an additional valuable tool to regulate the behaviour of individuals who may otherwise cause harm by committing further slavery and human trafficking offences.

Training and Awareness

MSHT is sometimes described as "hidden in plain sight" and as such, it is vital that front line professionals, key sectors and the wider public are aware of the presence of MSHT in Northern Ireland and know how to recognise and report it. One of our three strategic priorities therefore in responding to MSHT is to improve our capacity to identify and support victims; training and awareness is key to delivering this. It is essential that PSNI Officers in the MSHTU are well trained and prepared for the many difficult situations they encounter.

During the reporting period PSNI MSHTU Detectives have attended a number of conferences / seminars and training events organised by:

- NGO 'Ruhama' (from Rol) who provide training in the area of organised prostitution;
- An Garda Síochána 3 day investigators course on Human Trafficking;

- The Home Office on Organised Crime Gangs;
- North West England Op Titan Regional Organised Crime Unit with DoJ and other OCTF Partners;
- EuroJust / EUROPOL event on the subject of Joint Investigation Teams; and
- Domestic and Sexual Violence and Abuse Partnership on Sexual Violence in Intimate Relationships.

Such training and engagement also strengthens links with partner agencies, NGOs and private sector businesses which in turn increases the overall level of skills, knowledge and contacts in areas that can be very relevant in investigating MSHT offences.

Throughout 2017/18 PSNI and other OCTF partners also undertook a number of operations, events and campaigns to raise awareness of MSHT in Northern Ireland.

In addition to these presentations MSHTU Detectives have attended and successfully completed a National College of Policing accredited modern slavery specialist investigator course and joint organised crime modern slavery course.

2 officers also completed the Organised Crime Modern Slavery course organised and held by South Wales Police.

PSNI's MSHTU continued to provide awareness raising and educational presentations across PSNI and other law enforcement agencies to various internal and external groups. This period included:

- New to Role Detectives
- Detectives from C1 Criminal Investigation Branch
- Road Policing Officers
- PSNI Student Officers
- Detectives from C3 Intelligence Branch
- Home Office Immigration

MSHTU officers also completed a joint protocol with colleagues in crime prevention

to ensure the correct level of support and advice regarding their home and personal security is provided to all potential victims who enter the NRM.

The Department of Justice launched a Northern Ireland-wide campaign to highlight modern slavery and build capacity across the whole of society to recognise and report it. The campaign was launched by DOJ, PSNI and the UK Independent Anti-Slavery Commissioner on Anti-Slavery Day in October 2017. Key guests at the launch are pictured below.

Support from the Policing and Community Safety Partnerships (PCSPs) is also valuable in reaching a wide audience. Mid and East Antrim Borough Council PCSP Partnership Officer arranged for the Gift Box (a visual display of how promises of a better life can lead to the horror of MSHT offences) and digital advertising to be on show in the Fair Hill Shopping Centre in Ballymena in November 2017.

In March 2018 Armagh, Banbridge and Craigavon District Council supported a symposium on modern slavery in the Studio Theatre at the Market Place Theatre in

Armagh as part of the St Patrick's Festival celebrations.

DOJ is also grateful for the work of NGOs, many of whom are members of the Engagement Group on Modern Slavery, to highlight the issue of MSHT and educate the public and key professionals on how they can help to eradicate it.

The PSNI's MSHTU organised "Operation Outrun" in conjunction with Border Force. Flights were screened at both Belfast International Airport and George Best Belfast City Airport. No PVoT were identified during these flights but the plan is to run "Op Outrun" style safeguard visits at both airports and both ferry ports on a more regular basis.

The PSNI's MSHTU ran and attended a number of awareness raising events to mark Anti-Slavery Day in October. The Unit also ran a week of social media posting on the PSNI corporate Twitter and Facebook pages. This included several messages each day centred on a specific area and the sharing of a video produced by Freedom Acts <https://vimeo.com/109283004>.



Pictured (left-right) are Julie Wilson, Head of Organised Crime Branch, DOJ, George Hamilton, Chief Constable PSNI, Kevin Hyland OBE, UK Independent Anti-Slavery Commissioner, Nick Perry, Permanent Secretary, DOJ and Dr Eamon Phoenix, Local Historian.

As part of an ongoing drive to raise public awareness of modern slavery and how to report it, the NCA commissioned a photographic exhibition 'Invisible People', which was launched in London in early January 2018 and toured the major UK cities, including Belfast. The aim of the campaign was to recreate the lives of 'Invisible People', exposing the reality of modern slavery and show that while victims are sometimes hidden away, they are often working in plain sight. The exhibition displayed



images capturing snapshots of life in modern slavery, describing what the viewer was seeing, and information about signs which may indicate someone is a victim.

FORWARD LOOK

As noted, MSHT is one of the fastest growing crime types in the UK and responding to it is a priority for the OCTF partners. A new draft Northern Ireland Modern Slavery Strategy^[4] for 2018/19 has been published for consultation. The consultation period is due to close on 18 October and responses will be used to inform the final strategy.

Work is nonetheless already underway against the strategic priorities and objectives set out within the draft strategy. Recognising the importance of appropriate training and skills for front line professionals one key objective will be the development and roll-out of a new strategic response to modern slavery training (primarily non-law enforcement) and a new Strategic Training Co-ordinator has been appointed to coordinate the development of a comprehensive Training Needs Analysis and Training Plan for Northern Ireland.

EU Exit may also affect how MSHT manifests in Northern Ireland. Northern Ireland is in the unique position of being the only part of the UK

which has a land border with an EU Member State. Regardless of how the border is maintained, it is likely that Northern Ireland could be seen as a possible weak point within the UK infrastructure by criminal groups which would seek to exploit this by trafficking commodities and people across the border. Increasing numbers of MSHT investigations will require continued multi-department, multi-agency and multinational co-operation.

How we can... make NI a hostile environment for MSHT

Everyone can play a part in tackling it, whether through local government, as a front-line professional, as part of a faith group, an employer, or simply as a member of society using one of the services within our communities. Could you spot an indicator of trafficking, and help someone escape from their ordeal?

Remember, victims may be reluctant to seek help, may avoid eye contact and appear frightened or hesitant to talk to strangers. They may also fear law enforcement for many reasons – they may not know who they can trust or where they can get help, or they might fear being deported. They may also be scared for their family's or their own safety.

If you suspect slavery is happening, here's what you need to do:

-  Call the police on 999 in an emergency
-  Call 101 if it is not urgent or Crimestoppers anonymously on 0800 555111
-  Report the situation to the Modern Slavery helpline on 0800 0121700

Do not attempt to let the victim know that you have reported it, and definitely do not confront the traffickers.

^[4]<https://www.justice-ni.gov.uk/consultations/draft-modern-slavery-strategy-2018-19>



CASE STUDY

OPERATION FOG

In February 2018, at Belfast Crown Court, 2 members of a Romanian Organised Crime Gang Decebal Mihai and Spartacus Mihai were sentenced, following guilty pleas for Conspiracy to Human Trafficking 5 victims for sexual exploitation, Controlling Prostitution for Gain of 6 victims and Acquiring and Converting Criminal Property totalling over £165,000. The sentencing Judge highlighted this as a significant and complex Investigation. Decebal Mihai received a 4 year custodial sentence (50% to be spent on licence) and issued a Slavery and Trafficking Prevention Order for 10 years.

In addition, Home Office Immigration served Decebal Mihai with a Deportation Order (DO) and he will not be allowed to legally re-enter the UK at any point in the future, unless he successfully appeals the Order at a future date.

Spartacus Mihai received a 3 year custodial sentence (50% to be spent on licence) and the courts issued a Slavery and Trafficking Prevention Order for 7 years.

Some of the victims had suffered very visible injuries, black eyes and bruising to their lower arms around their wrist area. One victim was caught stealing boxes of contraception for their own health protection, while Decebal and Spartacus had the luxury of gambling the money made by the victims in a local gambling premise.

2.4 ORGANISED IMMIGRATION CRIME

THE THREAT

Various OCTF partners are working to disrupt organised crime involving the movement of people, goods and money in and out of Northern Ireland. Immigration Enforcement, a Directorate of the Home Office, is responsible for protecting the public by removing immigration offenders, prosecuting the criminals who facilitate immigration crime and driving cross-sector action to increase compliance with immigration law.

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

CONFRONTING THE THREAT: RESULTS

During 2017/18 enforcement activities with OCTF partners has continued to strengthen Northern Ireland's capacity to tackle immigration crime and, in doing so, has disrupted and dismantled the organised criminals behind it. 29 convictions were secured in addition to civil penalties running into hundreds of thousands of pounds.

Immigration Enforcement uses all available powers to intercept, arrest and prosecute immigration offenders, including foreign national criminals seeking to circumvent UK immigration controls due to their criminal histories. Criminal Investigation teams work closely with the PSNI and Immigration Enforcement has recently embedded immigration crime investigators within PSNI's Organised Crime and Modern Slavery teams to assist joint investigations. Immigration Enforcement also works closely with Ireland's criminal investigators on cross border investigations into organised CTA abuse, including facilitators, smugglers, and document producers.

ASE STUDY

July 2017: A Romanian national who had entered the UK illegally across the land border was intercepted on route to Scotland. He was found to have previously served an eight year prison sentence in Romania for robbery. He was arrested and deported to Romania.

ASE STUDY

July 2017: A Nigerian national intercepted on route to Scotland was found to have been on the Metropolitan Police's wanted list since 2012 in connection with offences including conspiracy to defraud in the region of £1 million, facilitate criminal property, and possession of false documents. He was arrested and deported to Nigeria.

ASE STUDY

August 2017: An Iranian national using another person's identity documents was intercepted on arrival in Northern Ireland from Scotland. He was attempting to flee outstanding smuggling charges in the UK by using the land border with Ireland. He was prosecuted for deception in the Northern Ireland courts and subsequently transferred to England to face the outstanding charges. He was given a three and a half year prison sentence for tobacco excise offences and will be deported on completion of his sentence.

ASE STUDY

February 2018: A Bangladesh national had been off the radar for almost six years when he was encountered by the Northern Ireland team while working illegally in a restaurant. He had skipped court bail in 2012 after being charged with organising a bogus marriage - he fled overseas and was convicted in his absence. He was returned to the courts to face sentence where he received a four year sentence - two years in jail and two years on licence. He will be deported on completion of his sentence.

ASE STUDY

February 2018: Northern Ireland immigration officers intercepted a Romanian national on route to GB who was subject to a UK deportation order. He has an extensive criminal record, including serving a five year prison sentence in Romania for child rape and has amassed more than a dozen convictions in the UK for offences including child kidnap, police assault, and indecent behaviour. He was prosecuted in the Belfast courts and received a four month jail sentence. He was deported to Romania on completion of his sentence.

ASE STUDY

Organised Immigration Crime

NCA-led Project INVIGOR provided intelligence support to an international operation focusing on an Organised Crime Group (OCG) which arranges the movement of Albanians into the UK via the Common Travel Area. The OCG is involved in large scale people smuggling via the Irish Republic, through Northern Ireland and onward into the UK, and also smuggling of people into North America and Australia. A coordinated day of action in March 2018 involving Albanian, Macedonian and Bulgarian authorities led to the arrest of 37 subjects in Albania believed to be using false documents to smuggle migrants to the UK via the Irish Republic. In excess of 100 passports, 800 identity cards and forgery equipment were also seized, significantly disrupting the OCG.

FORWARD LOOK

In the coming year, Immigration Enforcement will continue to extend its reach, making it increasingly difficult for people to live or stay in Northern Ireland illegally and for criminals to commit immigration related crime.

