



Meeting of the late Economic Crime Board of the Police Committee

Date: FRIDAY, 1 MAY 2015

Time: 11.30 am

Venue: COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

Members: Simon Duckworth (Chairman)
Deputy Douglas Barrow (Ex-Officio Member)
Nicholas Bensted-Smith
Mark Boleat
Lucy Frew
Helen Marshall
Henry Pollard (Ex-Officio Member)
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 25 February 2015.
For Decision
(Pages 1 - 4)
4. **NATIONAL LEAD FORCE STRATEGIC DOCUMENTS**
Report of the Commissioner of Police.
For Information
(Pages 5 - 60)
5. **NATIONAL LEAD FORCE UPDATE**
Report of the Commissioner of Police.
For Information
(Pages 61 - 66)
6. **NATIONAL LEAD FORCE: FOURTH QUARTER AND END OF YEAR PERFORMANCE REPORT**
Report of the Commissioner of Police.
For Information
(Pages 67 - 78)
7. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
8. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
9. **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.
10. **NON PUBLIC MINUTES**
To agree the minutes of the meeting held on 25 February 2015.
For Decision
(Pages 79 - 80)
11. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
12. **ANY OTHER NON-PUBLIC BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

ECONOMIC CRIME BOARD OF THE POLICE COMMITTEE **Wednesday, 25 February 2015**

Minutes of the meeting of the Economic Crime Board of the Police Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Wednesday, 25 February 2015 at 11.00 am

Present

Members:

Simon Duckworth (Chairman)
Helen Marshall
Deputy Richard Regan

Officers:

Alex Orme	Town Clerk's Department
Katie Odling	Town Clerk's Department

City of London Police:

Adrian Leppard	Commissioner
Stephen Head	Commander, Economic Crime

1. APOLOGIES

Apologies for absence were received from Mark Boleat, Nick Benstead-Smith and Lucy Frew.

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

There were no declarations of interest.

3. MINUTES

RESOLVED – That the public minutes of the meeting held on 13th November 2014 be approved.

4. NATIONAL LEAD FORCE: OVERVIEW

The Board received a report which highlighted the very significant advances made by policing under the leadership of the City of London Police and the National Coordinator's Office in particular.

The Commissioner informed the Board that the Force was being active in producing its own National Fraud Strategy and National Fraud Prevention campaign.

Work was being undertaken in conjunction with the National Crime Agency and various stakeholders around understanding the threat of economic crime.

A report to the next Board would be submitted to provide greater detail of the scope for tackling economic crime and how the success of economic crime was viewed.

RESOLVED – That the report be noted.

5. **NATIONAL LEAD FORCE: THIRD QUARTER PERFORMANCE REPORT**

The Board received a report of the Commissioner of Police which provided an update in relation to the National Fraud Capability Programme summarising the performance delivered by the City of London Police in its capacity as National Lead Force for Fraud.

The report also provided the 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.

Members discussed the significant increase in the number of action reports received that had been converted into successful outcomes achieved by local police forces. It was noted that outcomes had risen from 2,233 in Q3 last year to 6,400 in Q3 2014/2015 and this was an improvement in national policing performance.

The Board discussed the new Economic Crime Victim Care Unit pilot which was being run in partnership with MOPAC and targeted at improving the service of the most vulnerable victims of fraud. A report would be submitted to the next meeting of the Board in relation to victim care and support.

RESOLVED – That the report be noted.

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 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

9. **NON-PUBLIC MINUTES**

RESOLVED – That the non-public minutes of the meeting held on 13th November 2014 be approved.

10. **ECONOMIC CRIME ACADEMY**

The Board received a report of the Commissioner of Police.

11. **NEW YORK DISTRICT ATTORNEY'S OFFICE - MUTUAL SECONDMENT OF STAFF**

The Board received a report of the Commissioner of Police.

RESOLVED - That the report be noted

12. **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**

The Commissioner reported one item of business relating to the procurement of the new Action Fraud IT Systems.

The meeting ended at 12.30 pm

Chairman

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Committee(s): Police: Economic Crime Board Police Committee	Date(s): 1 st May 2015 20 th May 2015
Subject: National Lead Force Strategic Documents	Public
Report of: Commissioner of Police Pol 24/15	For Information
<p><u>Summary</u></p> <p>At the last ECB we presented a report entitled ‘A narrative for fraud’ which explained to our key partners and stakeholders how we have led and are continuing to lead a transformation in the way the Country tackles the rapidly growing and evolving threat of modern fraud and cyber-enabled crime. We advised that we would be taking these themes forward through a number of strategic documents starting with an overarching National Policing Strategy out of which would fall a number of supporting themes including that of better protecting the community from fraud and providing better support for victims. The National Policing Strategy has received the formal support of the Police Crime Business Area and we have undertaken collaborative work with policing and partners within the Home Office and elsewhere to develop the supporting strategies. The crime prevention strategy has also now received CBA support. We are also now developing a draft collaborative strategy for the support to victims. These strategies are now all subject of work by national police working groups led through our chairing of the Economic Crime Portfolio to support implementation at the national and local levels. The three documents are attached as Appendices 1-3.</p> <p><u>Recommendation.</u></p> <p>Members are invited to note the contents of the attached reports.</p>	

MAIN REPORT

1. Background

We have worked in collaboration with partners within policing and beyond including the Home Office, the National Crime Agency and private and third sector stakeholders to deliver a series of key strategies to guide the national response to fraud. The aim of the overarching fraud strategy is to reduce the impact of fraud (its volume, value and personal impact), support victims and ensure UK policing has a

sustainable and credible response to this type of crime. The crime prevention and victim support strategies take particular aspects of this further to provide a coherent and comprehensive approach to policing fraud.

2. Current Position

National Policing Fraud Strategy

The fraud strategy (attached) was developed with considerable consultation with interested parties and the final version represents the inputs of the Home Office and NCA among others. National Policing Crime Business Area fully endorsed the National Policing Fraud Strategy. The Strategy sets out how Policing will:

- Make most effective use of the variety of tactics and techniques available to policing under the '4 Ps' including doing more to 'protect' communities.
- Best integrate the national, regional and local resources and capabilities
- Tackle both volume crime and support the NCA in tackling serious and organised crime.
- Ensure the focus remains on the key outcome – reducing the impact of fraud including supporting victims.

We now have several workstreams in place to develop and implement aspects of the strategy including support to victims and Protect so that the impact of the strategy can be felt at the practical level. This will be taken forward through the Economic Crime Portfolio involving a number of groups drawn from appropriate representatives from every police region. The Strategy is attached at Appendix 1.

Protect Strategy

The Crime Business Area also endorsed the Protect strategy which fell out of the overarching fraud strategy. The aim of this strategy is to reduce the impact of fraud; reducing the volume of crime, the value of the losses incurred and the wider impact on the quality of life for individual victims. It will do this by:

- Putting in place a National Economic Crime Prevention Centre.
- Establishing a National Fraud Prevention Network
- Integrating 'protect' activity within the overall strategy for the policing of fraud under the National Police Coordinator

We will use the above structure to deliver:

- An enhanced threat picture
- Empowerment of individuals and organisations to protect themselves
- More effective evidence based designed-in fraud protection bespoke to individuals and groups most at risk
- Engagement of the volunteering community

We have already been put the mechanisms for this in practice working with police and Home Office partners and others to do so creating a comprehensive network across every police force in the country and supported by a dedicated central team

within the NFIB. We have just received notification of new central government funding to support the new central team. The Protect Strategy is attached at Appendix 2.

Victim Strategy

We are currently working with partners across policing, victim support and other third party sector groups developing a victim strategy to support the national fraud strategy. Our aim is to put in place a system that delivers the appropriate care to victims in a consistent and responsive manner. We intend to place particular emphasis on addressing the needs of vulnerable and repeat victims. We are clear that this process will of necessity be different from that adopted for victims of other crime types given the national to local nature of our response and the separation between point of reporting, investigating force and victim's local force. We will be continuing work undertaken with partners including the Home Office, during the pilot of a centralised victim care unit to see how vulnerable victims can best be identified and 'fast-tracked' from Action Fraud reporting, ahead of crimes being disseminated. There is also a particular impact on victims of this crime type which also needs to be reflected in our response. A draft is attached at Appendix 3 for the information of Board members, prior to external circulation. We will share further versions of this strategy as we reflect the outcome of the consultation progresses.

Conclusion

We have delivered on behalf of and with the collaboration of policing an overarching strategy to guide the national response to fraud. Following from this we have also provided the strategy to deliver the crime prevention ('Protect' in Home Office parlance) aspects of this and are working with partners to develop the victim support theme of the fraud strategy. As we develop the strategy together with partners we are putting in place the necessary working groups to ensure they are put into practice at the operational level.

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Attachments:

Appendix 1 - National Policing Fraud Strategy

Appendix 2- National Policing Fraud Protect Strategy

Appendix 3- Draft National Policing Strategy for the Victims of Fraud

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National Policing Fraud Strategy

Draft prepared by the National Police Coordinator for Economic Crime January 2015

INTRODUCTION

This is the National Policing Fraud Strategy produced by the National Police Coordinator for Economic Crime through the Crime Business Area in consultation with chief officers and their staff. It is designed to support chief officers in meeting economic crime aspects of the Strategic Policing Requirements and their own local priorities. It also outlines assistance available to forces and police and crime commissioners in identifying and meeting their local economic crime priorities.

The Commissioner of the City Of London Police was tasked with coordinating the police response to fraud, and with creating a number of national level resources including the National Fraud Intelligence Bureau (NFIB) and a number of specialist enforcement teams.

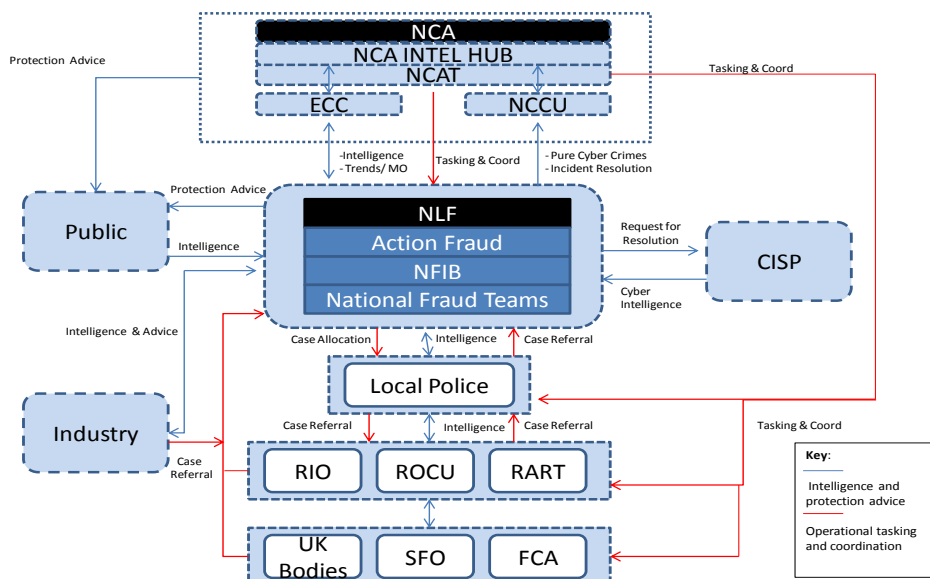
In October 2013, Economic Crime Command (ECC) of the National Crime Agency (NCA) became operational and assumed responsibility for leading, supporting and coordinating the national response to economic crime – including law enforcement, regulatory bodies and the private sector. Alongside this Regional Organised Crime Units (ROCU) developed their regional fraud capability to tackle organised crime groups at that level.

CONTEXT

The Fraud Review of 2006 identified that the police service response to fraud was uncoordinated and under resourced and identified a need to tackle fraud in a more effective manner at the national, regional and local level.

Despite these many developments at the national and regional level, it is recognised that the key role in the policing of fraud is played at the local level.

