Economic Crime Board of the Police Committee

Date: **FRIDAY, 5 SEPTEMBER 2014**

Time: **1.45 pm**

Venue: **COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL**

Members: Simon Duckworth (Chairman)
Mark Boleat
Nicholas Bensted-Smith
Lucy Frew
Helen Marshall
Alderman Neil Redcliffe
Deputy Richard Regan

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Lunch will be served for Members in the Guildhall Club at 1pm

John Barradell
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

3. **MINUTES**
   To agree the minutes of the meeting held on 22 May 2014.

   For Decision
   (Pages 1 - 4)

4. **NATIONAL LEAD FORCE: FIRST QUARTER PERFORMANCE REPORT**
   Report of the Commissioner of Police.

   For Information
   (Pages 5 - 14)

5. **ECONOMIC CRIME UPDATE - NATIONAL FRAUD CAPABILITY PROGRAMME**
   Report of the Commissioner of Police.

   For Information
   (Pages 15 - 32)

6. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

7. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

8. **EXCLUSION OF THE PUBLIC**
   MOTION – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of the Schedule 12A of the Local Government Act.

Part 2 - Non-Public Agenda

9. **NON-PUBLIC MINUTES**
   To agree the non-public minutes of the meeting held on 22 May 2014.

   For Decision
   (Pages 33 - 34)

10. **FRAUD TRAINING ACADEMY**
    Report of the Commissioner of Police.

    For Information
    (Pages 35 - 46)

11. **ACTION FRAUD SERVICE TRANSFER FROM THE NATIONAL FRAUD AUTHORITY TO THE CITY OF LONDON POLICE**
    Report of the Commissioner of Police.

For Information
(Pages 47 - 132)

12. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

13. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

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ECONOMIC CRIME BOARD OF THE POLICE COMMITTEE
Thursday, 22 May 2014

Minutes of the meeting of the Economic Crime Board of the Police Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Thursday, 22 May 2014 at 2.45 pm.

Present

Members:
Simon Duckworth (Chairman)
Helen Marshall

Officers: Town Clerk's Department
James Goodsell

City of London Police:
Adrian Leppard   Commissioner
Stephen Head   Commander, Economic Crime
Lisa Campbell   Detective Sergeant and Staff Officer

1. **APOLOGIES**
    An apology for absence was received from Alderman Neil Redcliffe.

    The Town Clerk advised the Sub-Committee that the meeting was inquorate and therefore any decisions would have to be rectified at the next quorate meeting of the Sub-Committee.

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
    There were no declarations of interest.

3. **MINUTES**
    The public minutes and summary of the meeting held 9th September 2013 were approved, subject to ratification at the next quorate meeting of the Sub-Committee.

4. **PERFORMANCE - NATIONAL LEAD FORCE END OF YEAR REPORT 2013-14**
    The Sub Committee received a report of the Commissioner of Police detailing the end of year performance for 2013/14 as National Lead Force (NLF) against its agreed Key Performance Areas (KPAs) and Key Performance Indicators (KPIs).

The Chairman welcomed the dramatic increase to the value of economic crime disrupted (KPI 1.1). Such effectiveness has created an expectation among partners that the Force will deliver in its responsibility to disrupt fraud.

The relevance of KPI 2 was discussed. The Commander of Economic Crime reported that this indicator will be adapted in next year's performance report. This change takes into account a shift in police force priorities towards bespoke prevention campaigns.

The Committee discussed the importance of the intelligence packages which the City Police supply to all Police Forces nationally. It was noted that numbers have risen in the past year from 3,000 to 82,000 which corresponds to a shift in the needs of stakeholders. The Chairman recommended that a future KPI be incorporated to illustrate the impact of these intelligence packages at a local level and disclose the satisfaction of stakeholders. In addition, the Chairman requested a quarterly Economic Crime be provided to the Lord Mayor.

The Commander updated the Sub Committee that the measure for KPI 3.2 will be amended to provide a more accurate picture of the value of future fraud disrupted by NLF enforcement cases.

5. **ECONOMIC CRIME UPDATE - NATIONAL FRAUD CAPABILITY PROGRAMME**
The Sub Committee received a report of the Commissioner of Police updating Members on the National Fraud Capability Programme and details of the negotiation strategy for the future development of a regional fraud capability.

Members were updated on the success of the quarterly Heads of Regional Organised Crime Units meetings. These have provided a valuable opportunity for dialogue between regional forces, the National Fraud Intelligence Bureau (NFIB) and the National Crime Agency (NCA). In addition, the Commander welcomed the support of PCC's in raising the profile of Economic Crime across the country.

The Sub Committee discussed the transition of Action Fraud and dialogue regarding its governance structure and oversight. The Chairman considered it beneficial for the Police Commissioner to work closely with strategic partners to ensure that the proposed model of governance and oversight received clear agreement from all parties.

6. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
There were no items of urgent business.

7. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
There were no questions.

8. **EXCLUSION OF THE PUBLIC**
RESOLVED - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of the Schedule 12A of the Local Government Act.

Item	Paragraph
9	3

10	3
11	3

9. **NON-PUBLIC MINUTES**

The non-public minutes and summary of the meeting held 9th September 2013 were approved, subject to ratification at the next quorate meeting of the Sub-Committee.

10. **FRAUD TRAINING ACADEMY -UPDATE**

The Sub Committee received a report of the Commissioner of Police which presented Members with an update on the Action Fraud Training Academy.

11. **PROPOSAL FOR A JOINT 'CENTRE FOR ECONOMIC CRIME'- OVERVIEW**

1. The Sub Committee received a report of the Commissioner of Police which presented proposals for a joint centre for Economic Crime.

12. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

13. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There were no items of urgent business.

The meeting ended at 4.00 pm

Chairman

Contact Officer: James Goodsell

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Committee(s):	Date(s):
Police: Economic Crime Board	5th September 2014
Subject:	
National Lead Force: First Quarter Performance Report	**Public**
Report of:	
Commissioner of Police – Pol 57/14	**For Information**

Summary

This is the Quarter 1 2014-15 Performance Report to your Economic Crime Board summarising the performance delivered by the City of London Police in its capacity as National Lead Force for Fraud as delivered through the Economic Crime Directorate.

The report for this quarter has been amended to reflect feedback received from the Economic Crime Board, therefore in addition to assessing its core performance, the report also provides your Economic Crime Board with a performance update in respect of:

- Action Fraud Victim Complaints.
- Value for Money position for the quarter
- Overall Attrition from Action Fraud Reporting through to outcomes for the victims.