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

admissible to either jurisdiction are unable to travel to the CTA.

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

2.5 BORDER CRIME

THE THREAT

Border Force has responsibility for all immigration and customs activity for international arrivals at Belfast International, Belfast City and City of Derry Airports and at Belfast, Warrenpoint and Londonderry seaports, and for any international movements at General Maritime and General Aviation sites.

Border Force's priorities are defined by a national Control Strategy, which currently lists National Security at the Border, Human Trafficking and Modern Slavery, Class A drugs, Lethal Firearms, and Strategic Exports as the very highest.

CONFRONTING THE THREAT: RESULTS

During the past year Border Force has worked alongside partner agencies in a number of operations:

Border Force's results in NI during 2017/18 include seizures of:

- 17.5 kg of Class A drugs
- 31.2kg of Cannabis
- 9.3 million cigarettes
- 467 kg of Hand Rolling Tobacco
- £11,100 cash seized under the Proceeds of Crime Act 2002
- 48 offensive weapons
- 21 items seized under CITES (Convention on International Trade in Endangered Species) legislation
- 9000 counterfeit make up brushes

In addition, Border Force activity has resulted in:

- 25 forged travel documents detected and
- 109 people refused leave to enter the UK.

Safeguarding at the border

Frontline staff in Border Force are provided with training in identifying potential victims of modern slavery, and guidance issued to staff sets out indicators of modern slavery, including forced labour. In addition, Border Force also has a network of specially trained Safeguarding and Modern Slavery teams who receive classroom training focussing on the knowledge and skills needed for this area.

ASE STUDY

Cannabis seizure at Belfast City Airport

12.5kg of herbal cannabis seized from a Malaysian national returning from Alicante at Belfast City Airport. He was arrested by Border Force Officers and the case was referred to the National Crime Agency for investigation. He was also carrying £6000 in cash which was seized under the Proceeds of Crime Act 2002. He has subsequently been given a 2 year custodial sentence and will be deported immediately afterwards serving this.

ASE STUDY

Op Tession

A multi agency operation involving Border Force and the PSNI's marine unit. Joint sea patrols were conducted along the NI coastline to target crime in the general maritime environment. During the operation various vessels were boarded at sea and 3 fishermen were found to be working illegally. All 3 were removed from the UK.

ASE STUDY

Op Outrun/Op Aidant

A series of multi agency operations involving Border Force and the PSNI's Modern Slavery and Human Trafficking Unit which targeted flights at Belfast International and Belfast City Airports. A number of referrals were made for further investigation.

Activity involved speaking to travellers as well as raising awareness around human trafficking modern slavery when travelling or in the local community. Leaflets were also distributed to passengers.

ASE STUDY

A 16 year old Lithuanian child arrived at Belfast International Airport from Vilnius alone. With limited English it was established that he was coming to Belfast to work in a car wash.

Officers spoke with a Lithuanian male in the arrivals hall who claimed to know the minor from Lithuania. He claimed his job was to pick up workers from airports and drive them to different car washes in Northern Ireland.

Officers had concerns about the minor's welfare as the adult could not provide them with reasonable answers to their questions. They referred the minor to Social Services who attended and took him into their care. The minor was refused admission under EEA public policy (to safeguard his welfare) and removed back to Lithuania to be with his family.

ASE STUDY

Op Boxed

A multi agency operation involving Border Force, the NCA and the PSNI targeting Class A Drugs and cash movements at Belfast City Airport, Belfast International Airport and Belfast Central train station.

Trains from Dublin were targeted to coincide with Belsonic music festival in Belfast for Class A Drugs and cash movements. Selected flights were targeted inbound and outbound for cash and Class A Drugs. Border Force and the PSNI also provided detector dog support.

Safeguarding the public

CASE STUDIES

A Lithuanian male arrived at Belfast International Airport from Vilnius and sought entry to live here. Checks revealed that the passenger had a severe criminal history in his home country of Lithuania and had served prison time for numerous offences.

He had previously resided in Northern Ireland in 2014. The PSNI had arrested and extradited him to Lithuania for charges of murder, robbery and theft. When the PSNI arrested him a taser had to be deployed to effect the arrest. He received a four year sentence for theft after the murder charge was dropped in Lithuania before being released on licence. He had a history of violence and links to organised crime groups in both Lithuania and Northern Ireland.

Given his history he was refused admission under EEA public policy for his criminal history, detained and removed back to Lithuania.

8 million cigarettes detected at Belfast Port - The detection was made after Border Force officers searched a 40 foot container that had arrived at the port from Singapore. The load was listed as bed linen with a delivery address in Co. Down but during the search officers discovered 40 pallets with a total of 800 boxes containing the cigarettes. The 'Richman' branded cigarettes which are often referred to as 'cheap whites' are produced and manufactured purely for smuggling.



In September 2017 Border Force officers examined a postal package destined for an address at Camlough, Newry. The package originated in the Netherlands. It was found to contain ten sealed packages of a green crystal substance which tested positive for MDMA and had a total weight of 9.96kg. One individual, a Lithuanian national, was arrested and subsequently charged with the importation and supply of a Class A controlled drug. He pleaded guilty in June 2018 and was sentenced to five years, half of which will be served in prison, the remainder on licence. He also faces deportation of the UK at the end of his jail term.



Cash seizure at a parcel depot

During a routine examination of a parcel, Border Force officers detected €6,600 being sent to an address in Portugal. The Customs declaration attached to the package declared the contents to be a passport.

Officers found it contained cash in €50 notes wrapped in carbon paper, Border Force seized the cash under the Proceeds of Crime Act 2002 and the matter was referred to the National Crime Agency for further investigation.

Investigations revealed the sender had previous cash seizures and links to heroin smuggling to the UK and the Republic of Ireland. Following a contested hearing, a Judge subsequently ordered the forfeiture of the cash.

FORWARD LOOK

The emergence of violence on NI streets where offensive weapons are being used in attacks has prompted Border Force to actively target known import routes for such weapons.

The majority of weapons (eg knives and knuckle dusters) detected have come from passengers arriving from Bulgaria where the weapons are openly on sale in the popular holiday resorts. Other routes have included Poland and Spain.

Seizures of weapons have been passed to the National Crime Agency for further investigation and in some cases prosecution of individuals.

How we can... protect our borders against crime.

If you see anything suspicious about where, when or how a vessel and crew are operating, REPORT IT.

-  Call Police 101, quote "Kraken".
-  Contact Crimestoppers anonymously on Tel 0800 555 111
-  Or in an emergency call Tel 999

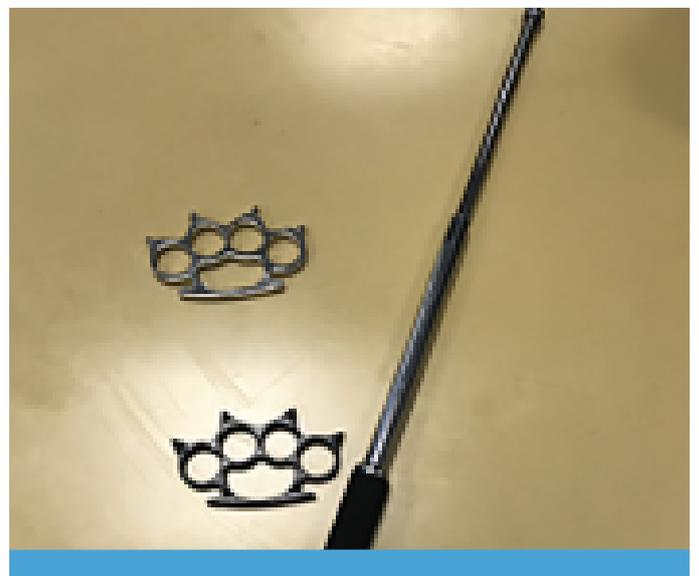


CASE STUDIES

Fake Urban Decay sets seized

A consignment of fake make-up brushes was seized by Border Force officers at a local parcel depot. The make-up sets, carrying the brand name Urban Decay, came with different size brushes retailing from £20 – £24 per brush. There were 9000 brushes seized with an estimated value of £200,000. The fake goods were discovered when officers examined a parcel sent by airfreight from the Far East to a residential address in Co Londonderry.

Once suspected counterfeit items are seized, Border Force works with the owners of big brands to establish whether or not goods are genuine.



2.6 CRIMINAL FINANCE

THE THREAT

Economic crime covers a broad range of criminal activity involving money, finance or assets including fraud and money laundering, where criminals benefit from the proceeds of their crimes or invest in further criminal activity. It poses a significant threat to individuals, businesses, financial systems and the economy.

Money Laundering

Money laundering is a key enabler of organised crime and is a strategic priority for the PSNI. To help combat the significant threat posed by the availability of criminal financing, Economic Crime Unit work closely with the Organised Crime Unit and others to ensure that all identified organised crime groups are subjected to a financial investigation. These investigations seek to uncover any evidence of money laundering and identify any criminal assets suitable for restraint and confiscation.

Money Mules

There are a number of methodologies used by criminals to launder the proceeds of their criminal activity. In recent times the use of 'mule' accounts has come to the fore. The 'mule' process involves a person's bank account being used to receive monies that have resulted from a criminal act e.g. a fraud perpetrated against a victim somewhere in the United Kingdom or the Republic of Ireland. The money stolen from this victim is transferred into the 'mule' account in Northern Ireland where it is withdrawn and transferred back into the hands of criminals, with the account holder in most occasions being paid a 'fee' for the use of their account. Those participating in this activity see it as low risk, low harm and an easy way to obtain cash, however by becoming a 'mule' the individuals are laundering the proceeds of crime which is a serious offence and if convicted 'mules' can get a maximum sentence of 14 years in prison. The use of

'mule' accounts is becoming a growing issue within the world of organised crime, with a number of suspects identified as having links to paramilitary groupings.

Scams

The PSNI works in partnership with numerous organisations, through the ScamWise Partnership, to tackle the growing number of scams and educate the public in the latest methods used by offenders.

Computer Software Fraud

Computer software service fraud continues to be one of the main fraud types seen in Northern Ireland. 220 incidents were reported during 2017/18 compared to 376 during 2016/17, however, this is still greater than 2015/16 and it appears that the 2016/17 figures may not have been in line with the expected trend. This scam involves persons purporting to be from legitimate companies, contacting victims via telephone claiming that there is an issue with the victim's computer or broadband service which they can fix for a fee. Victims are asked to provide remote access to their computer which may enable malware to be installed, or they may be directed to a payment site. There have also been instances where offenders have told victims that they are entitled to a refund or compensation, but have been overpaid and need to reimburse the overpayment to the company. As no original payment was ever made the victim is thereby defrauded of any monies paid.

ATMS

ATM skimming devices and card catching devices are also a recurring issue with sporadic reports throughout the year, often with multiple machines in the same town being targeted. These crimes can result in substantial financial loss to individual banks, and significant gains to the organised criminal groups who are fitting and monitoring these devices.

Fraud

During the 2017/18 financial year Action Fraud recorded a total of 3,581 offences compared with 3,170 in 2016/17, an increase of 12.9%.