Fig 1: Counter-fraud landscape – intelligence and tasking workflows



THE NEED TO ACT

In contrast to many crime types the volume of reported fraud is growing. It is becoming more complex and diverse in nature and uses cyber technology to cross both national and international boundaries.

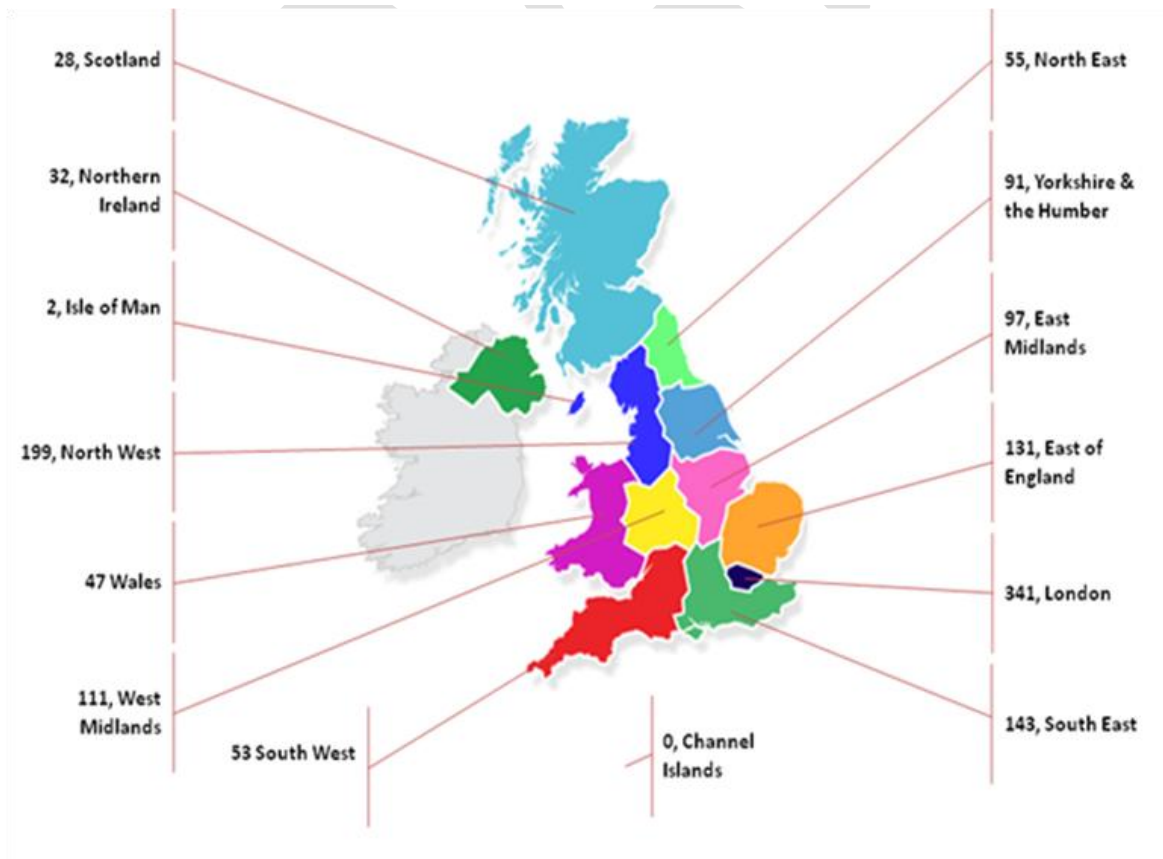
Fraudsters, whether operating as part of organised crime groups or as individuals, are increasingly sophisticated, innovative and capable, using emerging technology and societal trends to create new opportunities by exploiting gaps in individual and corporate victims' defences.

At the same time our communities, and police and crime commissioners as their representatives, are becoming

increasingly aware of the scale of this crime type and that it is not victimless, on the contrary tragic examples have only served to demonstrate the real impact on victim's lives and livelihoods. As a result policing is increasingly being asked to outline their response to fraud and the priority accorded to it.

Furthermore, the Strategic Policing Requirement highlights that economic crime, including fraud, is a key element of the organised crime threat (at the time of writing over 20% of the priority organised crime groups are mapped as having an involvement in economic crime). Police and crime commissioners are required to have regard to this threat in developing their police and crime plans.

Fig 2: Organised Crime Groups mapped as having involvement in economic crime, intellectual property crime and counterfeit currency (30 June 2014)



AIM

The aim of this strategy is to reduce the impact of fraud. It will do this by:

- Reducing the volume of crime, the value of the losses incurred through crime and the wider impact on the quality of life for individual victims.
- Supporting victims of fraud ensuring that they receive an appropriate service from policing in partnership with other agencies such as Victim Support and other Government departments (such as Social Services).
- Ensuring that UK policing (working with partners such as the National Crime Agency) has a sustainable and credible response to the growing threat from fraud.

SCOPE

This document is written at a strategic level to outline how the police service of England and Wales will tackle fraud impacting on individuals and businesses at a local, regional and national level; it does not seek to prescribe operational or local delivery. It complements the Strategic Policing Requirement and the National Control Strategy (which ranks Fraud against the Individual, Private & Third Sectors as a high priority threat) as well as priorities of other national policing leads in related areas (including, cyber crime, digital investigation and crime prevention).

Cyber-enabled crime

Cyber crime, in its broadest sense is not within the scope of this strategy. However, 40% of the frauds reported through Action Fraud in 2012 were committed online and this is likely to

continue increasing year on year. It is reported that 70% of recorded fraud involves some form of cyber enablement including telephony, the internet, or e-commerce.

Any fraud strategy must therefore be written in the context of cyber-enabled crime. The National Fraud Intelligence Bureau will support national policing as the national reporting centre for cyber crime. It will also improve knowledge and awareness of cyber-enabled crime, increasing our collective understanding of the scale and threat that it poses, and methods used, thereby assisting in the identification of priorities. It will help to spread 'protect' advice through its alert system and support 'pursue' activity through its intelligence disseminations. The National Crime Agency's National Cyber Crime Unit is responsible for leading the overall response to cyber crime, coordinating multi-agency activity and providing specialist cyber support and expertise across law enforcement.

STRATEGY

The economic crime operating model

In order to effectively tackle economic crime, including fraud, it is helpful to understand the means by which it operates at both the micro and macro level. Economic crime is increasingly practised by both traditional fraudsters committing volume crime and by organised crime groups who recognise its value as a lucrative and relatively safe addition to their other criminal activities.

Fraudsters are, by virtue of their activities, supported by additional

criminal networks including identity crime (eg victim data and false identity) cyber crime (both cyber-dependent and cyber-involved) and other professional and technical enablers. Money obtained through economic crime will either be laundered, retained to fund the lifestyle or returned to fund further crime.

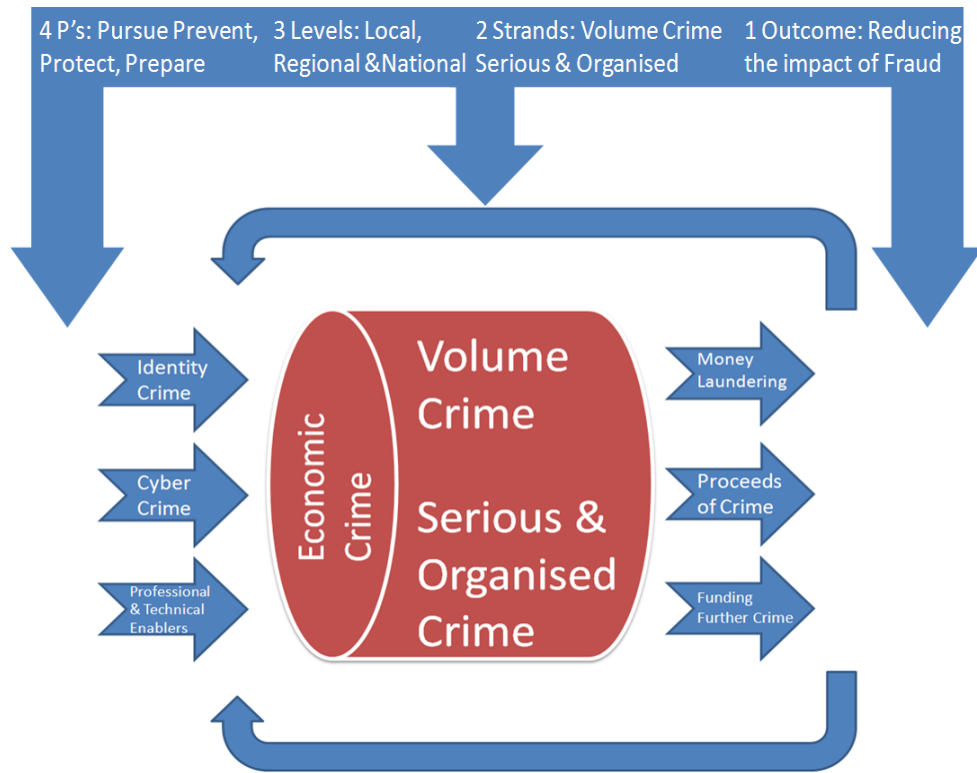
Response to fraud

The Strategy will be intelligence led, supported by the National Fraud Intelligence Bureau and characterised

by partnership working among law enforcement agencies and with the private sector.

Local resources will support regional and national priorities where appropriate but local forces will in turn be able to draw upon national expertise and capability. The strategy is based around a 4-3-2-1 model and is to envelop the whole economic crime operating model as summarised below:

- 4 Ps** – using the most effective mix of *'pursue', 'protect', 'prevent', 'prepare'*
- 3 levels** – addressing economic crime at the national, regional and local levels
- 2 strands** – tackling both serious, organised crime and traditional volume crime
- 1 outcome** – reducing the impact of fraud



THE 4Ps

4

The 4Ps approach has previously been used in counter-terrorism, is central to the Serious and Organised Crime Strategy and is now being applied to economic crime. The 4Ps as they relate to economic crime are summarised at **Appendix 1**.

Pursue

The police service ‘pursue’ ambition is to reduce the fraud threat through the investigation of individuals and groups engaged in fraud and the disruption of their activities. Guidance to those investigating fraud is available as part of the Fraud Authorised Professional Practice.

The nature of volume fraud, particularly when cyber-enabled, often from overseas, means that it will not always be feasible for the police to investigate and pursue an offender with the core aim of securing

conviction and a custodial sentence. However, the needs of the victim can often be met through the broader range of positive outcomes set out by the Home Office. Public expectations and the ambitions of investigators should therefore be managed accordingly.

Where it is feasible to do so, UK policing, will use all available capabilities to tackle criminals operating outside national jurisdiction. This will include options such as international letters of request and mutual legal assistance, as well as bilateral capabilities presented by the National Crime Agency’s international liaison officer network, and more common ‘police to police’ channels through multilateral agencies, such as Interpol and Europol.

Such operations will normally be coordinated by the National Crime Agency and City of London Police.

There will be an increased emphasis in disrupting fraud, denying criminals access to the technical and other elements they need to enable their crimes.

Where it appears that an investigation is unlikely to be effective the National Fraud Intelligence Bureau will work with its industry partners to deny criminals access to their technical communications, internet and e-commerce tools. Operations will also be conducted by police to disrupt criminal activity by, for example, targeting professional enablers such as dishonest or misguided lawyers and accountants, or conducting pre-emptive action to deny access to office space used to facilitate investment frauds.

As part of its pursue activity policing will use all available legislation to recover assets stolen. Regionally, this forms part of the broader remit of the Regional Asset Recovery Teams.