Recommendation

It is recommended that your board receives this report and notes its contents.

PERFORMANCE REPORT

This report presents performance through a master dashboard (Table 1 below) and 4 subsidiary tables selected as being of particular and current interest to the Board. The direction arrows indicate overall trend with an upward arrow, for example, representing an improving situation.

Table 1 - **OVERVIEW**	
ECD Performance (see Table 2) ⟶ **GREEN**	**National Attrition** (see Table 3) ↑ **RED**
Action Fraud Complaints (see Table 4) ↑ **AMBER**	**Value for Money** (see Table 5) ⟶ **GREEN**

Table 1 Commentary: This table provides the overall performance overview in 4 areas each explored more fully in the tables below.

- **ECD Performance** Indicates how well ECD is performing against its 5 KPAs. ECD is delivering against its requirements.
- **Action Fraud Complaints** Indicates how well Action Fraud is performing based on the number and nature of complaints. There are some areas for concern and a tactical action plan is in place to address these.
- **National Attrition** Indicates how well CoLP is performing in its broader role as national lead force for fraud, based upon the ability to convert reports to Action Fraud into successful outcomes achieved by local police forces. There is significant concern over this area and a strategic action plan is being further developed to address this.
- **Value for Money** Indicates how well ECD is performing as measured by return on investment and customer satisfaction.   ECD is providing satisfactory value for money.

ECD PERFORMANCE

Table 2 - **ECD PERFORMANCE**	
KPA 1 **Preventing and Reducing Harm** ↑ **GREEN**	**KPA 2** **Enriched Threat Assessment and Intelligence Picture** ↑ **GREEN**
KPA 3 **Enforcing and Disrupting Crime** ↑ **GREEN**	**KPA 4** **Education and Awareness** ⟶ **GREEN**
KPA 5 **Satisfaction Levels** ↑ **GREEN**	

Table 2 Commentary: ECD is performing well against its 5 KPAs and other than in KPA 4 in which it has remained level, has shown an improving trend. Whilst on profile a number of the underlying KPIs are either heavily dependent on outside factors including the courts (asset recovery for example) or are cyclical in nature (the formal process for mapping OCGs for example) and we will continue to monitor those particularly closely. Detail of individual KPIs is at Appendix 1 should the board wish to refer to it.

Action Plan. Continuous monitoring and ongoing improvement.

NATIONAL ATTRITION

Table 3 - **NATIONAL ATTRITION**	
Reporting Levels ↑ **AMBER**	**Quality of Crime Packages** ↑ **AMBER**
Disseminations to Local Forces ↑ **GREEN**	**Outcomes** ↑ **RED**
Disruptions ↑ **GREEN**	

Table 3 Commentary: As the national lead force for fraud we are responsible not only for our own internal performance but for the performance of the police service as a whole. Having responsibility for Action Fraud since 1 Apr 2014 we want to ensure that those who are subject to fraud are able and willing to report it, that the reports are turned into timely and effective crime packages, that all viable crime packages are disseminated to local police forces and that police forces are able to obtain successful outcomes for the victims as a result of those packages. Despite improvement the level of attrition ie the reduction from number of reports to number of successful outcomes remains unsatisfactory and as the national lead we are addressing this internally and with our policing partners. Mitigations are discussed later in this report. In addition to disseminating crime packages NFIB will use the intelligence gathered to disrupt criminal activity by having websites, bank accounts and phone accounts denied to the criminals. This has been a most significant growth area with 3,690 disruptions in Q1 last year having increased to 49,548 disruptions in Q1 this year.

- **Reporting Levels** Some 266,000 reports were taken by Action Fraud in Q1 compared to 214,000 in the same period last year. Whilst this is both a significant volume and a further increase on previous periods, analysis tells us that we are still subject to under-reporting and that some areas of the community, including small businesses, are under-represented. We cover this in the mitigations below.

- **Quality of Crime Packages.** Of the 266,000 reports received this quarter some 24,000 (17,500 in the comparable quarter last year) contained enough information to establish that a crime had been committed and that further analysis was warranted. Whilst police forces have voiced no concern over the quality of the packages there have been complaints made that there is a disparity in the length of time taken to produce them, depending on the analysts involved.

- **Disseminations** There has been a further increase in the number of packages disseminated to forces rising from 9,674 Q1 last year to 14,283 in this quarter. Forces which used to screen packages received from the NFIB no longer do so and all are now investigated by forces.

- **Outcomes**. Successful outcomes following dissemination of an Action Fraud crime packages to local police forces has risen significantly from 971 to 2,588 for Q1 this year. Whilst this demonstrates considerable value added by NLF it is still insufficient and is therefore subject of a national improvement plan, outlined below.

Action Plan.   A formal Action Fraud action plan is in place and being worked through. Addressing the elements separately:

- **Reporting levels**. We are working with Victim Support and other police and private sector stakeholders to make the public facing aspects of Action Fraud as 'user friendly' as we can, compatible with being able to extract the information needed to produce a viable crime package. We have enlisted the support of local police forces to encourage victims of fraud to use Action Fraud as a reporting tool. We are developing the technical means to enable bulk reporting by business, this is included in the current IT procurement project and are engaging at the policy level with other public and private sector partners to ensure we are positioned to draw on all available data sources.

- **Quality of Crime Packages**. There has been a training programme introduced to help analysts better understand the disbenefits of 'over-engineering' crime packages and to recognise the appropriate balance between quality and time. We are conducting analysis to better determine which aspects of the crime packages impact on the ability of a police force to successfully investigate them

- **Outcomes**. Addressing the low number of crime packages converted by local police forces into successful outcomes is subject of a national action plan on which CoLP as NLF is leading. We have put in place an engagement strategy with police forces and their PCCs to work with them in identifying the local economic crime issues (as identified through NFIB local profiles produced for each force area) and are developing a national fraud strategy on behalf of the police service. Key to this strategy is the development of a crime prevention capability held centrally but reaching out to and working with local forces. This will of necessity be a collaborative effort in a similar way to that in which society has target hardened itself against domestic burglary by a combination

of industry designing in security, the public adapting behaviours to take sensible precautions and police working with their authorities to provide advice, deterrence and enforcement. As part of this action plan we will be seeing how we might provide some form of performance visibility to Chief Constables so that they might be able to hold their management teams to account for fraud outcomes within their area. This latter initiative is also likely to improve the timeliness and accuracy of reporting by police forces, which might in itself improve outcome figures.

