

<b>Committee(s):</b> Police: Economic Crime Board	<b>Date(s):</b> 22 <sup>nd</sup> May 2014
<b>Subject:</b> Economic Crime Update – National Fraud Capability Programme	<b>Public</b>
<b>Report of:</b> Commissioner of Police Pol 32/14	<b>For Information</b>

### Summary

At your Economic Crime Board in February 2014 Members were given an update on the background and current position of the National Fraud Capability Programme and details of the negotiating strategy for the future development of a regional fraud capability. This is an update for Members as to the current situation.

It was previously reported to members that in May 2013 the Home Office (HO) announced funding agreements for Regional Organised Crime Units (ROCU's) to enhance their capability and capacity to target organised crime, including fraud. Due to the continued engagement of the CoLP National Capability Programme, the majority of the regions now have a functioning Regional Fraud Teams (RFTs) with the remainder currently recruiting. City of London Police as National Lead Force continues to support the regions in developing their teams. The unit recently made its first arrests of an Organised Crime Group (OCG) involved in online vehicle fraud.

The National Co-ordinator's Office (NCO) based in the City of London continues to provide fraud profiles to forces across the country. This continues to provide a comprehensive picture of the fraud threat to each force and region, enabling accurate resource and asset allocation. The second editions of these profiles were published in March and end of year profiles will be sent to forces in May.

The transfer of Action Fraud to the NFIB occurred on the 1<sup>st</sup> April 2014, this was marked by Damian Green MP, Minister for Policing, visiting the City of London Police. A roundtable meeting was held with Commissioner Leppard and members of Police Committee, followed by the Minister visiting the NFIB.

The national capability programme team continues to work closely with the Police regions through our support for the quarterly Heads of Regional Organised Crime Units (ROCU) meeting. In addition the new Economic Crime Chief Officer Group, chaired by City of London Police, continues to allow the national capability programme team to drive forward performance and be at the heart of influencing the national police response to the growing volume of reported fraud and cyber crime across the country.

## **Recommendations**

It is recommended that members receive this report and note its contents.

## **Main Report**

### **Background**

1. At your Economic Crime Board in February, Members were given an update on the background and current position of the national capability programme, more specifically the decision taken by the HO in May 2013 to fund Regional Organised Crime Units (ROCU), which was a significant change to the original plans. However, the national capability programme has continued to maintain momentum, establishing the Regional Fraud Team (RFT) in the London region. The introduction of Police and Crime Commissioners (PCCs) added an element of complexity to the anti-fraud arena; however continued engagement with the PCCs through the PCC awareness event in December and the quarterly provision of the force fraud profiles has ensured continued commitment. This report provides details of progress since the last report to your Board and planned strategies to develop a regional capability and influence the national police response to fraud.

### **Current Position**

2. As Members will recall, the National Capability programme team was created in April 2012 and is led by Commander Stephen Head. The programme team continues to influence the national and regional police response to fraud whilst developing new relationships in the changing landscape with PCCs and the NCA to coordinate and maximise operational delivery within the funding envelope.
3. The creation of the intelligence network that runs throughout the country enables the NFIB to see the bigger fraud and cyber crime picture at a local, regional and national level for the first time. This network has been established across the whole of England and Wales and is developing into

Scotland and N. Ireland this year despite the sea changes made in relation to funding reported to Members previously. From a crime being reported to Action Fraud and information being ingested into the Know Fraud system information is now provided to forces in bespoke quarterly force fraud profiles so they can view, for the first time, a detailed representation of fraud crime in their specific policing area.