Prevent

The police service *'prevent'* ambition, not to be confused with crime prevention (see *'protect'* below), is to stop individuals becoming involved in fraud or providing support for economic crime criminal activity. This is a less well developed aspect of the 4Ps approach and the National Policing Coordinator for Economic Crime will work alongside others to:

- improve knowledge and understanding of the criminal career pathways to economic crime in order to inform proactive, multi-agency interventions
- identify the professionals and businesses that enable economic crime

- identify individuals likely to re-offend and suitable for offender management regimes
- design prevent interventions for application by the police service and others

Protect

The police service *'protect'* ambition is to strengthen the protection of individuals, communities, systems and infrastructure against fraud. The intent is to create or encourage the conditions in which crime prevention against fraud, particularly when cyber enabled, mirrors the best aspects of physical crime prevention. Were this condition to prevail:

- industry will design-in crime prevention to their technologies and processes
- individuals will be educated in, implement and take responsibility for their own crime prevention precautions
- the police will identify and advise on poor application of crime prevention processes and focus proactive effort where the threat is greatest

Once a crime has occurred the third sector will respond by repairing the damage and restoring security for vulnerable victims. Victims will also be offered reassurance and advice to avoid becoming repeat victims.

The precursor to this is a general threat awareness and an understanding that individuals and organisations can do much to protect themselves.

Local forces, their local councils and crime prevention partners will be

supported by the National Economic Crime Prevention Centre as required. This 'national to local' network will provide central resources and support to local crime prevention activity and will use local resources to help deliver national crime prevention campaigns.

Where required, the Economic Crime Prevention Centre will arrange training to provide those involved in traditional crime reduction with the additional knowledge to advise on fraud and cyber enabled crime. The Economic Crime Prevention Centre will also act as a focus for partnership working, engaging with national police leads for related crime areas, the relevant official departments, industry, the third sector and victim representatives.

Prepare

The police service '*prepare*' ambition is to reduce the impact of fraud firstly by understanding and dealing effectively with the current and emerging threat and when such crime has occurred by ensuring that victims are well supported.

The Economic Crime Prevention Centre will work with partners including the National Crime Agency and those in industry and academia to ensure that the changing nature of the threat is observed and reported.

As the national centre for fraud and cyber crime reporting, the National Fraud Intelligence Bureau plays a key role at the national strategic and local level in ensuring that the threat is understood and communicated.

The National Fraud Intelligence Bureau will respond to emerging and specific threats by issuing alerts to industry and guiding the prioritisation of crime prevention '*protect*' activity.

Action Fraud will continue to provide the initial victim care, issuing appropriate crime prevention advice at the point of contact and updating victims on the progress of their report until it has been disseminated to a force for investigation.

3 THE 3 LEVELS – National Regional Local

National

The police service holds a number of capabilities and responsibilities at a national level.

Central reporting intelligence and crime packaging



With a universal reporting system (Action Fraud) and a national resource (the National Fraud Intelligence Bureau) for collecting, enhancing and disseminating intelligence the police service of England and Wales is well placed to deliver intelligence led policing of economic crime.

The National Fraud Intelligence Bureau will provide crime intelligence and developed assessments at the local, regional and national level. This intelligence will support all four activity areas (not just the enforcement element of 'pursue') identifying, for example, new or cyclical threats, victim types and victims vulnerable to repeat attack. In order to ensure a comprehensive intelligence picture policing will seek to encourage full reporting of fraud, exploring regulatory and legal avenues if required.

National fraud investigation capability

The police service has, through the City of London Police (as the national policing lead for fraud), the capability to investigate those frauds whose

complexity, impact, range or sensitivity make them less suited to investigation by a local force or regional unit.

Specialist fraud investigation capability

The City of London Police provides policing, in conjunction with private sector partners, with specialist investigation capabilities to tackle specific types of fraud including intellectual property crime, insurance fraud and payment fraud. This capability is deployed nationally with operational support from local forces.

Case Study: Specialist Fraud Investigation In October 2013, the industry-funded Insurance Fraud Enforcement Department coordinated the arrest of 30 suspects in the UK's largest ever ghost broking operation. Ghost brokers prey on individuals by offering unrealistically cheap deals online and in person leaving motorists believing they have bought insurance cover when they have not. The Insurance Fraud Enforcement Department assisted by City of London, Greater Manchester, Leicestershire, Metropolitan, Thames Valley and West Midlands police forces successfully executed 28 search warrants around the country. 170 police officers across the 6 forces were involved. This operation also led to the closure and disruption of 8 websites, 50 email addresses, 29 free ads and 7 telephone numbers and seizure of criminal assets such as cash and valuable items.

The National Economic Crime Prevention Centre networks into existing crime prevention assets at local and regional level thereby enabling better delivery of fraud and cyber-enabled crime prevention advice alongside traditional crime prevention activity. Crime prevention activity is discussed more fully under 'protect' above.

Support to victims

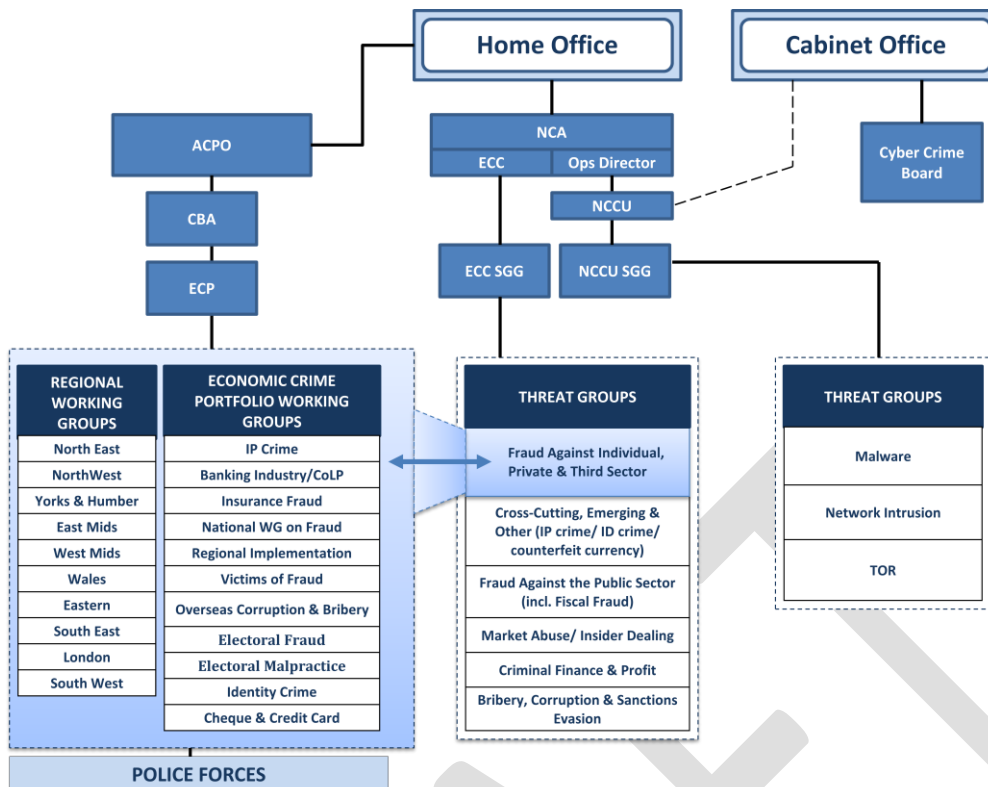
Support to victims remains the responsibility of the local force in whose area the victim normally resides. Some forces may consider the use of Special Constables as part of this response and centralised assistance with their recruiting and training for this purpose is available. Trials of centralised victims care units are being undertaken in a number of areas including London. Nationally, Action Fraud will provide suitable advice to victims, sign-post them to national and local resources and inform them of the action taken as a result of their report – until the point where it is disseminated to a force as a crime package. Victims will be referred to Victim Support by Action Fraud, unless they opt out. The National Fraud Intelligence Bureau will disseminate victim details, where known, regardless of whether or not the Action Fraud report can be developed into a viable crime package.

Coordination

The police service response to economic crime is coordinated by the National Police Coordinator for Economic Crime who will use the Economic Crime Portfolio and its associated working groups along with the National Crime Agency's Individual, Private and Third Sector Threat Group as primary mechanisms for engagement and delivery. This is shown in figure 5 below:

Fig 5: The National Crime Agency and policing structures

Appendix 1



Oversight

Whilst governance for police performance sits at the local level with police and crime commissioners, high-level oversight of the police response to fraud is maintained at the national level and reported to Ministers through a strategic oversight board.

The National Police Coordinator for Economic Crime and the National Policing Lead for Cyber-Crime are required to advise the board on action being taken to improve the police service response to fraud and cyber-enabled crime, both nationally and locally.

The National Police Coordinator for Economic Crime represents policing at this meeting, giving details on the level of crime reporting to Action Fraud, the number of crime packages disseminated to local forces and the number of positive outcomes reported back by forces to the National Fraud Intelligence Bureau.

Regional

Police capability at the regional level is provided by the Regional Organised Crime Units and their Regional Fraud Teams or equivalents. Whilst this capability is focussed primarily on targeting the organised crime groups of greatest concern to their region, Regional Fraud Teams may undertake investigations into other fraud crimes referred to them by a local force where the regional nature and complexity of the case makes it appropriate to do so. It will normally be the regional fraud team lead that represents the forces in their area at the Economic Crime Portfolio meeting.

Local

The size and nature of the local response to economic crime varies considerably, with some forces committing specialist units to tackling it whilst others absorb it in the workload of other departments.

The National Policing Coordinator for Economic Crime maintains a register of fraud capability and is available to support police and crime commissioners and chief constables in discussion over resourcing against their local threat. Police forces receive regular updates to their local fraud and cyber threat profile from the National Policing Lead for Economic Crime as well as being sighted on the data reported to the Strategic Oversight Board.

Chief constables and police and crime commissioners are encouraged to use this information in their decision making, calling on clarification and advice from the National Policing Lead for Economic Crime if they wish to do so.

Police forces have nominated to National Policing Lead for Economic Crime an appropriate member of staff to act as the point of contact for fraud matters and this network will be used to communicate, consult and coordinate on relevant issues.

National to local – The end to end process

The national policing response to fraud recognises the evolving nature of fraud as a crime type and the need to adapt accordingly. Previously, a local force will have viewed an incidence of fraud, based on the report of an individual victim in their area, as a low value crime with little prospect of identifying the criminal who, in all likelihood, was not within their jurisdictional area. Using the national to local process outlined below, policing is now able to see the true extent and value of a reported crime, mapping its victims across force boundaries and designating the most appropriate force to investigate, based on intelligence on the criminals involved. The local force is supplied by the National Fraud Intelligence Bureau with all the intelligence available, gathered from sources across the country and beyond.

All crime reports received by Action Fraud are passed to the National Fraud Intelligence Bureau where they are ingested into the 'Know Fraud' system and automatically analysed against all existing Know Fraud data to establish common links. The resulting networks are then scored for viability against agreed criteria with those that meet the scoring threshold being enhanced by analysts and researchers who will search a number of open source and restricted systems. Where

this is deemed to lead to an investigative opportunity (again against agreed scoring criteria) a report is disseminated to the appropriate force, selected in accordance with the Home Office Counting Rules for Fraud. In all cases, whether a report is disseminated or not, details, including those of victims, are made available to police forces for local decisions to be made as to investigation, intelligence and support to victims. Individual forces are responsible for investigation of crimes disseminated to them, support to victims in their area and any development of intelligence. On conclusion of the investigation forces will report Home Office outcomes back to NFIB where they will be collated and form part of national reporting on the Police Service response to fraud.

DRAFT

2 THE 2 STRANDS – Serious, organised Volume crime

There are two broad strands through which law enforcement is tackling economic crime. One strand, often referred to as volume crime, is essentially victim-focussed aiming to prevent individuals or organisations from becoming victims and supporting them when they do. The other is perpetrator-focused and aims to identify and tackle the most serious organised crime. Both approaches, when successfully pursued, will lead to a reduced impact of fraud.

Volume crime

The first Peelian principle of policing, that the basic mission for which the police exists is to prevent crime, applies as much to fraud as to any other crime type. Responsibility for protecting the local community from crime, and, when this fails, for pursuing those who commit crime and recovering criminal assets, rests with the local police force (although they may be supported through national resources and coordination).