Table 4 - **ACTION FRAUD COMPLAINTS**
Complaints **AMBER**

Table 4 Commentary: We track both the volume of complaints received by Action Fraud and the nature of those complaints. The number of complaints now stands at an average of 12 per month (in the context of 80,000 contacts with the public per month) compared to some 23 complaints per month last year. The two main categories of complaint have been firstly, complaints about the internal processes within Action Fraud with victims not knowing what has happened to the report they have submitted or being disappointed that their report has not been sent on to a police force for investigation and secondly complaints about the process once a crime package has been disseminated out of Action Fraud to a local police service, for example a lack of updates or a failure to obtain a conviction or recover funds.

Action Plan: On taking responsibility for Action Fraud in April we instigated a victim engagement process through which we wrote to each victim to let them know what was happening with their report within 28 days of it having been made to Action Fraud, this has already had a marked effect on the volume of complaints. As recorded above we have also undertaken work with partners to improve those letters from a victim perspective. Action Fraud will inevitably continue to receive complaints concerning the investigation or termination of investigation by local police forces, we will be looking to include some form of case tracking in the IT procurement so that we are better able to inform victims as to the status of the local police investigation when they contact Action Fraud.

Table 5 - **VALUE FOR MONEY**
Return on Investment **GREEN**

Table 5 Commentary: Using nationally accepted methodology and assumptions we have calculated the return on investment ECD represents to the public. This is expressed as a ratio representing the running costs incurred against the benefit

achieved in terms of the value of crime disrupted, the loss of money prevented by criminals being unable to operate following prosecution and assets denied or removed from criminals. In Q1 for FY 13/14 this was calculated as £32.29 benefit for every £1 spent, in Q1 for FY 14/15 this has risen to £45.70 for every £1 spent.

Action Plan: Continuous monitoring and ongoing improvement.

SUMMARY ECD is meeting its core delivery objectives, the 5 KPAs, and continues to deliver value for money. An action plan is currently being implemented to further improve Action Fraud which became CoLP's responsibility in April. We have a strategic, national, action plan in place through which we will ensure the whole end to end system from reporting to Action Fraud to successful outcome by local police forces is effective.

Appendix 1 – KPI Detail

KPI DETAIL

NLF objective	Comment on Progress
KPA 1 Preventing and reducing the harm caused by economic crime	
KPI 1.1 Projected monetary value of future fraud loss saved by disrupting financial, technological and professional enablers of economic and cyber crime	The potential value of ECD disruptions has increased from £104,615,899 in quarter 4 2013/14 to £121,315,018, in quarter 1 2014/15 **GREEN**
KPI 1.2 Raising Public sector/Private sector/not for profit sector organisation awareness of Economic and Cyber crime threats and increasing their ability to protect themselves	The volume of ECD products disseminated to private/public and not for profit sector organisations has increased in quarter 1 2014/15. 504 products were disseminated in Q1 2014/15 compared to 468 in Q4 2013/14. **GREEN**
KPI 1.3 Increasing individual self-protection from Economic and cyber crime and reducing the risk of repeat victimisation	The volume of media coverage for quarter 1 is 119. This figure relates to the number of programmes where ECD has been referenced on either television/radio or number of articles published on the internet or paper publications.
KPA 2 Enriching the national economic crime threat assessment and intelligence picture	

KPI 2.1 Impact of ECD contributions to the development of the National Intelligence Requirements	
KPI 2.2 Identification, assessment, management and dissemination of national active offenders (lone and OCGs)	

KPA 3 Enforcing and disrupting economic crime at the local, regional and national levels

KPI 3.1 The value of criminal asset denial through to recovery (end to end process)	The total £ value of assets recovered was lower during Q1 2014/15 at £272,878.66 than the untypically high Q4 2013/14 value of £6,016,612.88. None the less this remains on trajectory for a satisfactory annual outcome. **AMBER**
KPI 3.2 The £ value of future fraud disrupted by NLF enforcement cases	There was an increase in future fraud prevented in Q1 2014/15 with an estimated £86 million compared with an estimated £72 million in Q4 2013/14. **GREEN**
KPI 3.3 To reduce the intent and capability of the most serious Organised Crime Groups perpetrating fraud	2 OCGs were disrupted in Q1 2014/15 compared with a record 87 in Q4 2013/14. It is accepted that there will be a time lag now as new OCGs are mapped and action taken against them later in the

	year. This will be closely monitored but there are no indications at this stage that the targets will not be met. **AMBER**
KPI 3.4 Quality of investigation and enhancing judicial outcomes	There were 77 offender disposals registered within Q1 2014/15. This figure encompasses cautions, charges and community resolutions.
KPA 4 Raising the standard of economic crime prevention and investigation nationally by providing education and awareness to the counter fraud community	
KPI 4.1 Impact and reach of training strategy and delivery	The number of course delegates trained by the Fraud Academy in Q1 2014/15 were 253 which is an increase when compared to the equivalent quarter in 2013/14 whereby 83 delegates were trained. **GREEN**
KPI 4.2 Impact and reach of standard setting and dissemination of best practice guidance	No changes were made to Fraud Academy courses during Q1 2014/15 as a result of incorporating best practice reviews of fraud investigations. **GREEN**
KPA 5 Delivering value and reassurance to our community and partners in industry	
KPI 5.1 To increase return on	The return on investment value for

investment in NLF (£saved per £spent	Q1 2014/15 is an estimated £45.70, which is an increase compared to Q4 2013/14 whereby the return on investment recorded was an estimated £32.29. **GREEN**
KPI 5.2 To improve overall satisfaction of community (including victims) and partners in industry with NLF economic crime services	An average of 88% of victims during Q1 2014/15 were satisfied with the Action Fraud Reporting Service.

Committee(s): Economic Crime Board	Date(s): 5th September 2014
Subject: Economic Crime Update – National Fraud Capability Programme	Public
Report of: Commissioner of Police Pol 56/14	For Information

Summary

The National Co-ordinator's Office (NCO) 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 more informed resource and asset allocation than previously possible. The end of year profiles for fraud and cyber crime were sent to forces and PCCs in May 2014, and for the first time this included a profile for the Police Service of Northern Ireland.