The types of fraud most commonly being reported are as follows;

- **Online shopping and auction fraud –** Reports have been received that people are discovering a variety of problems with something they are buying or selling in an online auction or marketplace. Once the bidding has finished they find out that there is no way of returning the goods or having their money refunded, or they are not properly paid for something they have sold.
- **Computer Software Service fraud –** Bogus 'Computer Software Tech Support' phone calls are being made contacting individuals and telling them there is a problem with their device, or fraudsters asking for credit card information to 'validate your software'. Fraudsters often use the names of well-known companies to commit their crime as it makes their communication with the potential victim seem more legitimate.
- **Telephone fraud -** There have been a significant number of reports of telephone frauds. In particular, incidents where callers claim to be from BT or HMRC, claim the customer's account has been hacked, and ask for money to be transferred into a specified account.
- **Sextortion –** Recently there have been a large number of reports made to the Action Fraud Phishing Reporting Tool concerning a new type of sextortion email. Cyber criminals are sending victims their own passwords in an attempt to trick them into believing they have been filmed on their computer watching pornography and demanding payment. It is believed the passwords have been obtained through a previous

data breach. There is no information available to suggest that the suspects have any specific information that the potential victim has visited any such sites.

CONFRONTING THE THREAT: RESULTS

Many OCTF partners are engaged in responding to the risk posed by economic crime and in frustrating and disrupting criminal activity through freezing, confiscating and recovering criminal assets under the Proceeds of Crime Act 2002.

The UK's legislative, policy and operational frameworks for tackling money laundering and terrorist financing are currently subject to an ongoing Mutual Evaluation Review by the international Financial Action Task Force (FATF). OCTF partners have been working with UK Government authorities to ensure that the arrangements to tackle money laundering in place in Northern Ireland are effective and are properly reflected in the FATF Mutual Evaluation, which is expected to report in coming months.

OCTF partners are also working closely with counterparts in the UK Government and law enforcement agencies to keep pace with plans to reform and strengthen the response to economic crime, including the establishment of a new National Economic Crime Centre.

The PSNI's Economic Crime Unit (ECU) is the PSNI lead for the investigation of fraud and money laundering within Northern Ireland. ECU detectives are charged with the investigation of the most serious and complex frauds impacting on Northern Ireland and are the principle investigators of high-end money laundering. ECU investigations frequently have national and international linkages and require close and co-ordinated cross-jurisdiction working between PSNI and other law enforcement agencies and prosecuting authorities.

In addition to their investigative role ECU also provides PSNI with expert advice, guidance and investigative support on all economic crime related matters. This support is provided through a network of local ECU offices strategically located throughout the province and co-ordinated from a central ECU office located in Belfast. ECU Belfast also manage the Action Fraud provision to PSNI ensuring that all frauds impacting on Northern Ireland are accurately recorded and reported to Action Fraud so as to inform a more holistic picture of fraud offending in the United Kingdom.

In 2017 the PSNI's ECU established a dedicated team focused on restraining and confiscating criminal assets. In addition to actively pursuing all available opportunities to restrain and confiscate criminal assets, the Asset Confiscation and Enforcement (ACE) Team actively seek enforcement of existing Confiscation Orders, to further frustrate and disrupt criminal activity and prevent criminals benefiting from their ill-gotten gains. The ACE Team works closely with a number of PSNI teams, including the Organised Crime Unit and Modern Slavery and Human Trafficking Unit. By providing expert advice, guidance and investigative support the ACE Team helps these Units maximise opportunities to frustrate and disrupt organised criminality by depriving them of funding necessary for their criminal enterprises. The ACE Team also regularly works with partner agencies with the objective of helping them identify, restrain and confiscate criminal benefit.

The work of the ACE Team allows funds recovered from criminals to be repurposed and used by law enforcement to further combat organised criminal activity.

Since the implementation of the ACE Team there has been:

- a 150% rise in the number of restraints put in place by the ACE team compared to the 2016-2017 year.
- a 50% rise in the number of confiscation orders granted by the courts compared to 2016-2017 year.

The PSNI's ACE Team regularly works with partner agencies to assist in identifying all assets belonging to defendants.

To that end the team continue to work with Wilsons Auctions and PSNI Vehicle Liaison reviewing all vehicles seized under PACE and POCA legislation now removed from recovery yards and held at Wilsons for valuation and safe keeping.

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

In 2017/18 PSNI were responsible for 21 confiscations with a total of £465,344.09 and 63 cash seizures amounting to a total value of £328,895.75.

CASE STUDY

OPERATION KRAKX

Operation Krakx is an investigation into an individual who is believed to have significant links to both domestic and international OCGs. The offences currently under investigation include fraud, money laundering and offences under the Representation of the People Act 1983.

The investigation involved Officers from:

- Police Service of Northern Ireland
- Her Majesty's Revenue and Customs
- National Crime Agency
- An Garda Síochána
- National Economic Crime Bureau
- Criminal Assets Bureau

The Police Service of Northern Ireland made substantive progress in this investigation, including the seizure of assets in Northern Ireland and the restraint of both cash and property. Evidence obtained in this investigation linked the suspect to multiple fraudulent applications using assumed or fraudulent identities with banks and other organisations and to the laundering of suspected proceeds of crime through bank accounts belonging to shell companies. A file has been submitted to the PPS for their consideration and the suspect is on police bail.

CASE STUDY

OPERATION FORTINBRA

Officers from Border Force intercepted a package being imported from Spain with 5 kilos of herbal cannabis; PSNI conducted searches of properties and identified the suspect involved. The suspect in this case was prosecuted for drugs offences.

Enquiries conducted by the financial investigator identified a substantial amount of payments were being paid to the suspect for a period of 7 years. Police liaised with Northern Ireland Housing Executive who provided an evidential package relating to housing benefit fraud. It was confirmed the suspect was receiving housing benefit for properties he was living in during this time.

The suspect pleaded guilty to drugs offences, housing benefit is also being pursued by Police. A confiscation investigation was completed, which included the housing benefit fraud of £39,000.00. On 29 June 2018 a confiscation order was granted for £102,059.48, with the suspect having assets of £50,000.00 to pay towards the order.

CASE STUDY

OPERATION CARRIT

Operation CARRIT was initiated as a high-end money laundering and fraud investigation, relating to the use of fraudulently obtained bank accounts to launder criminal assets. This investigation relied upon law enforcement co-operation between the PSNI, National Crime Agency, Her Majesty's Revenue and Customs, An Garda Síochána, Criminal Assets Bureau (CAB) and the Irish Revenue Commissioners, and involved numerous cross-border meetings to develop the investigation. This co-operation allowed the investigation to be scaled and targeted appropriately, thereby better meeting the investigative challenges and avoiding investigative creep. The investigative phase of the operation has now concluded and in addition to criminal intervention against the subject, a number of associates, who were identified during the course of the investigation, are currently under consideration for potential Civil Recovery intervention under the Proceeds of Crime Act 2002.

NATIONAL CRIME AGENCY

THE THREAT

NCA works closely with the Police Service of Northern Ireland (PSNI) and other law enforcement agencies to reduce the impact of serious and organised crime on the communities of Northern Ireland with operational activity set out under three threat areas: vulnerabilities, prosperity and commodities. NCA's work to investigate and respond to economic crime falls under the prosperity threat area.

ASE STUDY

Operation PUMPLESS is an NCA-led investigation into allegations of financial irregularities and corruption arising from the sale of the Republic of Ireland's National Asset Management Agency's Northern Ireland loan book. As of 31 March 2018, the NCA had interviewed nine people under criminal caution and nine remain under criminal investigation. The NCA has interviewed 62 witnesses, some more than once and obtained a number of Court Orders to gather material from public and private institutions nationally and internationally.

The investigation continues to receive large amounts of digital material and expects to receive further significant amounts in forthcoming months. This material will require a considerable amount of investigative effort in the months ahead.

The NCA submitted a file to the Public Prosecution Service of Northern Ireland for charging decisions in respect of two suspects in this complex investigation.

ASE STUDY

An alleged fuel launderer and cigarette smuggler offered three properties – two in Northern Ireland and one in Nottingham - by way of settlement in a long-running civil investigation into his assets

ASE STUDY

The UK Financial Intelligence Unit (UKFIU) in the NCA received a Defence Against Money laundering (DAML) request from a reporter to release funds amounting to more than £40,000. The reporter was suspicious that the subject was committing fraud. The UKFIU liaised with PSNI and, using its power under POCA, refused the DAML and a restraint order was subsequently obtained.

ASE STUDY

PCTF's Operation ATTINA is a PSNI referral relating to property associated with the alleged head of a Republican Paramilitary Group. On 11 January 2018 the High Court in Belfast granted an application for a Property Freezing Order (PFO) under the Proceeds of Crime Act 2002. The property frozen is subject to a civil recovery investigation and the Order prohibits anyone from dealing with or dissipating the value of the property while the investigation continues. The property is valued at around £150,000 gross.

SOCIAL SECURITY BENEFIT FRAUD

CONFRONTING THE THREAT: RESULTS

Counter fraud activities within the Department for Communities (DfC) remain a high priority.

During 2017/18 the Department's Single Investigation Service carried out 3,092 benefit fraud investigations. During the same period there were 316 convictions for benefit fraud, 5 formal cautions, and 360 Administrative Penalties (similar to a fine) imposed.

The Organised Fraud Unit (OFU) within Benefit Security Division (formerly Single Investigation Service) investigates any incidence of potential organised criminality against the benefit and National Insurance Number (NINO) systems. During 2017-18 the OFU completed investigations on 175 serious and complex fraud allegations and raised overpayments totalling £1.2m. The Unit is currently engaged in a number of on-going complex cases across Northern Ireland.

The focus on identity fraud has continued in 2017/18 and OFU continues to undertake various assurance exercises in order to assess any potential risk associated with hijacked identities. OFU investigates and disrupts the activities of criminals in order to mitigate these potential risks to the Department's systems. During 2017/18 these exercises and activities involved:

- Examination of false employment documents provided as evidence to support claims to Social Security Benefits either as proof of low income for Housing Benefit and Tax Credits or to satisfy the Habitual Residence Test.
- Issuing of Intelligence Reports to other Law Enforcement agencies in order to detect and prevent criminality.
- Multi Agency Joint Operations and Investigations with our partners aimed at disrupting criminals who seek to exploit the NINO Gateway and the Social Security system through hijacked identities, counterfeit documents and identity fraud.
- Joint operations with partner law enforcement organisations to identify individuals in receipt of benefit under an assumed identity. Or those who have circumvented the NINO Gateway with a false identity in order to avoid prosecution or deportation.

The OFU continues to build and maintain close working relationships with other law enforcement agencies. These led to joint operations with PSNI, HMRC, Gangmasters and Labour Abuse Authority, and the Home Office. These joint operations have allowed for the sharing of intelligence and disruption of criminality.

The OFU maintains a close working relationship with colleagues from both the Department for Work & Pensions and the Department of Employment Affairs and Social Protection with regard to possible cross border benefit frauds. During 2017-18 the Department investigated a total of 16 cases with an element of cross border fraud, uncovering overpayments amounting to £193,000.

ASE STUDY

Working with colleagues in the Department for Communities Financial Investigation Unit, an allegation was received by the OFU that an individual was claiming means tested and disability benefits but owned several properties and had capital in excess of £100k. None of these had been declared to the Department. A thorough investigation was conducted using all appropriate avenues including directed surveillance and the acquisition of financial documentation. The individual was interviewed under caution and admitted to the ownership of four properties and to working as a builder which contradicted his declared disability. Overpayments amounting to £49,746 were raised. A file was forwarded to the PPS and the defendant was found guilty of fraudulently obtaining benefits. The defendant was sentenced to 18 months imprisonment suspended for 2 years to run concurrently. A Compensation Order was granted in favour of the Department for £46,521.78 which was subsequently paid in full by the defendant.

Confiscation / Incentivisation

During 2017/18, Single Investigation Service referred 150 cases to the DfC's Financial Investigation Unit (FIU) for consideration. During the year the FIU secured 22 Confiscation Orders to the value of £349,668 and received voluntary repayments amounting to £139,768, giving a total recovery of £489,436.