This local responsibility is not diminished by virtue of central reporting through Action Fraud. The principle to be followed is one of local delivery supported by national resources, support and coordination. Priorities will be set by police and crime commissioners with their chief constables, informed in their decision-making by local threat profiles provided for them by the National Fraud Intelligence Bureau.

Serious and organised crime groups

The Crime and Courts Act 2013, gives the National Crime Agency the responsibility to lead the overall effort to tackle serious and organised crime, in conjunction with the rest of UK law enforcement.

The purpose of the National Crime Agency's Economic Crime Command is to reduce the impact of economic crime (including the financing of serious and organised crime) on UK society and the UK economy. It will develop a strategic approach to tackling the economic crime threat that reflects the four strands of the Serious and Organised Crime Strategy: '*pursue*', '*protect*', '*prevent*' and '*prepare*'.

The police service will support the National Crime Agency in tackling those organised crime groups involved in or supported by economic crime. This support to the national Crime Agency will often, though not exclusively, be provided by the regional organised crime units and their regional fraud teams or equivalent. Where required, the National Police Coordinator for Economic Crime will coordinate the policing input into any national, multi-agency approach on behalf of the National Crime Agency.

Priorities will be set in the Strategic Policing Requirement and the National Control Strategy. These are in turn informed by the National Strategic Threat Assessment, further refined by the Economic Crime Command's threat groups (primarily the fraud against individuals, private and third sector threat group) and by the Economic Crime Portfolio working

groups. This will be underpinned by the organised crime group mapping process.

Case study: Multi-agency approach to serious and organised crime



Operation Rico is the first time there has been a coordinated multi-agency investigation against cross-border networks of boiler room fraudsters. Whilst the majority of boiler rooms identified were located in Spain, there have also been hubs identified and significant arrests made in Serbia, Romania and the USA.

The operation involves UK and Spanish Police, National Crime Agency, Financial Conduct Authority, Serious Fraud Office, Crown Prosecution Service and US Immigration and Customs Enforcement, Homeland Security Investigations and the US Secret Service.

The groundbreaking partnership between UK and Spanish law enforcement agencies has led to a total of 110 arrests after 35 warrants were executed at private addresses and in buildings where boiler room operations were allegedly being conducted.

Within the Operation Rico investigation were 10 tier one criminals with alleged links to organised crime and drugs.

THE 1 OUTCOME – Reducing the impact of fraud

1

The desired outcome is to reduce the impact of fraud.

This ambition includes reducing the volume of reported crime, the value of the losses incurred through crime and the wider impact on the quality of life for individual victims. The National Policing Fraud Strategy seeks to reduce the impact on individuals and on businesses. Indicators of impact (ie volume and value) will be measured through Action Fraud reporting and National Fraud Intelligence Bureau analysis. As part of the outcome policing will support victims of fraud ensuring they receive an appropriate service from policing, in partnership with other agencies including Victim Support and Government departments. UK policing (working with partners such as National Crime Agency) will have a sustainable and credible response to the growing threat from fraud.

SUMMARY

Policing faces a new and evolving threat from fraud, particularly fraud committed using cyber technology. It must act to reduce the impact on victims, individual and corporate. Policing will tackle this threat leading in the fight against volume crime and supporting the National Crime Agency in the fight against organised crime.

The challenge will be met using resources at the national regional and local level using the full range of options available: *'pursue'*, *'protect'*, *'prevent'* and *'prepare'*.

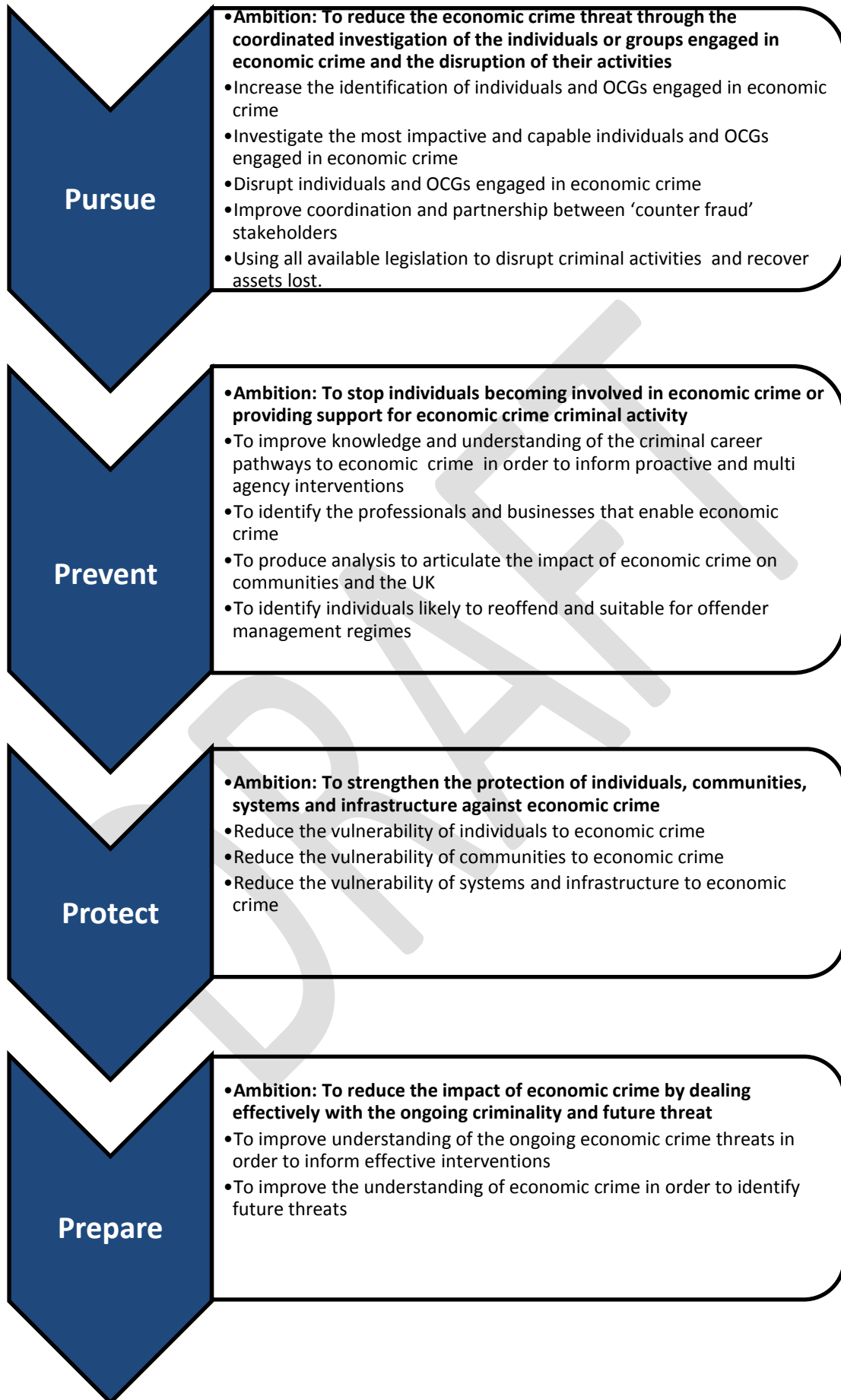
Particular onus will be place on the *'protect'* strand with a national to local

network supporting both national and local crime prevention initiatives.

In addition to local governance there will be national oversight with the National Police Coordinator for Economic Crime reporting on behalf of policing and coordinating action to improve the police response to fraud where that is required.

DRAFT

APPENDIX 1: THE '4 P's APPROACH



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National Policing Fraud “Protect” Strategy

Draft prepared by the National Police Coordinator for Economic Crime V2.1 February 2015

PROTECTING THE COMMUNITY FROM FRAUD

Introduction: This is the draft National Policing Fraud 'Protect' Strategy produced by the National Police Coordinator for Economic Crime (NPCEC). We are developing this through the Crime Business Area in consultation with chief police officers and their staff. It is part of the national policing strategy for fraud and is designed to support chief officers in delivering crime prevention aimed at reducing the impact of fraud in their communities. It builds upon existing crime prevention resources and best practice whilst recognising that some additional response is required. This document is best read in the context of the National Policing Fraud Strategy.

Strategy Aim: The aim of this strategy is to reduce the impact of fraud; reducing the volume of crime, the value of the losses incurred and the wider impact on the quality of life for individual victims. It will do this **by**:

- Putting in place a National Economic Crime Prevention Centre.
- Establishing a National Fraud Prevention Network
- Integrating 'protect' activity within the overall strategy for the policing of fraud under the National Police Coordinator

We will use the above structure to deliver:

- An enhanced threat picture
- Empowerment of individuals and organisations to protect themselves
- Designed-in fraud protection
- Engagement of the volunteering community

We will seek to have fraud and cyber crime prevention 'designed in' to the technology and processes employed by individuals and organisations and will work with business and academia on this. To encourage business engagement in this we will explore, with partners, including government, how best to ensure that companies take all appropriate and reasonable steps to prevent crime and protect personal data in their possession.

The Case for Prevention: The National Fraud Authority's Annual Fraud Indicator for 2013 put loss to the UK economy from fraud at £52 billion, equating to £1,441 per UK adult. Within this the cost of cyber enabled fraud is conservatively estimated at some £670m, with all these figures subject to extensive under-reporting. These figures serve to set crime prevention in context but there is also a more fundamental argument as to why greater investment needs to be made in protecting the public from fraud. Nationally, we are taking comfort and reassurance from falls in recorded crime but the rising level of fraud, not currently visible to the public, threatens to pose a serious threat to public confidence and the credibility of the police. Not only is this crime rising but in its current volumes it cannot be satisfactorily dealt with by the police, its volume needs to be kept at a manageable level – by crime prevention. Furthermore, the first obligation of the police is to prevent crime and given that much, if not most, fraud relies on some degree of participation by the victim this holds particularly true for this crime type. If policing can change risk behaviours by giving the right information to the right people at the right time by the right

means it can help individuals and organisations avoid becoming victims of fraud. With its local engagement with communities and businesses and its existing crime prevention skills Policing is well placed to engage with people and communities in a two way dialogue delivering messages developed by or in conjunction with the Home Office and other partners. The prize is reduced fraud, a better service for victims and an increase in confidence in the police and government

OUR RESPONSE

Vision The prevention of fraud is a key strand of the National Fraud Strategy. The vision is to create the conditions in which crime prevention against fraud, particularly cyber enabled, mirrors the best aspects of 'physical' crime prevention. Industry will design in crime prevention into both process and technologies, individuals will be educated in, implement and take responsibility for their own crime prevention, the police will spot and advise on breaches of prevention and focus proactive effort where the threat is greatest and once a crime has occurred the response will repair the damage and restore security for vulnerable victims, victims will be offered reassurance and advice to avoid becoming repeat victims.

Principles This Protect strategy is based around a number of principles:

- **Intelligence Led and Evidence Based** In order to properly target the strategic and operational crime prevention activity Policing needs to develop and share a full and accurate intelligence picture locally and nationally. The Economic Crime Prevention

Centre will therefore work with the National Fraud Intelligence Bureau (NFIB) and partners, particularly businesses, to ensure that it and the Fraud Prevention Network has access to the most comprehensive data-set possible on fraud, cyber and other key economic crimes. We will highlight the need to ensure comprehensive reporting of fraud using regulatory or legal obligation if necessary. Policing will use this intelligence to shape both national campaigns and to advise on and support local initiatives.

- **National Coordination with Local Delivery.** The first Peelian principle that the basic mission for which the police exists is to prevent crime applies as much to fraud as to any other crime type. Responsibility for protecting the local community from crime rests with the local police force, in this case supported through national resources and coordination. This local responsibility is not diminished by virtue of central reporting through Action Fraud. The principle to be followed is one of local delivery supported by national resources, support and coordination. Priorities will be set by Police and Crime Commissioners (PCCs) with their Chief Constables, informed in their decision-making by local threat profiles provided for them by NFIB
- **Police Duty of Care to Victims** There is a strong linkage between providing crime prevention and care for victims.