The development of the regional fraud capability moves ahead and of particular note is a conference held by Commander Head at the end of July to discuss and workshop regional procedures and improving support for victims of fraud. The conference confirmed previous talks held with the private sector and supported the need for a National Fraud Strategy, which we are currently drafting in partnership with members of the Economic Crime Portfolio. Commander Head's tour of each police region also continues to personally brief every Chief Constable team and most PCCs on the ongoing threats from Economic Crime and describe our coordinated response.

The National Coordinator's Office now has responsibility for chairing the Economic Crime Portfolio and the new National Crime Agency 'Private, Individuals and Third Sector' Threat Group. In these meetings we use our expertise and experience to bring together private sector partners to help tackle the threats from serious and organised economic crime.

The transition of Action Fraud to the NFIB was completed on 31st

March 2014. Since this occurred an improvement plan has been

created, which has seen changes made to provide a better service to victims with each person reporting, now for the first time, receiving an outcome letter within 28 days of making a report.

The CoLP continues to engage across government, policing and industry partners to ensure an effective response to fraud across the UK.

Recommendations

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

Main Report

Background

1. The National Capability programme team was created in April 2012 and continues to be led by Commander Stephen Head, National Police Coordinator for Economic Crime. The programme team continues to influence the national and regional police response to fraud whilst developing new relationships in the changing landscape, across police forces, with PCCs and the NCA to coordinate and maximise operational delivery within the funding envelope.

Current Position

2. 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 has now begun developing into Northern Ireland with the creation of the first fraud profile for the Police Service of Northern Ireland (PSNI). Engagement with Scotland also continues and discussions are being held to establish a local profile specifically tailored for their area.

3. In May 2014, the NFIB published and disseminated the end of year fraud and cyber profiles for each police force in England and Wales, for the first time a profile was also produced for PSNI. This output from the NFIB continues to inform forces of the fraud and cyber crime occurring in their police areas and maintains the work begun by the Regional Intelligence Officers to inform the intelligence picture of fraud at a local, regional and national level. These

profiles highlight major national crime trends and help local police shape responses to the specific threats they are facing. This has led to new local crime prevention initiatives between the NFIB and local forces such as the Action Fraud Roadshow for internet crime and fraud, arranged in conjunction with Warwickshire and West Mercia Constabularies, to raise awareness amongst local communities and businesses (roadshow leaflet at Appendix A).

4.   Commander Head's tour of each policing region continues to provide all Chief Constables with an update on the national capability programme. Amongst points for discussion have been the Action Fraud/NFIB transition, the allocation of crimes to forces from the NFIB and the fraud and cyber profiles. These visits are ensuring 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.

5.   On 31st July Commander Head hosted a two day conference in Loughborough in recognition of the changing nature, scale and scope of economic crime and the increased demand for ever greater collaboration and coordination from law enforcement. Of particular focus at the event was the discussion around current levels of fraud investigation and the end-to-end service available to victims, from reporting to Action Fraud through to resolution with a local force. Feedback was collected from all attendees through a series of workshops, which will be reviewed and used to inform a strategy that will see us provide local delivery through national coordination, support and representation.

6.   The network of Regional Fraud Teams is now complete, with each region having a fully formed operational unit. The CoLP has responsibility for the London Regional Fraud Team (LRFT) and this unit has led the way in creating a fully proactive investigative unit and where other regional fraud teams require support, this is facilitated by the LRFT.

7.   Following the transfer of Action Fraud to the CoLP developments are being made to further improve capability to receive and analyse reported cyber and financial crime and this is detailed in the Action Fraud/NFIB Ministerial Improvement Plan Update (Appendix A). This report refers to increasing output of crimes, increasing attrition rates and improving the service to victims. Progress has already been made in several of these areas. An improved victim update process has already been established to counteract the most common complaints received from victims; what has happened to my crime and what has nothing happened with my crime. All victims who report to Action Fraud now receive one of three fulfilment letters, firstly to inform a victim that their crime has been disseminated, secondly to inform them their report has afforded some disruption activity and thirdly to tell them that no enforcement activity is viable at the current time but their case does stay within the system to be continually matched against other reports. These changes have resulted in a decline in complaints from a peak of 28 in September 2013 to 13 in May 2014.

8. 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 Head of the ECC, Donald Toon, visited the NFIB at the end of May 2014 to see firsthand the work the unit undertakes.

9. The police service is increasingly expected to apply the 4 P's strategy of pursue, protect, prevent and prepare beyond its original application in counter-terrorism. It is a key element of the serious and organised crime strategy and police forces are expected to show that they are applying it to countering economic crime. To that end, CoLP are working on establishing a baseline of how policing is applying the 4 P's response to economic crime at this time so we can map current capabilities, identify gaps and demonstrate quantifiable improvements as this work is developed and applied across the regions. The first area being reviewed is the Protect strand ('crime prevention' in old terms). Commander Head has appointed an inspector within the NFIB to act as the lead for the protect activity and he is contacting each policing region to discuss how we can support them with this work. Part of this activity will be the dissemination of advice to forces that they can use to inform their communities of the threats from fraud and cyber crime and how they can safeguard against them.

10. The National Coordinators Office now has responsibility for chairing both the Economic Crime Portfolio as well as the new NCA Private, Individuals and Third Sector Threat Group. These groups ensure stakeholder engagement and participation in the response to reported fraud and cyber enabled economic crime both within policing and across partner industries and sectors. These meetings continue to demonstrate the necessity for national processes in monitoring and dealing with the threat from fraud and cyber crime across a broad range of sectors.

11. The CoLP has been in discussion with the Home Office regarding governance arrangements for Home Office funding for the Action Fraud and NFIB service. A two tier system of meetings has been suggested to support this comprising a strategic group to provide oversight of the national response to fraud, supported by a tactical group, to provide more detailed governance over the City of London Police contribution to that response. It is suggested the strategic group looks at the broader issues that most impact upon the public at the local, regional and national level, including support to victims, contribution to the Serious and Organised Crime Strategy, overall attrition rates and positive outcomes, with the tactical governance group ensuring the City of London Police provides the contribution to national capability for which it is funded. This group will ensure progress is being achieved in relation to finance, performance, NFIB support to the Serious and Organised Crime Strategy, the Action Fraud improvement plan and internal attrition rate. Charles Farr has been invited to Chair the strategic group and draft Terms of Reference for both meetings have been forwarded to him for review.