During 2017/18, £211,863 was paid to the NI Court Service in respect of Confiscation Orders obtained by the Department (during this and previous years); this earned incentivisation of approximately £47,500.

ASE STUDY

Confiscation

The Financial Investigation Unit obtained a Confiscation Order for £109,543 against a woman who failed to declare that she held monies in excess of £60,000 in her bank accounts whilst claiming social security benefits. The woman claimed benefits on the basis she was a lone parent with no savings and no other source of income. Assets identified by the Financial Investigation Unit included various high value tainted gifts.

Confiscation

The Financial Investigation Unit obtained a Confiscation Order for £25,116 against a woman who failed to declare that she was living with her partner, that she held capital in excess of the statutory limits and that she was working as a self-employed fitness instructor whilst claiming social security benefits. The woman claimed benefits on the basis she was a lone parent with no savings and no other source of income. Assets identified by the Financial Investigation Unit included equity in the defendant's home, a vehicle and substantial tainted gifts.

2.7 INTELLECTUAL PROPERTY CRIME

Intellectual Property Crime (IPC) is any breach of intellectual property rights and, as such, a crime is committed when someone manufactures, sells or distributes counterfeit or pirated goods, such as patents, trademarks, industrial designs or literary and artistic works for commercial gain.

THE THREAT

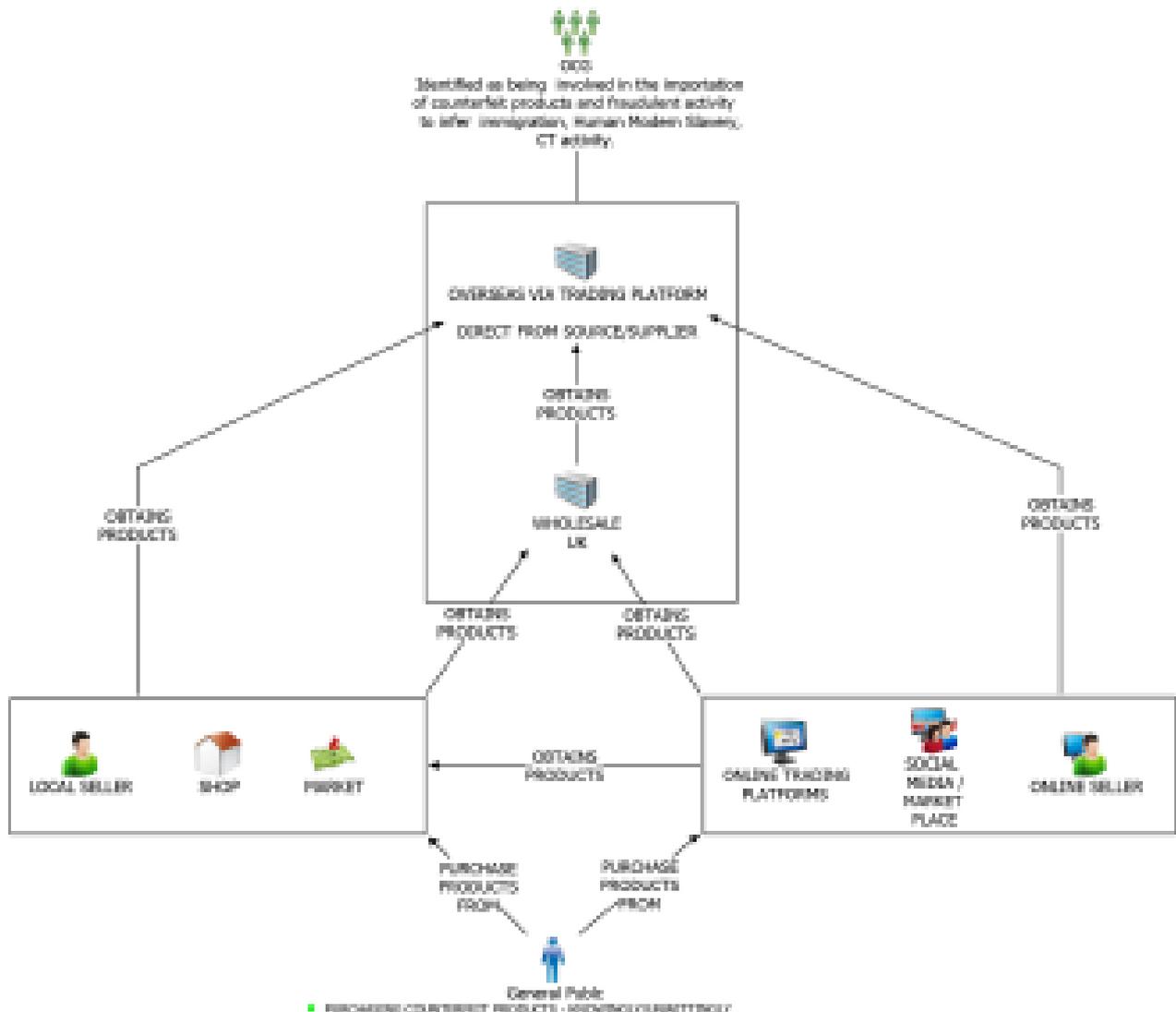
The sale of counterfeit goods is often seen as a small crime with limited impact. Consumers buying these products may see the sub-standard materials and replica logos as a small price to pay for cut price designer brand products. However behind this innocuous façade is the reality of the harm that IPC does to individuals, communities and legitimate

businesses, through substandard or dangerous goods, lost revenue and through financing wider criminal activity.

Impact on the Community

- Substandard products are produced which may be dangerous for consumers.
- Effects economic growth, stifles investment and reduces the creation of wealth.
- Crime groups use the profits to finance other illegal activities such as drugs and human trafficking.

The chart below shows how purchasing counterfeit products is ultimately funding an organised crime group (OCG):



In 2017/18 there was no change to the most common types of counterfeit goods seized in previous years. These include clothing, alcohol, cosmetics, sunglasses, handbags, footwear, DVDs, CDs and electrical items.

The scale and distribution of IPC continues to grow through the use of the internet, with goods frequently advertised for sale via social media, auction sites, and online classifieds. There are thousands of web sites dedicated to the sale of counterfeit goods. While these websites often give the impression of being secure and trustworthy, by using these sites and providing their personal and banking details, consumers are leaving themselves open to becoming victims of identify fraud or having their devices compromised by malicious software and potentially used for other types of criminality all without their knowledge. This again is evidence of the digital footprint of most crime types. Products can be purchased from physical markets/suppliers as well.

Many counterfeits can be a health risk. A bargain could well turn into a costly mistake to the individual. Toxic substances have been found in counterfeit toys. As an example, the Intellectual Property Office (IPO) circulated an awareness bulletin regarding the imports of fake dolls deemed as the 'must have toys for Christmas 2017'. Safety tests were carried out that identified harmful toxins that could cause damage to a child's internal organs, seizures of which were reported in Northern Ireland during December 2017. Consumers have had serious skin reactions to counterfeit cosmetics - while fake electronic goods such as chargers, batteries and phones pose a risk of electric shock or fire.

The issue of Internet Protocol Television (IPTV) remains one of the main IPC concerns in Northern Ireland with homeowners purchasing various forms of "boxes" to stream digital TV channels, box sets and films, instead of entering into a contract and paying a monthly subscription to a registered broadcaster.

CONFRONTING THE THREAT: RESULTS

In December 2017 the PSNI, with HMRC and other OCTF partners carried out a day of action which involved targeting the sale of illegal streaming devices. A total of 19 searches were conducted across the country and a number of arrests were made. Quantities of streaming devices were seized and Sky estimated a total loss of revenue of approximately £46,800 for the seized devices. Searches were conducted across the country and a number of arrests made. In addition to the streaming devices seized, ten properties were visited in conjunction with HMRC. HMRC Officers seized 232 Cigars, 2.9 kg Hand Rolling Tobacco and 6,790 cigarettes. The duty-evaded figure was estimated at £3,600.

A number of successful prosecutions and custodial sentences for the sale of illegal streaming devices have already been seen in GB, however to date there have been no such successes in Northern Ireland.



CASE STUDIES

ILLEGAL ANDROID TV

Sky provided PSNI with information regarding illegal sellers and the investigation targeted the unlawful use and supply of pre-loaded android TV boxes that enable users to unlawfully access satellite television streams online including "Sky TV", "Virgin Media" and "BT Sport".

As a result of information gathered by Sky, PSNI identified a business unit in Belfast, selling pre-loaded android boxes. Android boxes were also being sold on a website linked to the same male. A Sky Investigator conducted two test purchases and determined that they had been sold two illegal pre-loaded boxes. Following these test purchases and a statement by Sky, PSNI carried out searches at three addresses, linked to one suspect. The searches led to the seizure of 57 boxes, a quantity of cash estimated at £5,000, signage for the business, paperwork and CCTV. The male was subsequently arrested and charged with conspiracy to defraud, possession of articles for use in fraud and making items for sale, which infringe copyright. Sky has confirmed

that the total for a subscription would be £936 per box, therefore approximately 50 boxes totalled £46,800.

Another seller, working out of Londonderry was identified and two searches were carried with approximately 12 boxes seized and one arrest made. The case has now been submitted to the Public Prosecution Service. Two Belfast addresses linked to the operation in Londonderry were searched and paperwork, mobile phone, two computers and a Sky viewing card were seized. Interviews were conducted with one male and the investigation is still ongoing. This seller was assessed to be one of the largest sellers, and having withdrawn all of their visible presence from the market place, this has caused significant disruption to their operation. It has also resulted in substantial developments of the intelligence picture and will result in further actions and disruption.

This operation highlighted the benefits of partnership working, both internally and externally. As a result another day of action is planned for September 2018.

How we can... recognise fake goods:

Price is usually a good indicator as to whether goods are likely to be counterfeit.

IF IT LOOKS TOO GOOD TO BE TRUE, IT PROBABLY IS!

Be wary about buying branded goods particularly online and outside of usual retail premises. Markets, fairs and car boot sales are prime locations for counterfeit goods, as is social media.

Consumers should always be circumspect about buying branded goods.

Many counterfeits are difficult to spot but for goods that consumers are able to inspect first hand, consumers should look out for poor packaging, bad spelling or printing, photocopied instructions and lack of regulatory markings.

Online, photographs of genuine items are used to promote items but the delivered goods may well be counterfeit.

To report the sale of suspected counterfeit goods, contact:

 Consumerline on 0300 123 6262

 Action Fraud on 0300 123 2040 or

 www.actionfraud.police.uk.

TRADING STANDARDS SERVICE

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

Ongoing criminal investigations, as well as a robust education and awareness-raising policy, has brought the problem of scams to the fore of the public's attention. TSS continues as a member of the UK Mass Marketing Scams Group which shares intelligence and helps formulate policy on protecting vulnerable consumers in the UK from being caught out by sophisticated and extremely detrimental scams.

The group contains members of all the major enforcement bodies such as the TSI National Scams Team, The Competition and Markets Authority, NCA and Regional Scambusters.