This is particularly true for fraud where repeat victimisation and the passing on between criminals of victims' details are so prevalent. There should therefore be appropriate and tailored prevention advice available to victims at every stage of their journey.

- **Economy of Effort** We will use existing structures and resources where we can. Over the last decade Policing has established very effective engagement structures with every local authority, their communities and businesses - we will utilise these. There are also various sources of crime prevention advice available and a number of organisations producing such material, some funded by the Government. The Economic Crime Prevention Centre will work with all relevant partners on behalf of Policing and support the use of whatever

crime prevention material most effectively meets the public need. Where it is appropriate to do so the Economic Crime Prevention Centre will produce prevention material, ensuring it has a 'local flavour', at other times it will support the communication of existing material through the Fraud Prevention Network or ensure that other sources of advice are suitably 'signposted'.

Delivery The sections that follow outline the delivery mechanisms (national coordination, the centre and network) and the deliverables:

- An enhanced threat picture
- The empowerment of individuals and organisations to protect themselves
- Designed-in fraud protection
- Engagement of the volunteering community

THE DELIVERY MECHANISMS

National Police Coordinator Economic Crime. The 'Protect' Strategy is a key pillar of the overall policing strategy for fraud and as such its delivery will be led, on behalf of Policing, by the National Policing Coordinator Economic Crime. The coordinator will be supported, particularly for the crime prevention aspects of this strand, by the Economic Crime Prevention Centre and the Fraud Prevention Network.

The Economic Crime Prevention Centre. At the centre of the Fraud Prevention Network and coordinating delivery of crime prevention is the Economic Crime Prevention Centre (see Appendix 1 for further detail). This national resource is located in and administered by the City of London Police where it can best draw on the knowledge and expertise held in the NFIB, national and specialist fraud investigation teams and the Economic Crime Academy. The Centre will:

- Work with the NFIB using their national and local profiles to identify those threats and potential victims most likely to benefit from prevention interventions.
- Develop national prevention campaigns, working alongside police and other partners to do so.
- Produce prevention material when it is appropriate to do so.
- Source, collect and disseminate or signpost existing crime prevention material.
- Work with forces to agree local priorities, help design and support delivery of local crime prevention activities.

- Identify, collate and share best practice and advice.

Fraud Prevention Network. Crime prevention delivery will be facilitated through the Fraud Prevention Network. This harnesses existing police, local authority and other crime prevention resources and through membership of this network seeks to equip them for delivery of fraud related crime prevention including its cyber aspects. The Economic Crime Prevention Centre has a network as illustrated at Appendix 2 The Economic Crime Prevention Centre has identified specific points of contact (SPOCs) at force level, who in turn network into the general crime prevention resources and partnerships available to their force. In this way the network engages with organisations at both national and local level, the national and local chambers of commerce for example. The regional level SPOCs may include members of the Cyber Crime Prevention Network running in parallel to this. Advice on strategic threat priorities is provided through the Economic Crime Command Threat Group. The multi-sector Fraud Prevention Group advises on how best to meet the national and thematic threats. The Economic Crime Prevention Centre reports to, and may request support from, National Policing through the appropriate committee of senior police officers representing forces from across the country in this crime area (the Economic Crime Portfolio). The Economic Crime

Prevention Centre will work to support the National Policing Crime Prevention Business Area, acting as the economic crime prevention hub linking into a

broader police crime prevention network. Governance is summarised at Appendix 2.

DELIVERABLES

Enhancing the Threat Picture. We will ensure that our 'Protect' activity is evidence based and intelligence led so as to have the best impact and make the most efficient use of resources. A key deliverable to achieve this is the development of an enhanced threat picture on which to base decisions on priorities and resourcing. It is crucial that we work with business, the public and government organisations to reduce the current levels of under-reporting of fraud (estimated by some experts to be around 80%) so as to be able to more accurately and comprehensively describe the scale and nature of the threat. Our grasp of the threat must develop beyond mere volume however and we will continue to work with government bodies, academia, industry and victim champions to develop a meaningful and practical understanding of both the victimology and the technological opportunities for fraud and countermeasures to it. Crucially, we must look ahead to identify emerging threats before they impact on society.

Empowering Individuals and Organisations to Protect Themselves. At the heart of our Protect strategy is the activity we will undertake to empower individuals and organisations to protect themselves. Unlike other, traditional, crimes no amount of visible police presence will reassure the public or deter criminals from committing fraud, particularly not cyber enabled fraud. The onus must therefore be on individuals and organisations to protect themselves,

modifying those behaviours which make them particularly vulnerable to fraud and adopting those that will protect them. We will empower the community by making it aware of the threats and how they might mitigate them. Through the Economic Crime Prevention Centre and the Fraud Prevention Network we will deliver:

- A major national awareness campaign seeking to influence behaviours so that individuals and organisations protect themselves from fraud.
- An ongoing series of national and local campaigns addressing specific threats. These will be informed by the enhanced threat picture at national and local level.
- A central resource providing or sign-posting crime prevention resources and support to individuals and organisations.
- Support to victims and their champions by providing appropriate crime prevention advice or signposting victims to it. This will be conducted through Action Fraud on first contact and subsequently through the victim's local force.

Encouraging the Designing in of Fraud Protect. Policing will work with government departments and industry to encourage the designing in to technology and processes appropriate measures to reduce the risk of fraud to themselves and the consumer. There is often a balance between security

and user convenience and this work is therefore likely to include exploring how customers might be helped to make informed choices based on their individual risk appetite.

Engaging the Volunteering Community. We have already been successful in harnessing the additional capacity and specialist capabilities to be found among volunteers in the community. A number of banks, for example, have allowed their staff to make themselves available to policing to provide technical advice on fraud

techniques and counter-measures and we have launched a scheme to recruit and train Special Constables to support fraud victims. We will be exploring how we might engage more comprehensively with the community including scoping some form of 'Cyber Watch'.

Appendices:

1. The Economic Crime Prevention Centre.
2. Fraud Prevention Network – Governance

ECONOMIC CRIME PREVENTION CENTRE

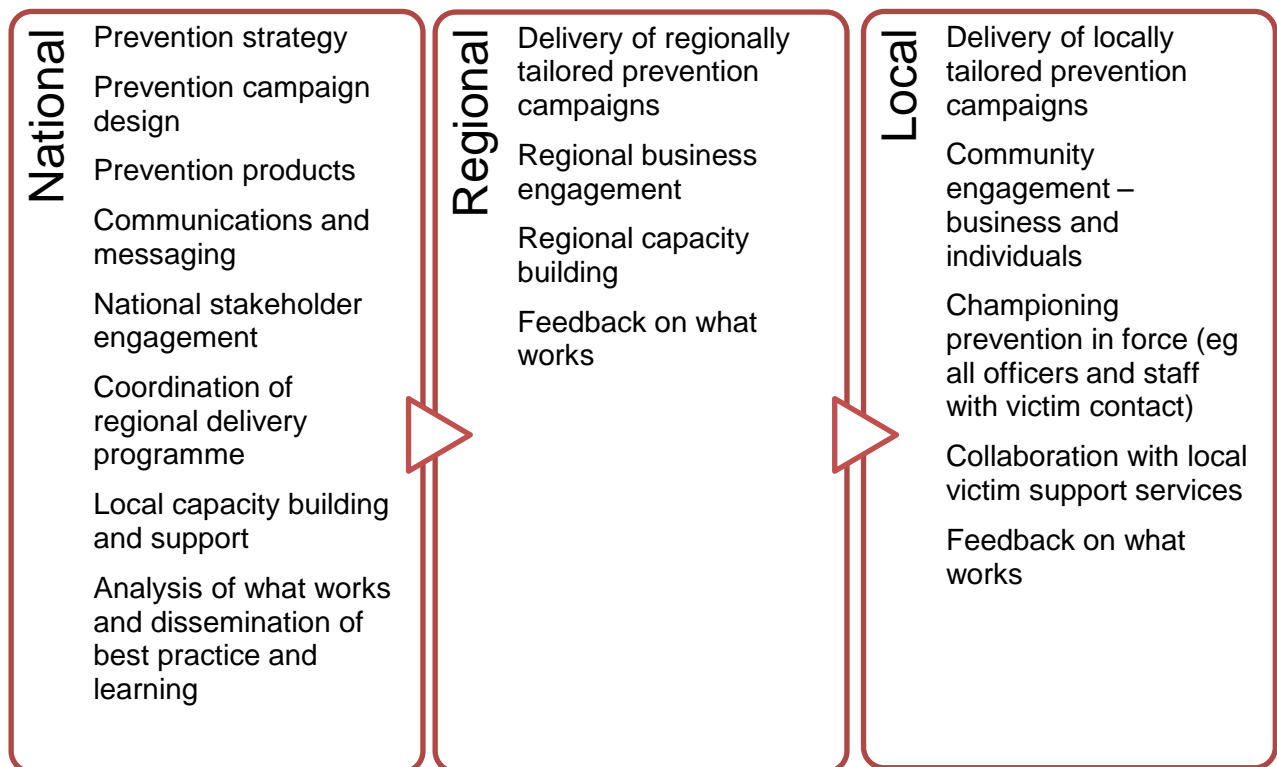
City of London Police, as the National Lead Force for Fraud, aims to create the conditions in which crime prevention against fraud particularly cyber enabled, mirrors the best aspects of 'physical' crime prevention. It will act as the hub in a national hub and spoke model and develop relationships with industry, academia and other partners to strengthen fraud prevention.



The focus of the Economic Crime Prevention Centre will be to develop and share best practice across the police service, encourage industry to design in crime prevention (processes and technology), educate individuals and businesses so they implement and take responsibility for their own crime prevention and assist the third sector to repair the damage caused to victims, restore security and avoid repeat victimisation. The Economic Crime Prevention Centre will deliver this through the following:

Ingest						
Local and national threat assessments industry concerns and policing priorities	Law enforcement and industry best practice and guidance	Academic knowledge	Existing crime prevention material	Feedback from police forces		
Process						
Define and prioritise challenges and opportunities	Develop and maintain a crime prevention network	Develop partnerships and seek sponsorship	Champion crime prevention	Coordinate national prevention campaigns	Use crime prevention resources in place for other crime types	Contribute to evidence base of what works
Produce						
Structured problem solving approaches to fraud prevention	National prevention strategy	Generic and bespoke advice for crime prevention practitioners	Prevention campaigns and materials	Fraud prevention training	Catalogue and sign- post prevention material	Record and measurement of impact

DELIVERY MODEL



IMPLEMENTATION PLAN

To be implemented in three stages:

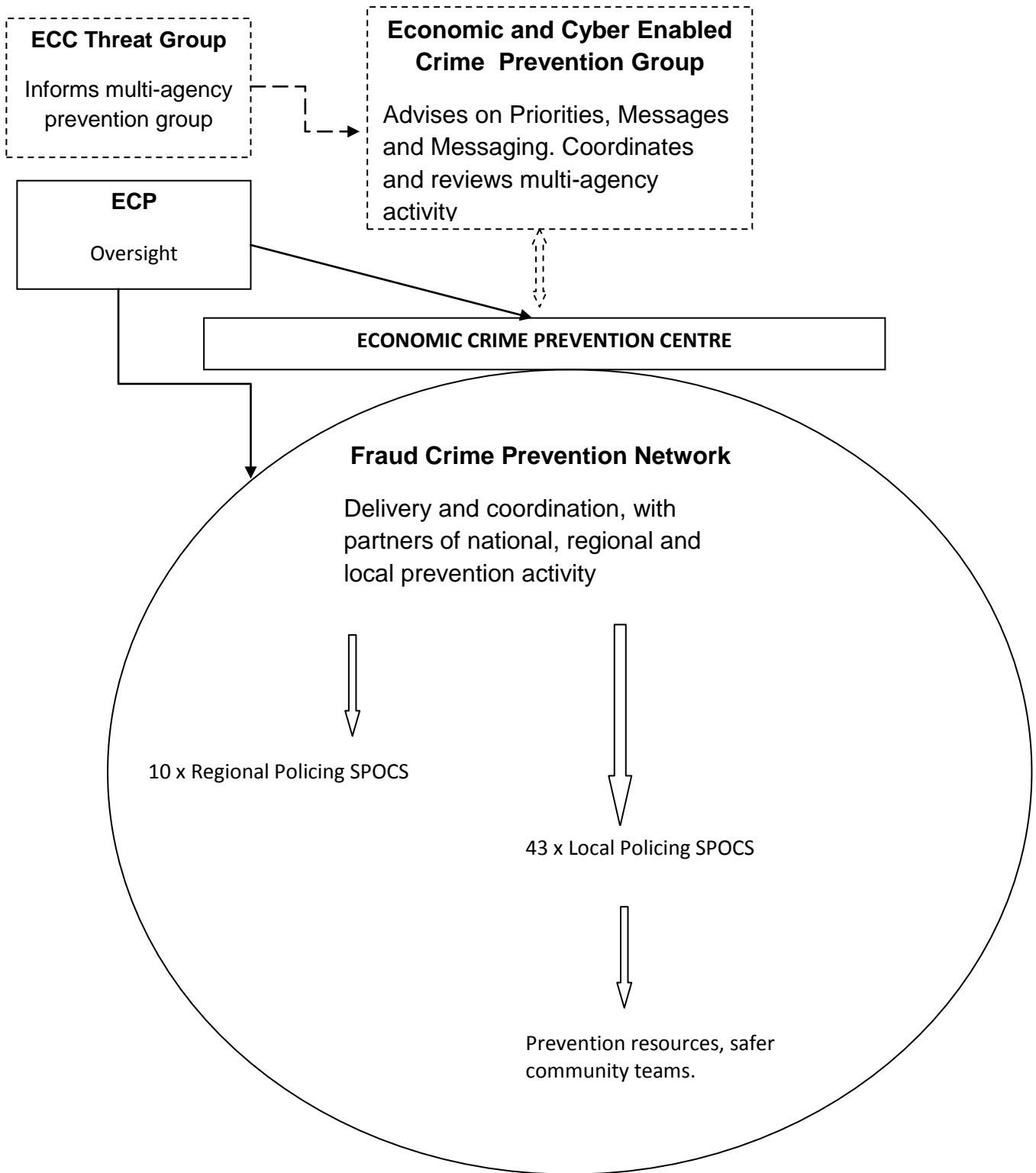
- Pilot, business case and initial build
- Formal launch
- Build to full capability

This pilot phase is already underway with a 7 region crime prevention roadshow currently underway. This has been coordinated and resourced by City of London Police using new and existing third party material to reach police officers, the general public and small business. Lessons learned will be fed into the development process.

The initial build will include:

Further development of the concept in conjunction with key stakeholders. Engagement is underway with ACPO leads for crime prevention, digital investigation and crime business area, with the Home Office 'Protect' strand and the identity theft prevention work stream. COLP are working with Victim Support to ensure the tone of messaging is appropriate to vulnerable victims in particular	Concept was confirmed on 17 October
Design and implementation of the required internal systems and processes	Completed 3 November
Mapping of existing crime prevention resources at local force and authority level. This has been completed and is attached for your information. COLP is now developing the engagement plan to connect these into a recognised network.	Mapped
A statement of requirement and business case to resource the Economic Crime Prevention Centre and any key elements of the wider network currently missing.	Business case for the central team submitted
Communications plan	
Designing, recruiting and developing the central team	In place by 1 Apr 2015
A public launch of the Economic Crime Prevention Centre and its local network to raise awareness of the threat and the service put in place to help counter it. COLP will be seeking sponsorship for this event (and indeed ongoing prevention activity) but are aware of potential sensitivities around this	Intention to hold launch event Mar 2015 'Go Live' 1 Apr 2015
Following the launch the development focus will turn to the building of partnerships including with the private sector to encourage the designing in of fraud prevention into financial processes and technologies.	Commences 1 Apr 2015

THE FRAUD PREVENTION NETWORK- GOVERNANCE





National Policing Strategy for the Victims of Fraud

Draft prepared by the National Police Coordinator for Economic Crime April 2015

SUPPORTING THE VICTIMS OF FRAUD

Introduction: This is the National Policing Strategy for the victims of fraud, produced by the National Police Coordinator for Economic Crime (NPCEC). We are developing this through the Crime Business Area in consultation with chief police officers and their staff. It is part of the national policing strategy for fraud and is designed to assist chief officers in delivering the most appropriate support to victims of fraud in their community. This document is best read in the context of the National Policing Fraud Strategy which set out the aim of reducing the impact of fraud (its volume, value and impact on people). Where policing failed to protect the community from fraud it set the objective of “supporting victims of fraud ensuring that they receive an appropriate service from policing in partnership with other agencies such as Victim Support and other Government departments (such as Social Services)”.

Strategy Aim: The aim of this strategy is to put in place a system that delivers the appropriate care to victims in a consistent and responsive manner. We will ensure that victims of fraud, individual or corporate, receive the

support they need, at the time they need it, for as long as they need it with particular emphasis on addressing the needs of the vulnerable and repeat victims. It will do this **by** putting in place the mechanisms to:

- Identify victims at the point of reporting (normally to Action Fraud) and provide initial assessment of individual need.
- Notify them to the appropriate police force.
- Provide an escalated response to meet individual levels of need.
- Engage with agencies available to assist policing in supporting victims.

We will use the above structure to deliver:

- An initial response to victims.
- Ongoing support to victims dependent on need.
- Protection from further victimisation.

A successful outcome will have been achieved when:

- The national processes are in place and operating
- Force areas have put in place effective victim care plans

- Victims and their champions nationally, report that their victim needs are being met.

THE NEED

The need for a strategy for the victims of fraud in addition to that adopted for victims of other crime types is two-fold:

- Nature of fraud victimisation.
- Nature of the operational response to fraud.

Fraud Victims: A short discussion on the nature of fraud victims is attached at Appendix 1. In essence far from being the victimless crime it is sometimes claimed to be Fraud often has a disproportionately high monetary and emotional impact on victims. To compound matters, fraud victims are often repeatedly targeted to the extent even of victim details being sold from fraudster to fraudster.

- **Value** A physical acquisitive crime (though fraud can have a physical element to it) will, in general, be limited to those assets, cash or property, immediately available and transportable at the time and location of the crime. In the case of fraud the victim can be inveigled over time to give over their entire savings and indeed more, regardless of the form in

which the assets were held by the victim.

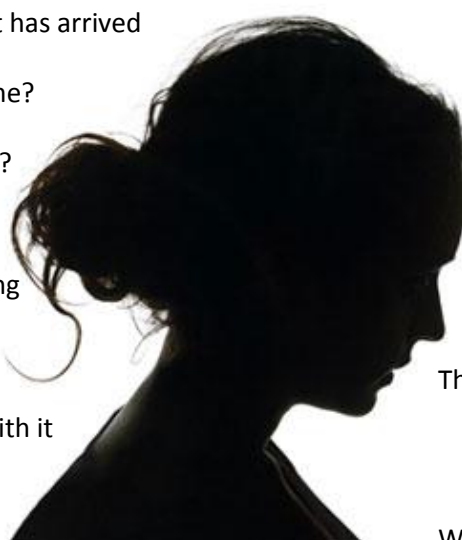
- **Emotional Impact** There are a number of aspects of fraud which can serve to make the emotional impact of fraud particularly acute.

➤ **Guilt** Virtually by definition most victims of fraud will have unwittingly cooperated in the offence by transferring assets to the criminal or compromising their identity. This can lead to feelings of guilt, embarrassment and loss of self-confidence. Additionally, victims may perceive others as viewing them as having brought the crime upon themselves through stupidity or greed.

➤ **Disappointment** Victims will often have entered the relationship with the criminal in order to meet an emotional need or desire, be it a financially secure future, the meeting of religious or social obligations, a desired product, meaningful relationship, 'fun', commercial revenue etc. Not only is this need not fulfilled but the opportunity to meet the need may be past or now unaffordable.

➤ **Trust** Again virtually by definition, the victim will have placed trust in the fraudster to provide something in return for the money they are committing. At its simplest this will be the trust of a customer / supplier relationship but can be more emotionally complex when, for

example, the fraudster plays on trust based on professional standing, authority or a personal relationship. It may take victims a period of time to accept that their trust was misplaced and this breach of trust will have an emotional impact.



What's going to happen to us now?

How can I have been so stupid?

On no, post has arrived

Who can help me?

What if it is genuine?

We've lost everything

It's all my fault

They'll get away with it

I'm so ashamed.

I'll never get my money back

I thought they loved me

We were so looking forward to it

No, it can't be true

Who can I trust?

How's the business going to survive?

It's alright it'll still come

They got so angry when I said I changed my mind

What am I going to tell the family?

What will my friends say?

Why did they pick me?

Operational Response to Fraud

Fraud, particularly when enabled by cyber technology, is not bound by geography. As a result the police response to this has been one in which fraud is reported centrally, collated,

analysed and then disseminated to the most appropriate local force for investigation. This means that unlike other crime types there is likely to be a dislocation between the investigating force and the victim. Furthermore, the

victim of physical crime types receives a visible police presence including perhaps a uniformed first response, (needed); reassurance and an outline of the likely process that will be followed. The victim of fraud is currently unlikely to receive the same support.

OUR STRATEGIC RESPONSE

Vision Policing will work with partners to put in place an effective, affordable and reliable system to ensure victims of fraud, individual or corporate, receive the support they need, at the time they need it, for as long as they need it. The system will ensure that victims of fraud receive a service which, as a minimum, is comparable to the best of that provided to victims of other acquisitive crime. As a result of the support, victims will be able to avoid ongoing or repeat victimisation. Support to victims of fraud will have an enhanced reputation encouraging other victims to report crime and raising confidence in the police service. There will be a close correlation between support to victims and crime prevention (Protect). Crime intelligence and victimology study by the National Fraud Intelligence Bureau (NFIB) will be used to help inform strategic and tactical inform decisions

crime scene examiner and detective; they receive the details of a point of contact, prevention advice (or action if about the scale and nature of support to victims and predict demand.

Design Principles The victim support system will be constructed with a number of principles in mind:

- Support should commence as close to the time of the victim reporting the crime as practicable.
- The first priority is to prevent further harm to the victim.
- Response is graduated and tailored to the needs of the victim with particular care given to those who might be vulnerable or likely to become repeat victims.
- The system will meet and where possible exceed all applicable directives and codes of practice.
- The support system will be accessible to all, consistent, make best use of existing resources, be transparent and quality assured.