12. The CoLP continues to engage with the Police and Crime Commissioners and a dedicated SPoC has now been assigned to log and progress this engagement. The PCCs continue to receive the force fraud and cyber profiles to raise their awareness of the types of fraud crime impacting on their communities. Commander Head has continued to engage with all Police and Crime Commissioners and wrote to them in July covering the following areas; to seek their opinions on the local fraud and cyber profiles, to update them on changes to Action Fraud reporting, to initiate discussion on supporting victims of fraud as well as to inform them of the CoLP Hajj fraud campaign.

13. The Commissioner and Commander Head were delighted to welcome the Home Secretary, the Rt Hon Theresa May MP to visit the Police Intellectual Property Crime Unit (PIPCU). The visit was arranged through Mike Weatherley MP so the Home Secretary could find out more about PIPCU's ground-breaking national work in tackling a wide range of intellectual property crime encompassing both online activity and hard goods. Commissioner Leppard also hosted a roundtable breakfast with the Police Committee Chairman Mr Henry Pollard for Karen Bradley MP, which was followed by a visit to the NFIB. Other visits of note are Helen Goodman MP to the PIPCU, a visit from the Attorney General, Dominic Grieve to the NFIB. Commander Head has also delivered talks on cyber crime to both Conservative members of Parliament and the Castle Baynard Ward business forum. Future meetings include visits to the Dedicated Card and Plastic Card Unit by firstly, Charles Farr of the Home Office in August and secondly by Karen Bradley MP in September. There will also be visits to Police Intellectual Property Crime Unit by Baroness Lucy Neville-Rolfe, Mike Weatherley MP, Karen Bradley MP and John Alty.

Conclusion

14. The CoLP continue to successfully influence the national police capability to fraud and cyber enabled economic crime, maintaining support to regions in supplying each individual force with local fraud and cyber profiles on a quarterly basis, most recently providing each force with a end of year profile. For the first time this included a profile specifically for the PSNI, as the CoLP reach out to those forces outside of England and Wales. This work is being 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. To support the continued improvements being made to the Action Fraud and NFIB service, Commander Head held an event in Loughborough to meet with all forces to discuss where accomplishments are being made and where improvement is needed, this will help inform the future strategy for dealing with fraud across the UK.

15. The CoLP continues to engage with PCCs, Government and partner agencies through visits to the Economic Crime Directorate and established meeting structures. This raises the profile of the work undertaken by CoLP and the established meeting structures continue to allow direct contact with policing regions and partner agencies and can facilitate tasking where necessary and

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.

Contact:
Commander Stephen Head
National Capability Programme
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stephen.head@cityoflondon.pnn.police.uk

APPENDIX A

Programme and times

Specialist Event For Businesses
Thursday 4th September 2014
6pm till 8pm

- Opening with Karen Rayner Federation of Small Businesses
- Future threats
- Home Office Business Accreditation/Certification
- What law enforcement is doing
- How to make your business more resilient to cyber attack
- The importance of staff training
- Statutory responsibilities - data handling
- Question and answer sessions

Open Event for the Public
Friday 5th September 2014
9am till 2pm

- Opening by Dr Eric Wood Deputy Police & Crime Commissioner – a police priority
- Rolling programme of short information and advice presentations
- Action Fraud procedures
- Demonstrations and presentations on keeping safe on the internet
- Access to on line fraud specialists
- Question and answer sessions

To book your place in advance
please contact Jan Horton by e-mailing
Jan.Horton@warwickshire.pnn.police.uk
and please make Action Fraud Roadshow
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APPENDIX B

Action Fraud/NFIB Ministerial Improvement Plan Update
July 2014

Introduction

Following the conclusion of the national rollout of the Action Fraud reporting service in March 2013, a review of performance, across both Action Fraud and NFIB service elements, took place at the Cyber Crime Board in May 2013. A joint improvement plan was developed detailing 11 separate elements (annexe A). A tactical level project board was convened to oversee progress, reporting into the existing governance structure, providing updates to the Cyber Crime Board.

This has formed the framework to drive continuous improvement throughout the service and should be considered in the context of two other significant factors;

- The procurement process to establish a new system to deliver the service, which commenced in December 2013
- The movement of Action Fraud to the City of London police on 1st April 2014

Subsequent reports to the Cyber Crime board articulated progress against the following elements:

- Increase the output of crimes
- Improve data quality
- Improve the national enforcement picture
- Improve the feedback to victims
- Improve the service to corporate victims

The report submitted outlines the progress against each of these areas.

Increasing the output of crimes

Action Fraud will provide performance and value for money data on the contacts that result in an outcome other than a report. This will be used to drive efficiency improvements in the reporting function.

An in depth review of all contact received concluded that all contact was within scope of the service – to provide a reporting channel, as well as advice and guidance in relation to fraud and cyber crime. Reviewing the contact identified an area for improvement in unnecessary contact from the police service through the voice channel. This has been addressed by redesign of the IVR to direct police employees to answer their most common queries through other sources, backed up with feedback to forces and training provision. This is one of the key messages to be communicated through the post rollout review sessions taking place across the regions in the coming months to drive further reductions and reduce cost.

The potential for delivering efficiencies in contact handling is a fundamental part of the user requirement for the new system being procured. New functionality is required to balance delivering a victim focussed service, with increased data quality and channel shift.

The NFIB to conduct a comprehensive review of the current scoring matrix to maximise viable lead opportunities.

The NFIB makes use of an automated scoring process to analyse all reported crimes, identifying viability from the information supplied in each report, coupled with the nature of its interaction with other data within the system. This scoring mechanism delivered significant efficiencies, but was dependent upon the quality of data supplied by the reporting person, and was inflexible. Emerging

crime issues and taskings from law enforcement partners could not be economically accommodated through variation of the scoring mechanism. As a result several manual review criteria were developed to deliver a service against these areas.

These action areas reflected concerns at both the volume and nature of the cases passed from the NFIB to law enforcement. In quarter 1 of 2013 the NFIB disseminated 7,181 crimes for enforcement. In response to this action the NFIB have:

- **Conducted an internal review of our scoring process** to assess our approach in ensuring that crimes that present harm to victims, which offer viable lines of enquiry that are realistically solvable by UK LEA get disseminated
- **Led an Engagement strategy** – looking at best practice around the country on case management and investigation priorities, engaging with: Thames Valley Police and its recent work on the issue of crime viability and solvability; Home Office and its strategy in classifying and measuring different factors of harm; UK police forces on reported crime outcomes from NFIB disseminations to understand what capabilities forces have or don't have for pursuing viable lines of enquiry; and a literature review on solvability and volume crime
- **Engaged with a Research Team** at the Home Office to inform their project on reviewing attrition through AF and NFIB.
- **Findings** are that the approach to scoring is effective but there are opportunities to improve it through improving quality of data input into Action Fraud.