CONFRONTING THE THREAT: RESULTS

In 2017/2018 pro-active work to combat mass marketed scams included:

- involvement in ScamwiseNI with the PSNI, DoJ, Commissioner for Older People, the Consumer Council and Age Sector Platform. Publicity is given on websites and in the media and by advertising about ScamwiseNI and particular campaigns are launched targeting scams. Individuals who have been scammed have come forward and videos made of how they have been scammed and the impact on them;
- work with advertisers to try and stop scammers from posting adverts;
- actively participating in the COSLA / NTSST initiative involving the training of local Royal Mail staff which will enable postal workers to identify scam posts and make referrals to their internal security team. These referrals help the TSS to identify potential scam victims;
- presenting at major charity/government events to local community groups on the issue of mass-marketed scams;
- meetings with a wide range of organisations/stakeholders to highlight the detriment caused to citizens by scams e.g. PSNI, church leaders, Health and Social Care Board, Safeguarding Teams in the Health Care Trusts, Older Persons Commissioner's Office, carer

- groups, the Rural Community Network, Dementia Care and others;
- identifying opportunities for a more joined-up working approach to combating scams e.g. TSS has been working with local Crime Prevention Officers as it appears that scam victims are also targeted by rogue doorstep traders;
- undertaking educational work with social workers, carers, dementia groups to help them identify a scam victim. This has already proven to be very worthwhile in that scam victims have been identified by care workers. This has resulted in referrals to TSS that has enabled the service to provide the victims with one to one advice and to persuade them to stop responding to scam mail;
- contributing to the PSNI initiative to produce 'No Cold Calling' Stickers. The display of such stickers is to prevent a person from becoming the victim of a rogue doorstep trader; and working with the National Trading Standards "Friends Against Scams" campaign in presenting talks to a variety of partners and in publicising on local television; and



- assisting the National Scams Team by participating in a pilot project relating to the use of 'call blockers' as a means to disrupt telephone scammers (These are

devices which block scam phone calls while allowing legitimate callers to get through);

- working closely with PSNI officers to thwart the activities of rogue doorstep traders and bring them before the courts.

Trading Standards Service has also been carrying out seizures of counterfeit goods. Investigations are ongoing with outcomes that may result in prosecution in a number of cases. Among the items seized in respect of trade mark abuse last year are:

- children's toys;
- phone covers;
- jewellery; and
- Easter eggs.

TSS works with other law enforcement agencies and OCTF partners to carry out seizures and share intelligence, ensuring that the most effective action is taken against the rogue traders. This includes visits to outdoor markets. TSS also continues to work closely with trade mark holders and licensees in gathering intelligence and information for prosecutions.

How we can help... protect ourselves and our families from scams.

If you can spot a scam, you can stop a scam!

For help and information or to report a scam visit the scamwise website:

nidirect.gov.uk/campaigns/scamwise

2.8 ARMED ROBBERY AND EXTORTION

THE THREAT

Cash-in-Transit (CIT) attacks

CIT attacks have now become extremely uncommon in Northern Ireland. This is believed to be largely due to increased security measures, as well as partnership working between CIT companies and law enforcement. With more people now using online services and fewer people carrying cash, CIT robberies have also become high risk, with minimal reward. As such, organised crime groups may have moved into other areas of criminality.

There were no successful CIT attacks in Northern Ireland during the 2017 calendar year, the first time there have been no incidents recorded since 1998. There were two attempted CIT attacks in 2017, one in January and one in July, however thanks to processes in place by the security firms, the offenders were unsuccessful and no cash was stolen. Such attacks present serious dangers and are potentially life threatening and the PSNI and relevant partner agencies remain vigilant with guidance procedures in place to deal with any future incidents.

Physical ATM Attacks

During the 2017 calendar year there were four physical attacks on ATMs in Northern Ireland. The incidents were spread across the year and stretched throughout the country, however they were mainly concentrated in more rural locations. At least one incident appears to be linked to a series of attacks which have continued into 2018. These attacks are quite sophisticated in nature and involve a relatively high level of organisation. The incidents have also been spread throughout the more rural areas of the country with entry gained to premises and standalone ATM's broken into using various machinery. These attacks have resulted in relatively large amounts of cash being stolen and the PSNI believe more than one organised crime group to be involved.

ATM gas attacks and Black Box attacks continue to occur throughout mainland UK and the Republic of Ireland but they have so far not been seen to the same levels in Northern Ireland.

Tiger kidnaps

Similar to CIT attacks, tiger kidnappings have become extremely rare in Northern Ireland. Levels have been significantly reduced since 2012 and there were no incidents during 2017, the second year in a row that no incidents were recorded.

Extortion

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

Offenders are continually utilising the internet and social media sites to carry out offences. Businesses are being extorted by way of ransom demands placed on them via

ransomware attacks. Individuals are being extorted as a result of activity they have engaged in via social media, webcam or chat platforms. Sextortion is the term used to refer to the broad category of sexual exploitation in which victims are persuaded to perform intimate acts on camera and the then threatened release of these images or information is used as a means of coercion to get victims to pay the ransom demands. Official figures are not available for the number of sextortion incidents in Northern Ireland however during the past year reports have been received on a regular basis. This is also believed to be a highly under reported crime type with victims too embarrassed to report and some often paying the ransom so therefore it is likely much more of an issue than any figures would suggest.



2.9 PUBLIC SECTOR FRAUD – EXCISE AND TAX

HMRC's Fraud Investigation Service (FIS) is responsible for Department's civil and criminal investigations into the most serious tax evasion and fraud. FIS is home to a wide range of people with a variety of skills and professional backgrounds – including accountants, cybercrime specialists, criminal justice professionals, tax professionals and operational delivery support teams to name but a few. HMRC uses a range of powers and approaches to protect funding for UK public services, investigating the most harmful tax cheats and ensuring nobody is beyond our reach.

FIS strategic aims are to tackle evasion and maximise revenue by bringing together civil and criminal capability and powers to:

- Focus on the wealthy, corporate customer segments and manage the offshore risk
- Tackle fraud amongst individuals and business customers
- Tackle organised criminals to protect revenues and deliver prosecutions to maximise impact.

THE THREAT

The UK tax gap is at its lowest for 5 years. However it still represents an estimated £33 billion in uncollected taxes; money needed to fund UK services.

CONFRONTING THE THREAT: RESULTS

In the financial year 2017/18, FIS Northern Ireland prosecuted 73 people for a range of criminal offences relating to income tax and PAYE fraud, excise evasion, falsely claiming tax credits and associated offences under the Fraud Act 2006 and money laundering legislation. In addition £148,705 was seized with £110,520 and €40,817 from that year and previous years' seizures forfeited under Proceeds of Crime legislation.

Compensation Orders totalling £616,965 were granted in favour of HMRC and there were 74 civil investigation settlements with a tax yield including deliberate penalties of £38.4 million.

How to report...

The new hotline to report fraud or tax evasion is

 0800 788 887

CASE STUDIES

TAX EVASION

1. In June 2017, following an HMRC investigation into VAT fraud, an ex-member of HM Customs and Excise was sentenced to 16 months imprisonment (8 months served in custody and 8 months on licence). The Co Tyrone man had been charging VAT for goods but not declaring sales to HMRC resulting in the accumulation of over £170,000 in lost revenue. He had initially been interviewed by HMRC civil teams but had failed to co-operate with the investigation so FIS adopted the case for criminal prosecution.
2. In May 2017, Omagh Crown Court granted a Compliance Order against a Co Tyrone farmer, ordering him to pay £392,000 to HMRC or face a 3 year prison sentence. This followed an investigation into Value Added Tax fraud dating back to 2005. This was the first Compliance Order granted for an HMRC investigation across the whole of the UK.
3. In March 2018, a building contractor and publican from Co Down was found guilty of suppressing records of sales in order to defraud the public revenue of approximately £458,600. This was the first prosecution in NI where the individual was made an offer to settle his tax affairs on a civil basis under Code of Practice (COP) but, when he stopped engaging in that process, was referred for criminal prosecution. Following sentencing at Crown Court, the Director for Public Prosecutions referred the Crown Court judgement to the Appeal Court for consideration of unduly lenient sentencing under the 2013 Criminal Justice Act amendment. Details of the DPP referral and outcome are provided on page 59 of this Annual Report.
4. During an investigation into tax evasion and money laundering, HMRC established that a Co Fermanagh ice cream salesman had financed the purchase of 3 properties in Enniskillen using cash derived from the non-payment of tax, at a cumulative cost £245,000. He had purchased the properties using his daughter's name without her knowledge and had further accrued over £40,000 in rent, without declaring any of this to HMRC. In February 2018, Dungannon Crown Court handed down a sentence of 32 months suspended for three years. HMRC is currently pursuing restitution of the revenue loss through the courts.

Tobacco Fraud

UK Tax gap: £2.5 billion

The Threat

The threat from OCGs smuggling counterfeit cigarettes into the UK remains the highest threat to HMRC in terms of tobacco fraud. The number of illicit production facilities reported as producing counterfeit cigarettes for the UK market remains at a high level.

The recent raid on an illicit cigarette factory in the Republic of Ireland demonstrates the capability of Organised Crime Groups (OCGs) known to be facilitating this type of fraud and their intent to supply the UK illicit market with large volumes of counterfeit cigarettes. This factory was known to be producing counterfeit cigarettes solely for the UK market, with seizures of cigarettes throughout the UK from 2015 linked to this factory.

Furthermore, recent intelligence suggests that there have been, or currently are, counterfeit factories known to be targeting the UK market from the near continent and former Balkan states. Whilst investigations and further intelligence development continues, it is clear that the intent to supply the UK market by OCGs operating across the EU remains.

The threat from OCGs smuggling “cheap whites” cigarettes produced from Eastern European countries and the UAE continues. There have been a number of seizures of

cheap whites at the UK border including, in February 2018, the seizure of 8 million Richman cigarettes in Belfast port in a container originating from Singapore. Intelligence suggests that illicit tobacco products continue to be imported, distributed and sold in Northern Ireland by OCGs based in Northern Ireland, mainland UK and Ireland.

Tobacco products continue to be imported into Northern Ireland via postal services and fast parcel post in packages varying from 200 to 1500 cigarettes and up to 1.5kg of hand rolling tobacco.

ASE STUDIES

1. In July 2107, following an HMRC investigation into excise evasion, a European Arrest Warrant was executed against a Co Cork resident who had been caught with 200,000 counterfeit cigarettes in his van on the M2 motorway back in July 2012. Despite an appeal against extradition to the High Court in Dublin, the Cork man was handed over to the PSNI authorities by An Garda Síochána in February 2018 and then HMRC Officers arrested him. In March 2018, a sentence of 6 months custodial, reduced to 4 months, was handed down with the Judge stating that ‘the sale of counterfeit cigarettes undermines legitimate trade, are often sold to children and have health consequences due to the lack of quality control.’
2. Several cross border interventions in August and September 2017 resulted in 3 arrests, along with the seizure of over one million cigarettes, 94.5kg of hand rolling tobacco (HRT) and various vehicles, cash and other assets including jewellery. Over £400,000 of assets remain subject of a Restraint Order issued in Northern Ireland under the provisions of the Proceeds of Crime Act. HMRC are preparing prosecution files in respect of the interventions in Northern Ireland and continue to liaise with international law enforcement agencies to identify the network used to smuggle the illicit tobacco products into the UK and Ireland.
3. In October 2017, HMRC officers carried out a search of a mailbox in a postal hub in Newry following the interception of a number of packages containing Chinese branded cigarettes. More cigarettes were found during the search and one man was arrested as he arrived to collect the packages. Investigations established that this man had been using the postal system since 2016 to import cigarettes and hand rolling tobacco into various postal hubs across the island of Ireland. He appeared in court within a week of his arrest and the Judge ordered his immediate deportation to China.
4. In December 2017, HMRC officers seized 2 tonnes of illicit Hand Rolling Tobacco (HRT) during a planned search of commercial premises in Co Fermanagh, 1 man was arrested at the scene and 2 other individuals were arrested as part of follow up investigations into this importation. International cooperation into this OCG also led to the seizure of 190kg of cannabis with a street value of £2 million and nine arrests.