4. The NFIB published the most recent reports in March 2014 and Forces will also soon (mid-May) receive the end of year profiles to show the year on year comparisons. This output from the NFIB continues to inform forces of the fraud in their police area and maintains the work begun by the Regional Intelligence Officers to inform the intelligence picture of fraud at a local, regional and national level.
5. The assessment of crimes into categories of local, regional and national is now business as usual for the NFIB, and the year 2013/14 figures show a total of 45,155 crimes assessed, of which only 2,313 were deemed to be regional. Case allocation figures are essential to the ongoing programme to monitor the overall police response to allocated crime and assess each force's ongoing capability. The NCO continues to utilise the Economic Crime Chief Officer Group meetings to monitor performance in the police response to reported fraud crime and to continue to demonstrate the necessity for a national case allocation process.
6. Commander Head has commenced a tour of each policing region, visiting forces to update them on the national capability programme. Amongst points for discussion will be the Action Fraud/NFIB transition, the allocation of crimes to forces from the NFIB and the fraud profiles. These visits will ensure each force meets with the National Police Coordinator for Economic Crime and that he in turn receives a full update on all matters and concerns relating to fraud affecting the regions.
7. The CoLP has responsibility for the London Regional Fraud Team (LRFT) and is leading the way in creating a fully proactive investigative unit. The team is now fully formed with staff in place from across the constituent forces - City of London, Metropolitan Police and the British Transport Police. The Terms of Reference and Case Acceptance Criteria for the LRFT have now been completed and agreed by the Head of ROCU and our BTP partners. In April the LRFT made their first arrests, detaining members of a Romanian OCG involved in an on-line vehicle fraud – this being whereby fictitious vehicles are sold on genuine vehicle sales websites. Once the victim has paid the person they believe to be the owner they do not receive the vehicle they 'purchased'. To support this activity the NFIB launched a national campaign to give advice about this fraud type and how people can help prevent themselves from becoming victims. The LRFT also continue to engage directly with the NCA and are discussing further case referrals relating to the compromise of online banking systems and money laundering committed by OCGs.

8. Members will recall CoLP being directly selected to draft an ACPO approved Authorised Professional Practice (APP) for fraud to define standards to the police response to fraud at every stage. As previously advised, the next draft for consultation on the APP will be in June 2014 and this deadline is on course to be met.
9. The transfer of Action Fraud to the City of London Police from the National Fraud Authority was completed on 1<sup>st</sup> April 2014. This was marked by Damian Green MP, Minister for Policing visiting the Economic Crime Directorate at City of London Police. The Minister was hosted by Commissioner Leppard where a roundtable meeting was held attended by members of Police Committee. Following the roundtable a presentation on the functions of the NFIB was shown to the Minister followed by a tour of their offices. Here the Minister was given demonstrations of both the Know Fraud system and the NFIB Alerts process.
10. The transfer of Action Fraud to the CoLP will place victims at the centre of a new joined-up process with the objective being to deliver a more user friendly service to victims. Developments are being made to further improve capability to receive and analyse reported cyber and financial crime. This will include offering more feedback to victims, with each victim receiving a letter to update them as to the status of their crime and whether it is being investigated, has been subject to disruption activity or whether it remains within the system to match against other data and inform the wider fraud picture.
11. The programme team continues to work with the National Crime Agency (NCA), particularly the Economic Crime Command (ECC) and the National Cyber Crime Unit (NCCU). The work streams reported previously continue to progress, including operational responses to the most significant threats, leading the alignment of ECC and CoLP performance regimes and ensuring effective integration of the 4 Ps and CoLP fraud strategy. The new Head of the ECC, Donald Toon, has met with both Commissioner Leppard and Commander Head and visited the NFIB in early May 2014 to ensure his early engagement.
12. The CoLP continues to engage with the Police and Crime Commissioner's following the PCC event held in December 2013. The PCCs have received the force fraud profiles to raise their awareness of the types of fraud crime impacting their communities. This also enables the PCCs to support CoLP prevention strategies such as fraud awareness events for local business and communities. Commander Head has updated all PCCs that he is now the new Policing lead on Identity Crime and advised them of initiatives in this area to combat this type of crime.

## **Conclusion**

13. The CoLP have continued to successfully influence the national police capability to fraud crime, maintaining support to regions in establishing their RFTs and supplying each individual force with a local fraud profile on a

quarterly basis. This work is to be further supported by Commander Head visiting each policing region to discuss with them issues relating to fraud and to advise where support can be given. The successful transition of Action Fraud to the City of London Police has taken place and is being supported by a plan of work to enhance the victim journey. The CoLP continues to engage with PCCs, also through the provision of the force profiles, to ensure they have the knowledge and understanding of the threat from fraud in their area. The now established Economic Crime Chief Officer Group continues to allow direct contact and can facilitate tasking where appropriate. The affect of the CoLP in influencing the formation of this network throughout the country further strengthens the national police capability to fraud crime.

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