Resources have been bolstered in crime review and dissemination, and following the movement of Action Fraud to the City of London police the business has been aligned to an integrated operating model. Crime dissemination performance has significantly improved with quarter 1 figures of 14,023 crimes disseminated for enforcement.

The attrition project has concluded its research for presentation at the Cyber Crime Board on 15th July. This reflects a shared understanding of the weaknesses in;

- Control of scoring processes
- Transparency of decision making
- Data Quality causation and impact

All of the recommendations are already reflected in the user requirement for the new system, which will enforce enhanced data quality and enable multiple scoring approaches to meet the demands of differing crime types. Control of scoring will lay in the hands of the NFIB allowing for a dynamic approach, taking advantage of greater data agility to enhance the decision making process. This will improve the numbers of cases disseminated and support recipients of cases in carrying out enforcement action.

The recommendations for the current service provision relate to;

Adaptation of the existing reporting tool to improve data quality. A project is underway to scope and cost changes. The changes are aimed at directing reporting persons to put in structured data and identifying where submissions in additional notes add value.

and

Manual review criteria.

NFIB will review the additional manual review criteria to find more areas where manual review could result in more viable crimes being disseminated. The NFIB will also increase disruption

opportunities by enhancing partnerships with a range of organisations across multiple industries and sectors.

The integrated operating model has been in place since May 2014 and focuses activity on themed fraud and cyber threat areas. The enhanced knowledge derived from this approach informs manual review decisions. A review of the integrated operating model will be conducted in August 2014. Outputs continue to rise, with the monthly average sitting at 4,500 crimes per month disseminated.

Figure 1: Crime disseminations to Forces and Partner Agencies
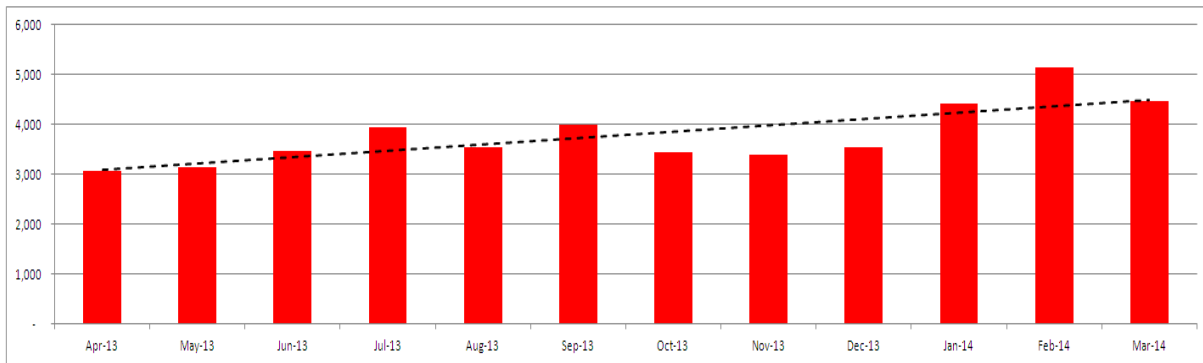
The NFIB seeks to make the most effective use of the data it holds to deliver strategic and tactical impact against the criminal threat posed. A significant proportion of the crimes reported to Action Fraud are not suitable for dissemination to UK law enforcement as they have no chance of a judicial outcome. The NFIB has innovated in the way it analyses and presents the available data to service providers and regulatory bodies to achieve disruption and prevention outcomes. Raising public awareness of this activity through the victim fulfilment process is also critical to maintain confidence in the value of reporting and the service being delivered.

The NFIB has substantially increased the volume of data being shared for disruption and continues to seek new opportunities to share valuable intelligence with other parties, as illustrated in the figure below.

Figure 2: NFIB Disruption Values by category 2012/13 to 2013/14 (April –December)
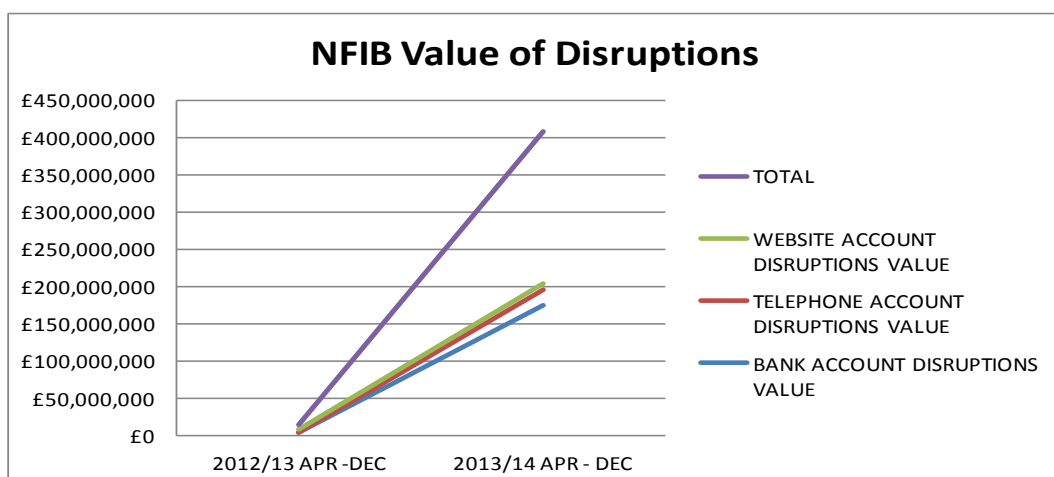
The number of disruptions to each category in this period is set out in the table below.

Category	2012/13 (Dec-Apr)	2013/14 (Dec-Apr)
Bank Accounts	296	19,755
Telephone	247	25,536
Website	374	885
TOTAL	**917**	**46,176**

This aspect of the service is currently achieved through manual processes, including steps required to address poor data quality. The future system will provide bespoke extracts for partners in an automated fashion, with the ability to innovate to meet shifting requirements.