Oils Fraud

UK Tax Gap: £190 million

NI Tax Gap: £40 million

The Threat

The highest risks to the UK oils excise regime continues to be the laundering and straight misuse of rebated diesel and is estimated to cost the taxpayer in excess of £40 million in Northern Ireland alone. Other risks include fuel adulteration, creation of designer fuels and fuel smuggling between Northern Ireland and the Republic of Ireland.

Rebated fuels are subject to a lower rate of excise duty when they meet certain legislative criteria, such as diesel used for fuel in agricultural vehicles. If used for this purpose the difference in duty can be claimed, as a relief or repayment. Straight misuse refers to rebated fuels used directly in road vehicles without any kind of laundering treatment. Designer fuels have had their chemical make-up altered, such as the addition of lubricants and biofuel blends. This allows them to be declared as a product other than diesel although they are ultimately intended for use as road fuel.

HMRC works closely with partners across UK and Irish law enforcement agencies and

CASE STUDY

OILS CASE STUDY

In July 2017, in a joint operation with PSNI in Co Armagh, HMRC uncovered an underground bunker which contained an illicit fuel laundering plant. Entry to the bunker was concealed under concrete blocks and pallets of tyres. When the bunker was opened it was found to contain a 15,000 litre tank which was used to launder fuel. The plant is estimated to be capable of producing in excess of 250,000 litres of illicit fuel over a period of 12 months with the associated potential revenue loss of £530,000. Five vehicles along with the laundered fuel were seized by HMRC officers and two individuals arrested.

further afield to tackle fuel related criminality utilising a range of measures, including the chemical marker Accutrace, which is significantly more resistant to laundering. Work is also ongoing to identify emerging trends / diversification of fuel fraud.

Alcohol Fraud

UK Tax Gap: £1.3 billion.

The Threat

Alcohol fraud includes the diversion, smuggling and production of counterfeit alcohol. Diversion fraud remains the greatest risk to revenue. In diversion, alcohol loads (usually in HGV or container) declared on EMCS (Excise Movement Control System) are moved in a duty suspended state (UK taxes not yet paid) and diverted away from their declared destinations to supply illicit UK or NI markets without payment of tax. Often multiple loads are diverted using duplicate paperwork for one EMCS movement reference.

Criminals involved in alcohol fraud in NI use the same methods as in the rest of the UK. Illicit alcohol continues to be imported into, distributed and sold (often using off record sites) in Northern Ireland by OCGs. Illicit alcohol is predominantly sold in smaller retail outlets. OCGs may supply local NI retail as well as mainland UK, so illicit alcohol will pass through Northern Irish ports as it transits the UK or RoI to supply the NI market, or transit RoI/NI to supply the UK

market. As in mainland UK, counterfeit vodka continues to be produced and sold in NI. We have seen increasing 'off record' trading as fraudulent wholesalers fail to obtain approval under HMRC's Alcohol Wholesaler Registration Scheme (AWRS). On a smaller scale, we continue to see private sales of illicit alcohol from home addresses.

CASE STUDY

ALCOHOL CASE STUDY

In January 2018, a Co Fermanagh man was charged following the search of a residential property and discovery of a substantial alcohol production plant using a home-made still and a large amount of finished alcohol product and sugar. HMRC Officers seized over 2,500 litres of alcohol product along with an alcohol still, generator, 3 copper tanks, and multiple quantities of empty glass bottles and bottle caps. The man was subsequently sentenced to 12 months suspended for 2 years and has paid over £19,000 in respect of the assessed duty on the alcohol product.



2.10 ENVIRONMENTAL CRIME

THE THREAT

Waste crime is not a new phenomenon.

Those who engage in industrial or commercial illegal waste activity show no inclination to scale back such operations. What is new is the realisation as to the extent of harm caused by such activity to our environment, to human health and of the costs to the public purse in repatriating or removing illegally deposited waste.

CONFRONTING THE THREAT: RESULTS

The Northern Ireland Environment Agency (NIEA) cannot tackle waste crime and the issues surrounding it in isolation. The key to success in tackling the problem is engagement with the industry, OCTF partners, other environment agencies and planning authorities. The NIEA participates in the 'Five Nations Forum', (Republic of Ireland, England, Scotland, Wales and Northern Ireland) in order to share information, resources and spread good practice.

There is also significant ongoing work between Central and Local Government with the aim of managing municipal waste.

Between 1 April 2017 and 31 March 2018, NIEA secured 27 convictions against individuals and businesses carrying out significant illegal waste activities. Sentencing outcomes produced fines totalling £52,000 with a range imposed between £500 and

£6,500 and suspended terms of imprisonment.

In addition, NIEA secured one Confiscation Order in the sum of £15,571. This sum represents avoidance by the defendant of payment of gate fee at licensed waste facility, landfill tax and VAT (a loss both to the revenue and to legitimate licensed waste facilities). The reduction in the number and value of Confiscation Orders in this reporting year is explained by:

- (a) the earlier adoption of confiscation investigations at the outset of criminal investigations and also by the time taken to progress cases through the criminal justice process;
- (b) a number of cases where defendants have minimal assets or where defendants have presented themselves as bankrupt prior to conclusion of criminal proceedings and where to pursue confiscation proceedings would be a nugatory exercise;
- (c) the courts have adopted an approach in encouraging defendants to clean up illegal waste sites. Where such encouragement has produced positive outcomes, confiscation proceedings are abandoned as a consequence of the case of *R v Wya* [2012].

CASE STUDY

CONVICTION FOR BURIED WASTE

In January 2018, a Co. Tyrone individual was sentenced to 2 years imprisonment suspended for 3 years for keeping mixed domestic and commercial waste in a manner likely to pollute the environment or cause harm to human health.

The conviction and sentence followed discovery by NIEA officers of 318 tonnes of buried loose and baled Republic of Ireland waste in 2015. The defendant had sought to conceal his criminality within the confines of planning permission for the erection of a dwelling and gardens. NIEA's partnership with the Planning Service was key to this successful outcome.

Negotiations with the Republic of Ireland continue in an effort to secure repatriation of the waste under Transfrontier Shipment of Waste Regulations 2007.

CASE STUDY

A father and his two sons were given suspended prison sentences after they pleaded guilty to a number of waste offences in November 2017. The defendants pleaded guilty to waste offences at Londonderry Crown Court. The case involved the keeping of circa 5,100 tonnes of controlled waste in three areas of a farm where there was no authorisation in place. The waste included two areas of baled and loose commercial/domestic waste and a further area of waste in a yard at the farm which contained a mixture of inert construction and demolition waste and further non-inert wastes including plastics and treated wood. Waste had also been burned at a number of points across the site.

CASE STUDY

During May 2017 the Northern Ireland Environment Agency (NIEA) carried out a series of targeted actions to combat waste crime. During three specific days of action between the 17 and 19 May the NIEA carried out joint vehicle stop and check operations and waste site inspections working with Driver and Vehicle Agency (DVA) and Dublin City Council. These series of actions were planned to coincide with similar operations in the Republic of Ireland, Scotland and England. The road stop checks concentrated on vehicles carrying waste in the Newry area close to the border with the Republic of Ireland. Dublin City Council (DCC) also accompanied NIEA officers at port checks in Larne and Belfast.

CASE STUDY

FUEL LAUNDERING PLANT CO. ARMAGH

In October 2017, a confiscation order was imposed against a Co. Armagh individual in the sum of £15,571. The confiscation order followed earlier guilty plea to 24 charges relating to treating, keeping and depositing controlled waste. NIEA officers, supported by PSNI and HMRC discovered a fuel laundering plant together with associated hazardous fuel laundered waste. On 1 March 2018, the individual appealed the decision of the Crown Court in the Court of Appeal in Northern Ireland. The higher court refused leave to appeal.



FORWARD LOOK

Where defendants do embark on remediation/clear up of illegal waste sites and whilst Weymouth remains the applicable law, the benefits to the environment are obvious.

However where this is not the case or where sites have been cleared and yet no evidence produced of removal of waste to licensed waste facilities (to which gate fee, landfill tax and VAT must be paid, in addition to costs associated with removal), confiscation proceedings will continue to be rigorously pursued.

NIEA is proactively liaising with HMRC in respect of referrals or potential referrals to HMRC for consideration of civil actions against unlicensed landfill operators where it

appears that the imposition of civil penalties may have a more positive outcome than that which might be true of the criminal justice regime.

Challenges remain in obtaining evidence of the small number of people who damage our environment and undermine our economy by engaging in waste crime. NIEA encourages the public to report incidents of waste crime.

How we can... help protect the environment

Please report incidents of waste crime using the generic environmentalcrime@daera-ni.gov.uk email address or ☎ 02890 569453.



2.11 PROSECUTION DECISIONS

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

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

STATISTICS ON KEY OFFENCE GROUPS OF CASES BEFORE THE PPS OVER THE 2017/18 PERIOD ARE PROVIDED BELOW

Files Received with a complaint relating to the Relevant Offence Groups (based on Files Received between 01/04/2017 and 31/03/2018)

Offence Group	Number of Cases	Number of Suspects
Money Laundering	148	212
Controlling Prostitution	3	4
Child Prostitution	-	-
Drugs	4,081	4,625
Drugs (excluding simple possession)	888	1,163
Human Trafficking	5	7

"-" refers to a count of less than 3.

Files Received from NIEA or HMRC (based on Files Received between 01/04/2017 and 31/03/2018)

File Source	Number of Cases	Number of Suspects
NIEA	22	27
HMRC	22	60

Decisions Issued for offences relating to the Relevant Offence Groups (based on Most Serious Decision Issued between 01/04/2017 and 31/03/2018)

Offence Group	Indictable Prosecution	Summary Prosecution	Diversion	No prosecution	Total
Money Laundering	86	42	-	74	#
Controlling Prostitution	7	0	0	0	7
Child Prostitution	-	0	0	0	-
Drugs	255	2,743	903	512	4,413
Drugs (excluding simple possession)	211	285	42	262	800
Human Trafficking	5	0	0	-	#

"-" refers to a count of less than 3.

"#" refers to a number ≥ 3 which has been Suppressed to prevent disclosure of small numbers elsewhere.

Decisions Issued on Files from NIEA or HRMC (based on Most Serious Decision Issued between 01/04/2017 and 31/03/2018)

Offence Group	Indictable Prosecution	Summary Prosecution	Diversion	No prosecution	Total
NIEA	14	21	0	9	44
HMRC	25	12	0	6	43

UNDULY LENIENT SENTENCE APPEAL - SUCCESS

The DPP recorded an important success when they referred a case to the Court of Appeal as an Unduly Lenient Sentence due to the lack of exceptional circumstances to justify suspending the prison sentence.

The defendant had pleaded guilty at the Crown Court and had paid an amount of around £420K as compensation for the unpaid tax. The Judge imposed a suspended sentence and a fine of £15K. The Court of Appeal agreed the sentence was unduly lenient and there was no basis for

suspending the sentence. However, because the Court of Appeal in Northern Ireland takes into account the trauma for a defendant in being resentenced, known as 'Double Jeopardy', they decided not to send the defendant to jail, opting instead to increase the fine to £200,000. The judgment was important in that it confirmed that a suspended sentence was not appropriate in tax cases such as this and that where there is a non-custodial sentence any fine imposed should be approximately half the unpaid tax.