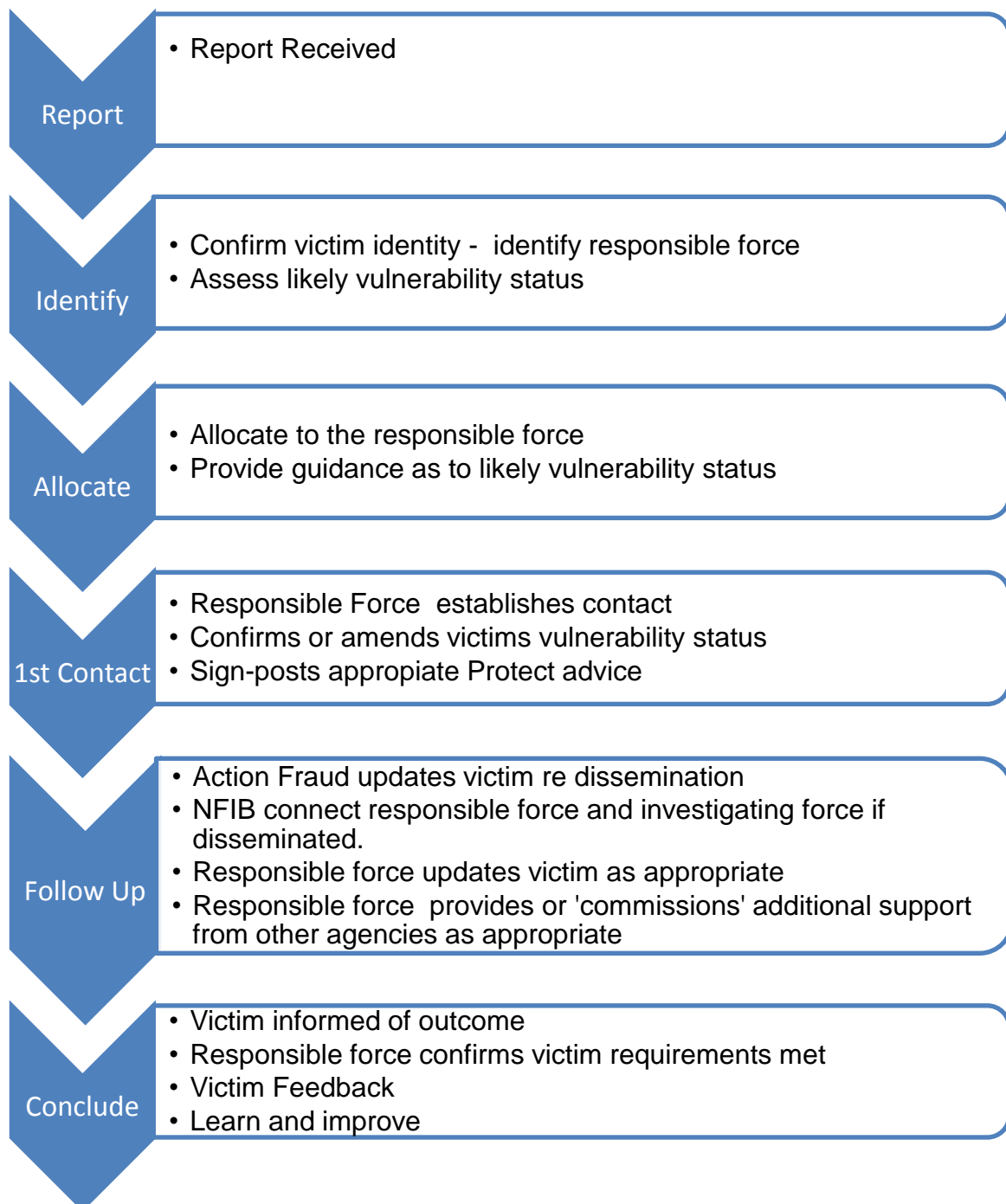
The System

The system will normally be initiated at the point at which a crime is reported to Action Fraud. The report will be analysed to establish the victim identity, the force in whose area the victim is normally resident (referred to

in this document as “the responsible force”) and a guide as to the vulnerability status of the victim. The responsible force will provide support to the victim according to need either directly or through outsourcing to other agencies or organisations. Where a case is disseminated NFIB will inform

the responsible force of the identity of the investigating force and the crime number. The responsible force will seek updates from the investigating force on behalf of the victim (the proposed joint fraud crime management system will facilitate this).

THE END TO END SYSTEM



- **Report & Identify** Victims will continue to report to Action Fraud through the call centre, internet or, exceptionally, though their local force. Action Fraud will ensure they record sufficient detail to identify

the responsible force and to enable an assessment to be made and guidance offered as to the level of vulnerability of the victim.

- **Allocate** NFIB will allocate victims to the responsible force and provide guidance as to their likely vulnerability. This guidance will be based on individual factors as recorded by Action Fraud with added value from local victimology intelligence (NFIB currently inform all forces of victims in their area through Polka but the intention will be to provide a more direct service to forces following IT modernisation).
- **1st Contact** As soon as practicable after receiving an NFIB Victim referral the responsible force will make contact with the victim in their area. The nature of the first contact will be a matter of local policy and according to need / vulnerability. At its simplest this may be undertaken by phone call to the victim though personal visit will in many cases be more appropriate. Forces will use a variety of resources for this including PCSOs, Special Constables or other forms of volunteer staff. The National Economic Crime Academy is able

to provide training to equip force staff for this. Contact with the victim will differ from that for other crime types in that the aim is not that of protecting a physical crime scene or securing evidence. Instead the priorities for this contact are to:

- Protect the victim from further harm eg establish that the victim is not still involved in transactions or communications with the criminals (a not unlikely situation (see 'Fraud Victim's above)).
- Confirm or amend the assessment of vulnerability provided by NFIB.
- Provide, including by signposting, appropriate 'Protect advice'.
- If vulnerability is such that the victim needs support from other agencies inform the victim that they will be referred to them.
- **Follow-up** Regardless of action being undertaken by the responsible force Action Fraud will continue to inform victims whether their crime has been disseminated, disrupted or retain for intelligence

value at or by 28 days of reporting. Where a crime has been disseminated NFIB will share the details of investigating and responsible forces. Investigating forces will update responsible forces when necessary in line with the victim code of practice (even though technically this may not apply). Under the NFIB IT modernisation programme it may be possible for this to be done through a common crime management database available to all forces and NFIB. Where victim vulnerability makes it appropriate the responsible force will provide further support either directly or through the commissioning of outsourced services. The aims of such follow-up action may include:

- Supporting the victim with the emotional impact of the crime
- Assisting the victim in securing the information to begin any restorative action.
- Supporting the victim through any judicial process
- Guiding the victim in dealing with the financial impact of fraud

- Helping the victim safely restore their online identity
- Providing tailored crime prevention advice (available through the National Economic Crime Prevention Centre)
- **Conclude** The conclude phase sees the responsible force ensuring that victim needs have been met and that they have been made aware of the final outcome of their case. It is the intention that policing's support to victims will be reviewed and improved in line with victim feedback and the national Police Coordinator for Economic Crime will commission the appropriate surveys and feedback mechanisms for this.

VULNERABILITY

Purpose Key to policing delivering an effective and affordable service to victims is the tailoring of support to match need. A guide to victim need will be provided by NFIB through the Vulnerability Status included in the notification to forces of a victim in their area.

Vulnerability Criteria In the context of victims of fraud 'Vulnerability' should be seen as including, but not being

limited to, the general Home Office definition. Considerable work is being undertaken within academia, the Home Office and policing to better understand and define vulnerability but it is likely to include:

- The financial impact on quality of life for the victim (eg relative monetary value to the victim rather than absolute figure)
- The emotional impact
- The likelihood of the victim being repeatedly targeted

How Assessed Initial assessment of vulnerability will be undertaken at Action Fraud / NFIB. This will be a largely automated process based on the answers provided when victims report either on line or through the Action Fraud call centre. The Economic Crime Victim Care Unit

project conducted in London at the beginning of 2015 identified a number of indicators of vulnerability, these will be developed further. It is intended that further shading can be provided by overlaying national and local victimology data on the individual cases. This would enable forces to be informed for example that whilst an individual may not currently be a repeat victim their demography, location and the type of fraud to which they have fallen victim makes them more vulnerable to repeat victimisation. The vulnerability status attached to a victim by NFIB is an initial guide and the responsible force will confirm or amend it at first contact with the victim and subsequently. A vulnerability status model might take the form illustrated in the table below:

Table 1: Indicative Vulnerability Status Model

STATUS	DEFINITION
VS1	Not a repeat victim and no indication of particular vulnerability. The reported crime has had limited financial or emotional impact. Not particularly likely to be a repeat victim. Most victims will fall into this category.
VS2	A repeat victim or likely to be a subject of repeat victimisation. The reported crime has, however, had limited financial or emotional impact.
VS3	The victim has experienced significant financial or emotional impact but has the capacity to self-help to a large extent.
VS4	The victim has experienced significant financial or emotional impact and is unable to recover from the crime without considerable support.

Tailored Response The local response to victims will be guided by the vulnerability status and delivered according to local policy. In some force areas the entirety of victim care will be provided 'in house' while others may outsource it completely. It is

anticipated that most forces will conduct first contact themselves and then contract-out follow-up support where the victim needs it. Likely responses are suggested in Table 2 below:

Table 2: Indicative Response Model

STATUS	LIKELY RESPONSE
VS1	'1st Contact' by phone. Updates as case progresses.
VS2	'1 st Contact by personal visit. Ensure victim understands how they became a repeat victim and provision of appropriate prevention advice (normally through 'signposting' or generic prevention material).
VS3	'1 st Contact' by personal visit. Signposting to appropriate agencies and sources of support. Follow-up visit to check progress
VS4	'1 st Contact' by personal visit. Referral for specialist support (eg appropriate financial advice, charities, local authority, victim support organisation etc)

FURTHER DEVELOPMENT

The detail required to put this strategy into practice will be developed nationally by Policing's Crime Business Area through the working groups of the Economic Crime Portfolio. There will be wide consultation with relevant national agencies and other areas of policing.

Local forces and Police and Crime Commissioners will, of course, continue to develop their own local response, guided by the strategy.

SUPPORTING THE VICTIMS OF FRAUD – ACADEMIC STUDY

Introduction This short paper was developed by the National Fraud Academy drawing on previous academic research into the nature of fraud victimology. Further academic research into the nature of fraud victims and the appropriate response to their needs has been commissioned by the City of London.

Are fraud victims any different from victims of other crimes?

Most people would refer to fraud as simply a theft committed through trickery or deceit. Although this may be correct when considering the application of the law and the classification or typology of the offence, it would be wholly inappropriate to consider this classification when devising an effective strategy to support victims. In this regard the response provided to victims is often misdirected by not taking time to understand the methodology used in the commission of the fraud.

From a modus operandi perspective, rather than comparing fraud to theft, a more appropriate comparison may be violent and predatory offending. By analysing and comparing the criminal methodologies, certain 'cyber savvy' predatory offenders will assume a false identity and then use it to create a false online profile. Using this profile, they then identify potential targets, engaging with them, building trust, grooming them through a process of social engineering until sufficient trust has been built to follow through with the criminal act. When the target is finally victimised, this is not the end of the criminal conduct, the offender will often have other targets at various stages of the social engineering spectrum in preparation for victimisation.

This form of predatory offending is classified as a 'live crime', where the threat of harm is ongoing; it does not end with the first victim. By understanding the criminal methodology used by these offenders it is possible to draw parallels with many different fraud types, in particular, those committed via the internet, and, similarly, it is possible to understand how victims are selected, drawn in and eventually victimised.

As detailed above, it is not just the crime itself that must be considered, it is the complete lifecycle of communication and interaction between the victim and the suspect. Without this, the methodology used in committing the fraud cannot be properly understood and the victim cannot be provided with the correct support.

This concept is not just applicable to offences committed online, but is equally applicable to offences committed face to face or by the use of telephony. Through a study of the recent rise in Mandate Fraud it has been shown that the 'victim' is contacted an average of 5 times by the fraudster before a request is made to pay monies in a new (fraudsters) account, Jones (2014). Like other predatory offenders,

the fraudster is using social engineering on the victim, building a trust based relationship that will ultimately enable the commission of the offence.

There have been many studies by criminologists and psychologists examining the offending behaviour of predatory offenders; these studies haven't been limited to the final act of the crime, of equal importance has been the study of the predatory phase. To better understand the motives and modus operandi of the fraudster it is also necessary to focus on the entire lifecycle of their behaviour. From a victim perspective, it may be that more psychological harm is caused from the period of social engineering than from the commission of the fraud and the subsequent financial loss.

Many would argue that the harm from predatory and violent crimes is far greater than that of fraud but, according to early research by Ganzini et al (1990), which compared victims of fraud with those of violent crime, found that many were afflicted with depression as a consequence. Deem (2000) found that, to some, the effects of fraud can be comparable to that of having been subjected to serious violent crimes. A further study which looked into the impact of Robert Maxwell's pension fraud, Spalek (1999) identified anxiety, stress, fear and depression as being common emotional reactions. The study also found that a number of deaths were considered premature as a result of the fraud.

Although some may not consider it appropriate to classify fraud in the same context as predatory and violent crime, at the very least it should be viewed as a trust based crime, one of social engineering committed by predatory offenders who abuse victims without compassion or mercy.