Improve data quality

Action Fraud and the NFIB will work together to identify improvements in the data capture and data review processes which will improve the quality of data within the NFIB 'KnowFraud' system and associated outputs. (This action focuses on ensuring that the reports that are collected through Action Fraud and then passed on to NFIB become more accurate

This action is addressed in part by the previous update.

In response to this action a wide ranging consultation exercise identified over 50 extra fields that could be captured and contribute. The scale of changes was outside of budget constraints and so this has informed the user requirement.
As already referenced, a project is in place to scope influencing reporting persons to put data into structured data fields, as well as separate work to filter all additional notes submitted by victims to identify where additional notes actually contain viable lines of enquiry.

Improving the national enforcement picture

NFIB continues to work with ACPO to ensure all forces comply with the Home Office rules. They will establish a clear framework of reporting requirements in relation to outcomes from NFIB crime disseminations.

The action reflects the reality post national rollout of very low detection return rates, 12/13 – 592, resulting from a combination of two factors;
System integration difficulties experienced by forces to varying degrees, leading to nil or partial returns
Low actual enforcement activity levels, leading to low returns

The NFIB have now

- **Implemented a new process** to proactively capture force outcomes to ensure full adherence to Home Office rules;
- **National Coordinator for Economic Crime** who now sends out a quarterly letter publishing the return of outcomes for that quarter;
- **Engaging with police force contacts** and Force Crime Registrars; to support timely submissions of outcomes. There are still a number of forces who do not submit regular timely outcome returns. NFIB is working with these forces to assist in improvements as well as non police law enforcement, such as trading standards.

- **Publish all force disseminations** and outcomes on POLKA including numbers of disseminations/calls for service per force, numbers of detected crimes per force and detected crime (outcomes) as a % of demand per force. The number of outcomes is increasing.
- **Enhanced audit.** Force Crime Registrars carry out a monthly audit on accuracy of data input into crime/information report and to ensure fraud categories are correctly used in the reporting system. This forms part of a cohesive end to end audit capability, with all identified failures fed back to the relevant force SPOCS to address with their teams appropriately.
- **Future Service.** The future service currently being designed will reduce the reliance on manual transfer processes to reconcile disseminations to outcomes, so removing cost and integration issues which negatively skew performance figures.

In 12/13 detection returns totalled 592, in 13/14 the returns totalled 8,580.

NFIB and Action Fraud are currently implementing an improved update process and working together to find a solution to ensure all outputs are fed back to all victims. An end-to-end correspondence process will be agreed and implemented. There will also be a full review of the functionality and service gaps of the Tier 2 function, inclusive of its location, connectivity, ownership and performance.

The separation between Action Fraud and the NFIB led to clear structural inefficiencies in the handling of correspondence and dissatisfaction. This was compounded by the decision taken by some forces to refuse to enter into correspondence with victims of crimes referred to their force for enforcement. As a result of this there was a clear need to improve the level of information supplied to victims, as well as the response to victim correspondence. Consistent themes from victims focussed on two questions:
- What has happened to my crime?
- Why has nothing happened with my crime?

All victims who report crime now receive one of 3 fulfilment letters;

- Disseminated – Commencing December 2013
- Disrupted – Commencing February 2014
- No enforcement after 28 days – Commencing May 2014.

All correspondence and formal complaints are shown in Annexe B. The immediate impact of the disseminated letter was to drive more contact from victims. Analysis shows that on receipt of this letter they would contact the force they were signposted to, where they would receive a mixed service. In response the letter sent to victims was refined to include the force reference numbers, coupled with greater force engagement to improve their response.

The creation of an information hub has allowed for more efficient handling of customer correspondence, from victims, police staff and media enquiries. Having one central point for information allows monitoring of trends and themes. Complaint volumes remain low, declining from the peak of 26 in September 2013. The increase in volumes of cases disseminated, coupled with the improved information supplied to victims is behind this decline, which will be supported by further phases of fulfilment as planned;
- Dissemination to non police law enforcement – August 2014

- No crime – September 2014
- Detailed fact sheet for "victims" of identity theft – September 2014

The future service design places the victim journey at the heart of the process, giving greater flexibility, harvesting more useful information and providing more useful, tailored feedback to victims.

Improve the service to corporate victims

Action Fraud will review their project plan for bulk reporting and produce a framework detailing forecast volume and private sector performance expectations of service. This plan must include detailed costing to show the potential impact upon NFIB in meeting the expectation, inclusive of resource and infrastructure

The main reporting tool journey is one crime at a time. This is fine for individual victims but can pose problems for businesses and the Police. For example, a boiler room fraud with 100 victims would equal 100 crimes, in terms of time taken to input those crimes, it currently takes approximately 20 minutes to input a crime report onto the main web tool, so 100 reports would take just over 33 hours.

In November 2012 the Business Reporting Tool (BRT) was launched. BRT enables users to report multiple instances of fraud in a more efficient and knowledgeable manner. Reports are filled in by fraud type and submitted one at a time but additional functionality is available to copy details from one report to another, thus minimising duplication of data entry. This tool also enables the user to select the fraud to report directly, avoiding the questions used in the main reporting tool to establish what has occurred which can take up a substantial part of reporting. Using the above example of 100 victims, it currently takes approximately 5 minutes to input a crime report onto BRT, so 100 reports would take just over 8 hours to input.

The tools in place address the needs of many businesses and are used by all police forces. However, there is an identified need to provide businesses with a higher volume operating model (such as retailers) with the facility to push larger amounts of crime data to the NFIB with minimal manual effort. This is a factor in under-reporting, skewing the true picture of fraud from a strategic standpoint and denying law enforcement the opportunity to do more to prevent and detect fraud.

In April 2013 a proposed bulk reporting solution was presented to businesses[1]. This solution required varying levels of business change from organisations to adapt their data capture and export processes to meet the requirements. Specifically the level of data required and onus on applying the Home Office Counting Rules for balance of probability prior to submission could not be matched without significant change.

An initial assessment on predicted volumes enabled approximate costing and NFIB resource implications to be presented to funding partners. At the time funding could not be secured to deliver the build or employ the additional resource needed to effectively deliver an end to end service. Data capacity issues with the KnowFraud system also required urgent action. Therefore a combination of KnowFraud system issues and lack of available funding led to the bulk reporting solution not being implemented after consultation.

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[1] This solution required businesses to match the current XML file transferred from Action Fraud to the NFIB. Thus allowing current transfer, ingest and work benching processes to be utilised.

Successful completion of Project Vanwall has addressed the system capacity issues and funding has been identified to deliver the technical solution only. This will be delivered in September 2014.