CHAPTER
ASSETS RECOVERY

3

ASSETS RECOVERY

Organised crime groups seek to make huge profits. They also need funds to operate and keep illegal enterprises going. Law enforcement agencies respond to this by relentlessly pursuing the proceeds of crime through asset recovery powers. This deprives criminals of illegal gains and disrupts criminal activity and further funding of crime. The legal basis for asset recovery work in Northern Ireland is the Proceeds of Crime Act 2002. Under this legislation, criminal assets can be confiscated. Money surrendered to the courts under subsequent confiscation orders is allocated to the Assets Recovery Incentivisation Scheme (ARIS).

ARIS funds are split 50-50. 50% of the total ARIS pot is shared between the agencies responsible for investigating, prosecuting and administering successful cases (see the table below) and 50% is allocated to projects to prevent crime or reduce the fear of crime, often delivered in community settings, under the Assets Recovery Community Scheme (ARCS).

The total value of criminal recovery receipts paid under confiscation orders during the 2017/2018 financial year in Northern Ireland was approximately £1.9million.

ASSETS RECOVERY INCENTIVISATION SCHEME

The table below sets out the value returned to each law enforcement agency and the

PPS and Courts Service under the ARIS scheme in 2017/2018.

Agency	ARIS Payments 2017/2018
Police Service of Northern Ireland (PSNI)	£289,606.43
HM Revenue & Customs (HMRC)	£21,459.69
Northern Ireland Environment Agency (NIEA)	£59,516.62
Department for Communities (DfC)	£47,716.59
Home Office Immigration Enforcement (HOIE)	£7,913.02
Public Prosecution Service (PPS)	£426,212.35
Northern Ireland Courts and Tribunal Service (NICTS)	£94,713.86
Total Paid	£947,138.56

During 2017/18 the agencies used their ARIS allocations for a number of purposes including:

- PSNI continued to provide funding for Civilian Financial Investigators and made a significant contribution to the Scamwise anti-fraud campaign which aims to educate people on the various types of fraud scams and help prevent them from becoming victims.
- NIEA utilised ARIS receipts to the value of £32,000 in the following ways:
 - Provision of specialist investigative interviewing training and investigative skills training for NIEA criminal and financial investigators.
 - NCA re-registration fees for financial investigators.
 - Provision of investigation case management software (including a number of technical support days) for a one year software Pilot.

- Asbestos Awareness training for NIEA criminal and financial investigators.
 - External Health & Safety training for NIEA criminal and financial investigators.
 - Provision of specialist equipment for NIEA criminal and financial investigators including interview recording equipment and cameras.
- The Department for Communities used the incentivisation monies to fund a Financial Intelligence Officer at EO11 grade and 1 Administrative Officer to undertake on-going employer data cleansing exercises.

ASSETS RECOVERY COMMUNITY SCHEME (ARCS)

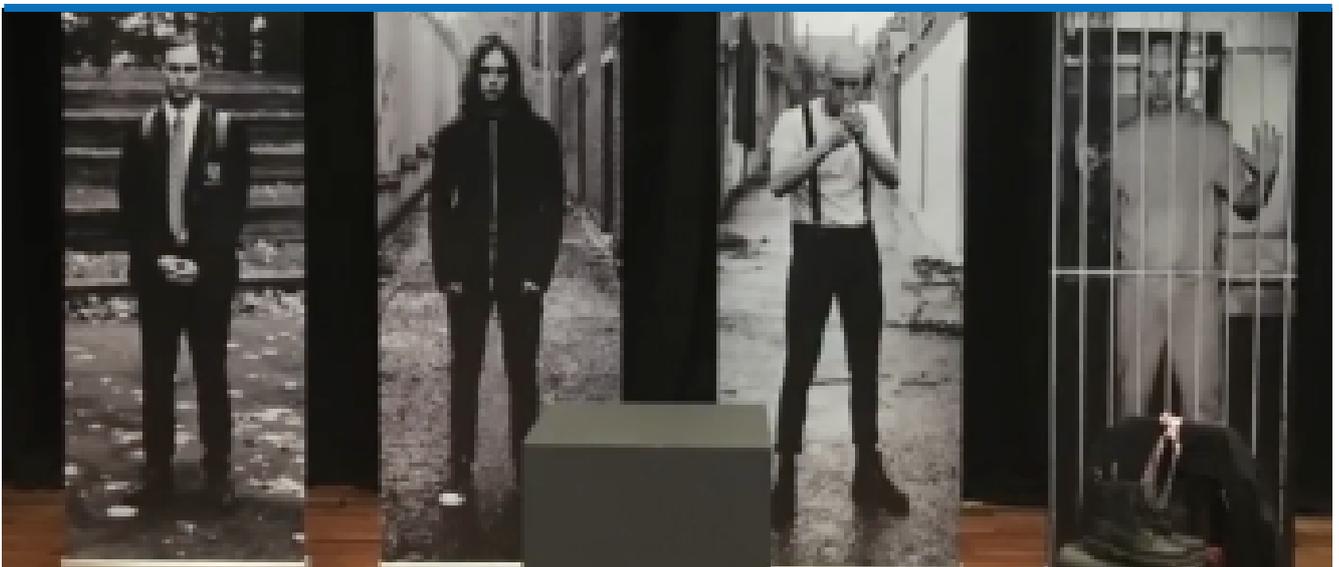
The Assets Recovery Community Scheme (ARCS) seeks to re-invest in projects to prevent crime or reduce the fear of crime. Projects supported through ARCS cover a wide range of topics including rehabilitation programmes, support for ex-offenders, awareness about issues like cybercrime, modern slavery and domestic violence.

A total of £861,448.49 was allocated to 35 projects through project supervisors including the NI Prison Service, Probation Board NI, NI Environmental Agency, the PSNI and Directorates of the Department of Justice.

Examples of some of the projects supported during 2017/18 are set out below and a comprehensive list of the projects funded can be found at Appendix 3.

Blackout

The Lyric Theatre toured schools, colleges, community groups and youth groups throughout Northern Ireland with their production 'Blackout', a compelling 30 minute drama designed to develop awareness in young people of the possible consequences of taking drugs and alcohol. After the performance current and former residents of Hydebank Wood spoke to the audience about the circumstances that led to their time in the young offenders centre. They answered questions on their experiences in a frank and open manner to educate the target audience of 16 years and upward on the dangers of getting involved in juvenile crime.



Motorcycle Awareness Project

Ulster Grand Prix along with Dundrod and District Motor Cycle Club delivered a 12 week programme designed to address the on-going anti-social problems and criminality connected with the illegal, damaging and dangerous use of off-road motor vehicles, predominantly motorcycles, in public places within the pilot areas of West Belfast and Lisburn. 12 participants successfully completed the course securing 5 certificates whilst gaining increased confidence and self-esteem, and crucially, recognising the impact of the danger of anti-social riding of off road motorcycles. The PSNI attended the majority of the sessions with a 'seized bike' for the participants to develop bike maintenance skills which has led to a positive change in the participant's attitude towards the police. Some of the participants are now competing locally and have become positive role models within their peer groups and local communities.



PAW NI

The Partnership for Action Against Wildlife Crime Northern Ireland (PAW NI) is a collective of Government and non-governmental bodies with strong links to wildlife management, conservation, sporting or countryside interests and animal welfare. Paw NI received funding to promote their primary aim of fighting wildlife crime through education and awareness. Paw NI partners attended numerous events throughout the year to educate the public on the economic drivers behind wildlife crime such as poaching and illegal trading in endangered species. Wildlife crimes, such as badger-baiting and the use of poisons and traps, can cause unnecessary pain and suffering. In addition, some of these methods are potentially dangerous to humans, such as the highly toxic illegal pesticide caborfuran- a few grains of this could kill a child.



APPENDIX



APPENDIX 1

OCTF PARTNER ORGANISATIONS

- Allied Irish Bank
- An Garda Síochána
- Anti-Counterfeiting Group
- Bank of Ireland
- Belfast City Council
- Belfast and Lisburn Women's Aid (BLWA)
- Border Force
- British Red Cross
- British Phonographic Industry
- CARE
- Centre for Secure Information Technologies, QUB
- Charity Commission NI
- Chartered Institute of Management Accountants (CIMA)
- CyberRisk
- Cyber Security Information Sharing Partnership (CISP)
- Cyphra
- Danske Bank
- Deloitte
- Department for the Economy
- Department of Finance
- Department of Health
- Department of Justice
- Department of Justice & Equality
- DIAGEO
- Evangelical Alliance (EAUK)
- Federation Against Copyright Theft (FACT)
- First Trust Bank
- Flourish NI
- Foods Standards Agency (FSA)
- Fujitsu
- Gangmasters and Labour Abuse Authority (GLAA)-
- Health and Social Care Board (HSCB)
- HM Revenue and Customs (HMRC)
- Home Office Immigration Enforcement
- Intellectual Property Office
- International Justice Mission (IJM)
- Imperial Tobacco
- Invest NI
- Invisible Traffic
- Irish Tobacco Manufacturers' Advisory Committee (ITMAC)
- Irish Churches
- Japan Tobacco International
- Law Centre
- Law Society
- Microsoft
- Motion Picture Industry
- Migrant Help
- National Crime Agency (NCA)
- National Cyber Crime Unit (NCCU, NCA)
- National Trading Standard Intel Team
- NI Courts and Tribunal Service -
- NI Policing Board
- NI Chamber of Commerce
- NI Federation of Small Businesses (FSB)
- NICVA
- NILGA
- NIKE
- No More Traffik
- NSPCC
- Philip Morris International
- Police Service of Northern Ireland
- Post Office Limited
- PriceWaterhouseCoopers
- Public Prosecution Service NI (PPS)
- Queen's University Belfast (QUB)
- Retailers Against Crime
- Retailers NI
- Revenue Commissioners
- RMS NI
- Royal Bank of Scotland
- Royal Mail
- Safer Cash
- Solas Trust
- Social Security Agency (NI)
- STEP NI
- Supergroup
- Sky
- Trading Standard Service (TSS)
- Tobacco Manufacturers Association
- Ulster Bank
- Unilever
- Virgin Media
- Women's Aid



APPENDIX 2

THE EXECUTIVE ACTION PLAN TO TACKLE PARAMILITARY ACTIVITY, CRIMINALITY AND ORGANISED CRIME

The Executive Action Plan, now referred to as the **Tackling Paramilitarism Programme**, is a series of 38 commitments from the Northern Ireland Executive aimed at tackling paramilitarism, criminality and organised crime.

The programme is the Executive's response to the 2016 Panel Report which was set up following the Fresh Start Agreement in 2015 to make recommendations on the disbandment of paramilitary groups.

A total of £50m has been pledged over five years to support delivery of the Action Plan. It involves Government Departments, law enforcement agencies, local councils and community and voluntary sector partners working together.

The focus is on robust law enforcement, implementing long term prevention measures, addressing social issues that affect communities and building confidence in the justice system.

What do we want to achieve?

The programme has four outcomes:

- Paramilitarism has no place;
- A society where citizens and communities feel safe and confident;
- The public support and have increasing confidence in the justice system; and
- Support is available for those who wish to move away from paramilitary activity and structures.

Progress to date

The Paramilitary Crime Task Force (PCTF), which includes PSNI, HMRC and NCA, was established in October 2017 as one of 38 commitments within the Action Plan, and a great deal of progress has been made to date.