Engagement with businesses in support of the procurement exercise has helped to develop our understanding on:
- what data entities they do hold;
- what assessment of data they do, in terms of crime recording;
- the volume and regularity of data they would be willing to share;
- their expectations in providing this data to us in terms of outcomes; and
- their appetite for implementing any business change; level and type.

This has enabled us to incorporate more flexible tools, that will deliver organisational and service requirements, into the user requirements to be delivered in the new system in April 2015.

1. NFA will provide performance and value for money data on the contacts that result in an outcome other than a report. This will be used to drive efficiency improvements in the reporting function.

2. Action Fraud and the NFIB will work together to identify improvements in the data capture and data review processes which will improve the quality of data within the know fraud system and associated outputs.

3. Action Fraud and the NFIB will use the operational research and data review already completed to find ways to improve the data quality of web reporting and maximise the utility of data provided.

4. Action Fraud to review their project plan for bulk reporting and produce a framework detailing forecast volume and private sector performance expectations of service. This plan must include detailed costing impact upon NFIB to meet the expectation inclusive of resource and infrastructure requirements.

5. The NFIB will conduct a comprehensive review of the current scoring matrix to maximise viable lead opportunities. An independent advisory group of subject matter experts will be used to validate the findings.

6. NFIB will review the additional manual review criteria to find more areas where manual review could result in more viable crimes being disseminated.

7. NFIB will increase disruption opportunities by enhancing partnerships with a range of organisations across multiple industries and sectors.

8. NFIB & NFA to implement an improved update process and work together to find a solution to ensure all outputs are fed back to all victims.

9. An end to end complaints resolution process will be agreed and implemented.

10. NFIB and NFA to conduct a full review of the functionality and service gaps of the Tier 2 function, inclusive of its location, connectivity, ownership and performance.

11. NFIB continue to work with ACPO to ensure all forces comply with the home office rules.

12. Establish a clear framework of reporting requirements in relation to outcomes from NFIB crime disseminations.

13. Hold recipients to account for the quality and timeliness of their returns in response to products disseminated.

14. A quarterly transparency review will take place at the joint management board, chaired by the Commissioner of CoLP and the CEO or NFA.

Annexe B
Customer Correspondence Volumes
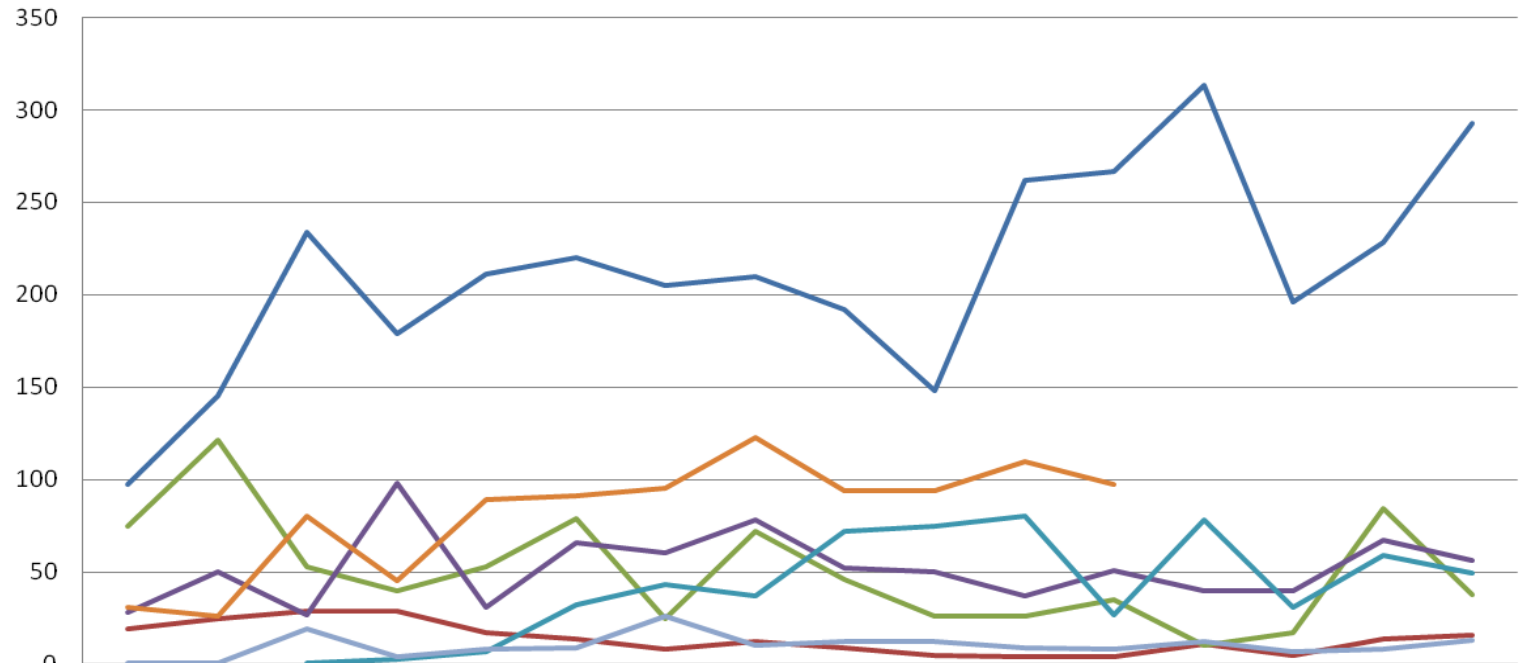
	3-2013	4-2013	5-2013	6-2013	7-2013	8-2013	9-2013	10-2013	11-2013	12-2013	1-2014	2-2014	3-2014	4-2014	5-2014	6-2014
Updates	97	145	234	179	211	220	205	210	192	148	262	267	313	196	228	293
Gripes	19	25	29	29	17	14	8	12	9	5	4	4	11	5	14	16
Enquiries	75	121	53	40	53	79	25	72	46	26	26	35	10	17	84	38
Report Copy	28	50	27	98	31	66	60	78	52	50	37	51	40	40	67	56
Confirm CRN/P'word			1	3	7	32	43	37	72	75	80	27	78	31	59	49
No Crime	31	26	80	45	89	91	95	123	94	94	110	97				
PSD Complaints	1	1	19	4	8	9	26	10	12	12	9	8	12	7	8	13

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