During the 2017/18 financial year, the PCTF has:

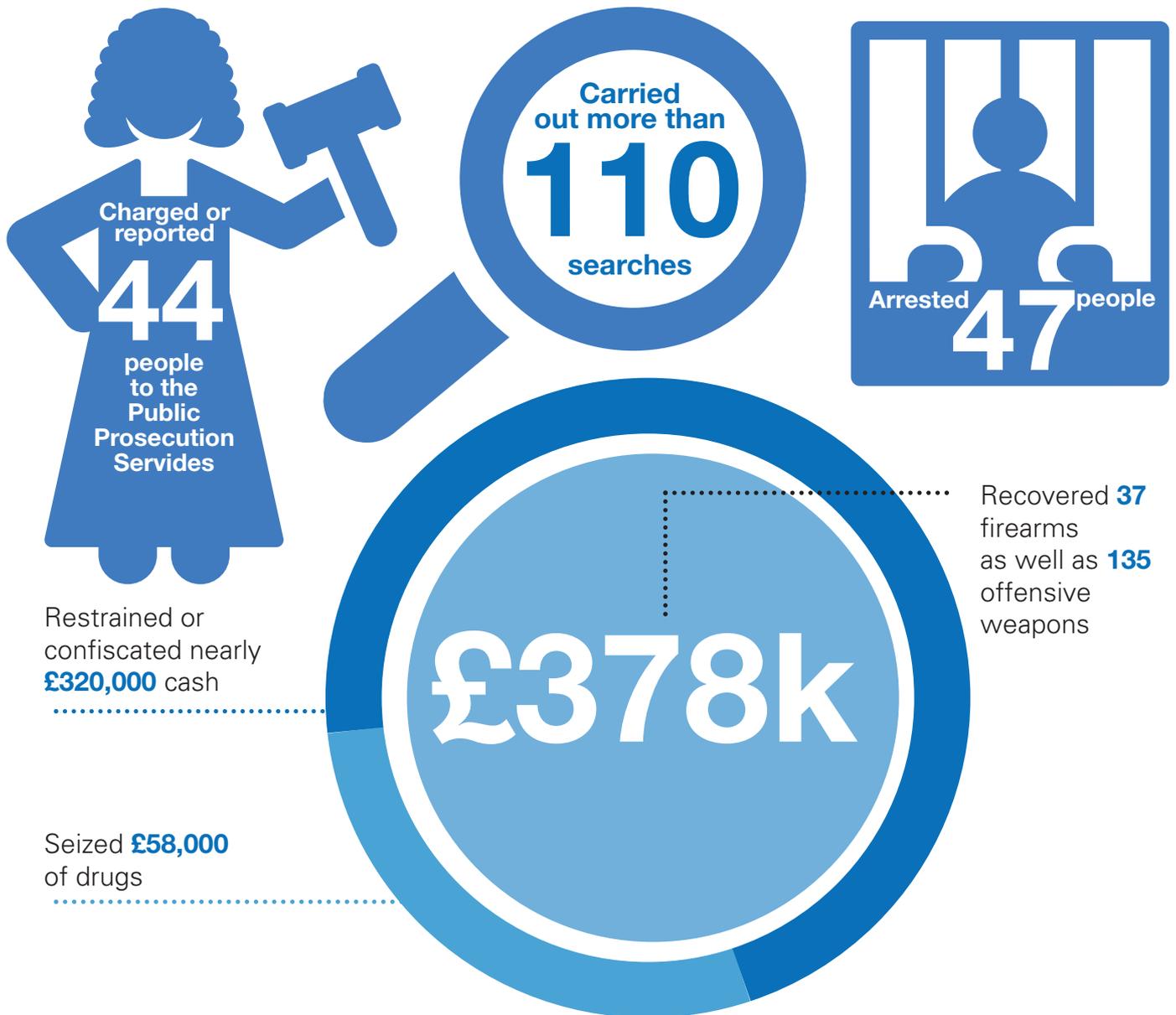
- conducted more than 110 searches;
- made 47 arrests of which 44 people were charged or reported to the PPS;
- seized an estimated £58,000 worth of drugs and restrained £50,000 worth of cash;
- obtained the first Freezing Order worth £150,000; and
- prevented the loss of £1.2m in revenue through the seizure of illicit tobacco products.

A significant INLA operation involving 200 PSNI officers, HMRC and NCA, took place across the greater Belfast area on 13 April 2018. A total of 12 properties were searched and seven people were arrested, three of whom were later charged or reported in connection with extortion and prostitution offences.

A dedicated Illegal Money Lending Post (funded separately by HM Treasury) has also been secured and the individual is now in post.

As well as the work of the **Paramilitary Crime Task Force** there are a number of other projects linked to the Tackling Paramilitarism Programme including the **Women involved in Community Transformation** project, which involves more than 500 women across Northern Ireland and aims to empower and enable them to become involved in community development work.

There is also a bespoke **youth outreach programme** which supports vulnerable young people in communities most impacted by paramilitarism and coercive control; and



young men aged between 16 and 30 have also benefitted from new Probation Board programmes which provide **intensive mentoring support** and **boost rehabilitation and reintegration** into the community.

The Department of Justice has also launched a consultation on proposals to add terrorist and paramilitary-related offences to the Unduly Lenient Sentence scheme as part of the Tackling Paramilitarism Programme. This means people found guilty of crimes like money laundering, possession of firearms or

encouragement of terrorism could see their sentences reconsidered.

Raising public awareness

The **"I am Your Money"** campaign, which was first launched in 2016 and ran again in 2017, was aimed at raising awareness about the harm caused by criminality linked to paramilitaries. It focussed on highlighting the harm that organised crime gangs have on our society; the links that some of these gangs have to paramilitary activity; and the steps that the public can take to ensure that they are not indirectly supporting them through the purchase of counterfeit goods.

The campaign went well, with research showing that awareness that organised crime gangs are involved in selling illegal and fake goods increased from 89% to 93% after the campaign. And of those people surveyed 83% of respondents agreed that the campaign would influence them to think about the true consequences of buying illegal or fake goods. Work is now underway on Phase 2 of the campaign which will look specifically at the issue of paramilitary style attacks.

A range of initiatives are also being delivered to promote a **culture of lawfulness**. The Attorney General is rolling out the **'It's Your Law' programme**; DfC is taking forward pilot projects aimed at young people, and PCSPs have also been supporting activity, including through the showing of **Banjaxed** and **The Recruited**.

How do I find out more about the Tackling Paramilitarism Programme?

You can find out more about the programme by visiting the Northern Ireland Executive website:

<https://www.northernireland.gov.uk/articles/executive-programme-tackling-paramilitary-activity-and-organised-crime-0>

You can read our Newsletter at:

<https://www.justice-ni.gov.uk/sites/default/files/publications/justice/tackling-paramilitarism-newsletter-issue-1.PDF>

For more information on the "I am Your Money" campaign, visit:

<https://www.nidirect.gov.uk/campaigns/ending-the-harm>

You can also follow us on Twitter @endingtheharm



APPENDIX **3**

List of ARCS Projects

Project Supervisor	Project Title	Award
Reducing Offending, NIPS	The Thinking Cup	£15,000.00
Reducing Offending, NIPS	Positive Outcomes for Short-Term Prisoners (POST)	£130,386.00
Reducing Offending, NIPS	Restorative Justice	£84,980.00
Reducing Offending, NIPS	Benefits Advice Service	£25,702.00
Reducing Offending, NIPS	Prison Smart	£12,000.00
Reducing Offending, NIPS	Blackout	£10,000.00
Community Safety, DOJ	Court mandated Domestic Violence perpetrator pilot programme	£89,000.00
Community Safety, DOJ	Irish Football Association (IFA) domestic violence promotional projects	£20,000.00
Community Safety, DOJ	Re-running of PSNI eggshell campaign	£25,000.00
Community Safety, DOJ	Domestic Violence & Abuse promotional campaign	£100,000.00
Community Safety, DOJ	Multi-agency Risk Assessment Conference (MARAC) training	£13,000.00
Community Safety, DOJ	Production of criminal justice information map	£8,000.00
Community Safety, DOJ	Provision of a regional specialised support agency database	£14,000.00
Community Safety, DOJ	Regional emotional abuse campaign	£10,000.00
Community Safety, DOJ	Provision of domestic violence survivors guide	£5,000.00
Community Safety, DOJ	Promotional materials for all domestic violence specialised services	£5,000.00
Community Safety, DOJ	Sponsorship of older people domestic violence conference.	£5,000.00

Project Supervisor	Project Title	Award
Organised Crime, DOJ	Modern Slavery Campaign	£6,550.65
Organised Crime, DOJ	Cyberwolf – development of a software tool to identify victims of Modern Slavery	£21,776.00
Access To Justice, DOJ	Motorbike Awareness Project (Ulster Grand Prix pilot)	£25,000.00
NI Environmental Agency	Strategically Addressing Wildfire Arson (Project SAWA)	£11,500.00
Probation Board NI	The Advantage Foundation - LSN (Listen) Restorative Justice project	£37,745.00
Probation Board NI	Every Day Harmony - Music Therapy in Hostel Accommodation	£6,300.00
Probation Board NI	NIACRO - Family Links Pathways project	£14,206.80
Probation Board NI	Lyric Theatre - Enhancing skills for Employability	£3,600.00
NI Environmental Agency	PAW NI HAWK EYES - Raptor persecution prevention	£8,262.50
Police Service NI	Think Before you Buy Drugs Campaign	£1,000.00
Police Service NI	Risk Avoidance & Danger Awareness Resource	£130,000.00
Barnardo's NI	Families Matters	£5,000.00
Dept. of Justice DOJ	Communications	£1,469.54
Probation Board NI	Craigavon Cup	£4,000.00
Probation Board NI	The Prince's Trust	£1,219.00
Probation Board NI	NIACRO - Working Well	£7,686.00
Reducing Offending, NIPS	Quaker Connections	£2,000.00
Lisburn Cathedral	Big Church Serve	£2,065.00
Totals		£861,448.49



APPENDIX

4

USEFUL WEBSITES

Organised Crime Taskforce (OCTF)	www.octf.gov.uk
Police Service of Northern Ireland	www.psni.police.uk
Border Force	www.gov.uk/government/organisations/border-force
Crimestoppers Northern Ireland	www.crimestoppers-uk.org/in-your-area/northern-ireland/
Department of Justice	www.justice-ni.gov.uk/
HM Revenue & Customs	www.hmrc.gov.uk
Immigration Enforcement	www.gov.uk/report-immigration-crime
National Crime Agency	www.nationalcrimeagency.gov.uk
Northern Ireland Environment Agency	www.daera-ni.gov.uk/
Trading Standards Service	www.economy-ni.gov.uk/topics/consumer-affairs/trading-standards-service
Action Fraud	www.actionfraud.police.uk
Scamwise	www.nidirect.gov.uk/campaign/scamwise
Get Safe Online	www.getsafeonline.org
National Cyber Security Centre	www.ncsc.gov.uk/cisp
Cyber essentials	www.cyberessentials.ncsc.gov.uk
Cyber Aware	www.cyberaware.gov.uk
Drugs advice and support	www.talktofrank.com
Modern Slavery Helpline	www.modernslavery.co.uk

If you think you have been the victim of a scam.

helpful contacts



Visit our Facebook page at Scamwiseni



Action on Elder Abuse
Helpline: 080 8808 8141
Tel: 020 8835 9280
enquiries@elderabuse.org.uk



Department for the
Economy
www.economy-ni.gov.uk

Trading Standards
Consumerline: 0300 123 6262
www.nidirect.gov.uk/consumerline
consumerline@economy-ni.gov.uk



Action Fraud
National Fraud & Cyber Crime Reporting Centre
0300 123 2040
actionfraud.police.uk



Victim Support NI
info@victimsupportni.org.uk
www.victimsupportni.co.uk



Police Service of Northern Ireland
Non-emergency 101
Emergency 999



www.getsafeonline.org



Keeping People Safe