Comparing the effects of fraud with violent crime

In the study of victims of fraud, Ganzini et al (1990) compared the emotional and physiological impact of fraud and violent crime on victims, including the statistical risk of victimisation. In the study twenty-nine percent of the victims of fraud experienced a major depressive episode in the first 20 months after their loss. Five victims (out of 77) developed suicidal tendencies after the loss and generalised anxiety disorder was found in 45% of the victims.

Ganzini (ibid) concluded that after violent victimisation, adequate social support is an important predictor of good recovery and release of psychiatric symptoms. Support for victims of fraud on the other hand, is less structured; criminologists have noted that victims of fraud are at greater risk of continued victimisation due to the 'trust' based nature of their crimes.

Although the above study was focussed on victims in the United States, a similar study was conducted looking at victims of the Maxwell pension fraud, Spalek (1999).

The research confirmed the findings of Ganzini, stating that the harms caused by corporate fraud are equivalent to, and often more devastating than those usually focused on by the criminal justice system. Victims of corporate fraud express a range of emotional and health problems, in addition to suffering from long-term financial difficulties.

In the largest study of fraud victims in England and Wales, Button et al (2012) examined the wide ranging effects these crimes have on victims, including broken relationships, deterioration of physical and mental health, attempts at suicide as well as some secondary impacts related to reputation and changes in behaviour. The research demonstrated that fraud victims share many characteristics with other victims of crime and yet services provided to support them are not as comprehensive or representative of the true harm.

How is vulnerability of fraud victims classified?

Under the Victims' Code, a vulnerable victim is classified as:

- Anyone under the age of 18 at the time of the offence.
- Anyone who is suffering from a mental disorder within the meaning of the Mental Health Act 1983.
- Those with a significant impairment of intelligence and social functioning.
- Those with a physical disability or who suffer from a mental disorder

The approach taken with the Victims' Code is one of support and service post event, after the crime has happened. The Code does not provide a means by which vulnerability can be identified and proactively used to prevent crime or further crimes against the same individual.

In the context of victims of fraud, vulnerability is not fixed or static, and contrary to popular misconceptions it is not reliant on an individual's age or their physical or mental capabilities. Rather, it is dynamic, triggered by a combination of circumstances, situations and external influences. Criminals behind some of the most successful frauds will often target individuals based on an assessment of their vulnerability to a particular approach or pitch.

By understanding how an individual's situation or circumstances could contribute towards their vulnerability, regardless of the age, capacity or capability of that person, a more informed victim focussed intervention is possible. Situations affecting an individual's vulnerability could range from a loss of income or being on a low income, becoming a carer, living in a particular area or without internet access.

Recognising that vulnerability is not necessarily permanent and that an individual's vulnerability is dynamic, it is possible to focus on the triggers that have contributed

towards the vulnerable state, such as a significant emotional event, e.g. bereavement, serious illness, divorce or redundancy.

For consumers, which many volume fraud victims are, vulnerability can vary depending on what services or products are being purchased, and how or by what method of communication the transaction is being conducted through.

It is not uncommon when an individual is susceptible to a particular vulnerability for this to lead to others, compounding their situation and their vulnerability. For example, individuals with low basic skills are also more likely to be unemployed (e.g. vulnerable to employment frauds), carers often suffer from ill-health and/or unemployment (e.g. vulnerable to health & support frauds); the elderly are at a greater risk of suffering from a recent bereavement and long-term illness (e.g. vulnerable to relationship & support frauds).

Vulnerability should not be seen as 'once classified', always vulnerable; the vulnerability should be viewed as unique in relation to the period of time when the classification was made. However, these vulnerabilities may very well indicate a predisposition to the susceptibility of becoming a repeat victim.

Victims of fraud should always be recognised as individuals first and classified in relation to their vulnerability second. This does not negate the need for timely interventions when individuals are recognised as being vulnerable, but it does ensure that they are treated with respect and dignity as an individual, not as a generic 'vulnerable victim'.

Example:

A victim of a house burglary may be vulnerable, due to circumstances, of a secondary occurrence as criminals know that the goods stolen will more often than not be replaced following an insurance claim. In the same way, a victim of an investment fraud may be vulnerable to further crimes committed under the guise of 'fraud recovery' scams.

Returning to the concept of the victim of a house burglary, the main thrust of the 'police' support is a focus on weaknesses with the physical security that may need attention in order to prevent further offences. Limited consideration, from a police perspective, is given to the psychological impact of being burgled, the sense of violation, not feeling safe. For some the impact is so great that they see no option but to move. For victims of fraud, the impact can be just as severe, and for some, the need to distance themselves from the source of the crime, especially when it is committed online, can result in them withdrawing or being excluded from the digital marketplace.

Applying victim needs to support for victims

When considering crimes of fraud, it is not uncommon for the first thing a person considers is 'how much did they lose', unfortunately, the same mindset can often be applied to those providing support to victims fraud. Dealing with the purely 'financial' aspects of a fraud can leave victims emotionally and psychologically vulnerable.

Clearly, not all victims of fraud fit into this category, for victims of high volume low value frauds, such as online shopping or auction frauds, the psychological impact can be minimal and the primary concern of the victim is access to information and updates on the progress of their crime report, services which can be automated and provided through a range of new and emerging technologies.

Victims of the more serious crimes, those causing the most harm, are more often than not 'dynamically' vulnerable and at greater risk from the long term negative effects of the crime. For this group, the needs are complex and unique to each individual; to provide a service that is effective and affordable will require creative and flexible solutions.

Case Study: Senior Busters- Canadian Anti-Fraud Centre (CAFC)

The CAFC was one of the international forerunners (formed in 1991) for providing a centralized 'national' fraud reporting centre together with support for the victims of fraud, a model mirrored by Action Fraud and the NFIB. CAFC identified that seniors are targeted for many reasons: loneliness, lack of family support, age vulnerability and for health-related reasons such as Alzheimer's.

Seniors are particularly susceptible to fraud schemes because their generation tends to be more trusting and less likely to end conversations. Fraudulent telemarketers build relationships with seniors and gain their trust before victimising them. Ruined family lives, great financial losses and suicides have resulted from this brutal crime against the elderly.

Staff at the CAFC found they had neither the time nor the resources to follow up with victimised seniors so the Centre enlisted volunteer seniors who could help with the battle against mass marketing and identity fraud. The volunteers are able to relate personal experiences, provide support and establish rapport with elderly victims. The "seniors helping seniors" program was named SeniorBusters.

SeniorBusters was officially launched in October 1997, since then, it has grown to a group of approximately 50 active volunteers. They come from diverse backgrounds and bring many different skills to the CAFC and its attempt to reduce the level of mass marketing fraud and identity theft. This is clearly a successful and effective long-term strategy in reducing the number of seniors victimised by fraud. SeniorBusters helps fraud victims by:

- Relating personal experiences, wisdom and expertise
- Providing strength to victims
- Providing emotional and moral support
- Being sensitive to the needs of seniors
- Contacting victims as often as needed
- Educating and re-educating seniors
- Obtaining suspect company information
- Referring victims to other appropriate agencies
- Developing personal relationships with victims
- Ensuring that seniors have a place to turn to when they need assistance
- Helping victimised seniors regain personal dignity.

Current system for supporting victims of fraud

It should be noted that the support for victims of fraud is better now than it has ever been. Under the late National Fraud Authority considerable progress was made under the remit of 'Fighting Fraud Together' and with the development of the 'National Fraud Segmentation. Victim Support has invested in the training of staff and Action Fraud automatically refers victims to Victim Support and provides a wealth of support and advice through their website and call centre staff.

Through Action Fraud and the NFIB an Economic Crime Victims Unit is being piloted (London region) to provide additional support to victims who may be considered as vulnerable. A key deliverable from this pilot will be an informed picture of the potential levels of vulnerability from those crimes reported to Action Fraud, whether the system recognised them as vulnerable, if not, what could be done to ensure that those who are vulnerable are identified and provided with the appropriate support.

The pilot has already confirmed that vulnerability following a fraud, or to further offences of fraud, cannot be viewed in the same context as the Victims Code; what is required is a multi-dimensional matrix taking into account victim demographics, fraud methodologies, together with past, present and future triggers of individual vulnerability.

Additionally, the pilot has shown that victims own assessment of their vulnerability is not always the most reliable indicator; individuals can be blind or dismissive of their own vulnerabilities, an issue that fraudsters rely on and frequently take advantage of.

The majority of the services available could be viewed as 'reactive', providing generic support and guidance; without understanding or being able to assess dynamic vulnerability, these services could miss the triggers necessary to prevent a victim from becoming more vulnerable and susceptible to further victimisation.

Although there may be duplication and potential areas of conflict, none of the services or functions are wrong, they are doing a great job in providing support in one of the most challenging areas of modern day victimisation. Just as Action Fraud standardised and improved the fraud reporting process on behalf of England and Wales, so too is the potential for a centralised or nationally coordinated support service for victims of fraud.

The service however, should not be seen as one size fits all, but a structured matrix or menu of services and support tailored for the needs and vulnerabilities of individuals, groups and communities. The structure could follow the below structure:

Back End - Action Fraud: Rules based victim vulnerability assessment – identifying triggers which access or direct individuals to different support systems.

Fraud Victim Care Unit: Focussed on follow up contact with individuals identified by Action Fraud as 'Vulnerable' from either the original offence or to further offences. This unit is not to be considered as the final solution, but more of a psychological triage unit that identifies, classifies and transitions victims to the appropriate support systems.

Victim Support: Either contracted out or in-house, with specialist training to recognise the psychological trauma associated with fraud, together with the financial impact, able to provide effective first line support and where necessary, refer victims to professional support services.

Front End – Action Fraud: Generic fraud prevention and 'what to do' advice for those seeking to prevent or report fraud but not necessarily affected by it necessitating specialist support. Through the delivery of the 'next generation' combined NFIB and Action Fraud solution, it will be possible for victims to remotely access details and updates on their fraud reports, providing accessible support for low impact / low harm victims whose primary concern is knowing how or if their case is progressing.

Volunteers: Multi-tiered approach, working at both national and local levels.

Specials – developing a cadre of trained officers whose time is used providing support to victims where their knowledge of the community can be used to recognise and proactively provide support to groups that are, or may be targeted by fraudsters.

Busters – building on the Canadian model of 'Senior Busters' a more comprehensive network of support could be provided, not just for seniors but also including 'junior busters' for example, supporting a group of the community that may be cyber wise, but at the same time, vulnerable to fraud through a lack of being street wise.

For the above to be effective the focus of the support for victims of fraud must combine what we already know about the 'who' (victim demographics) with a more comprehensive understanding of the 'how' and 'why' (fraud methodology).

To make this work there is benefit in considering how current systems and national structures can be leveraged to best effect. By bringing together the intelligence from NFIB and Action Fraud with a permanent centralised victim triage / assessment unit (such as the pilot Economic Crime Victims Unit), together with the specialist support services detailed above, a nationally coordinated service can be provided to victims of fraud to a standard that has not been seen before.

Committee(s): Police: Economic Crime Board	Date(s): 1 st May 2015
Subject: National Lead Force Update	Public
Report of: Commissioner of Police Pol 23/15	For Information
<u>Summary</u>	
<p>Our National Police Coordinators Office continues with an extensive programme of engagement with Police Chief Officer's, Police and Crime Commissioners and the Home Office in order to improve the police response to fraud. As can be seen from the performance report our intervention is having real impact at the local level and this is being acknowledged nationally. Supporting the delivery of key strategic documents (see separate report) we have worked closely with partners to put in place the means of turning the strategies into practice. As well as our significant development work we have continued to support forces nationally on an ongoing basis through our Force Support Team and the National Economic Crime Prevention Centre. We look forward to communicating the progress made by policing and our ambitious forward work plan at a stakeholder event in June.</p>	
<u>Recommendation</u>	
It is recommended that Members note the content of this report.	

MAIN REPORT

1. Background

The National Police Coordinator's Office (NCO) continues on an extensive programme of engagement with Police Chief Officer's, Police and Crime Commissioners and the Home Office in order to improve the police response to fraud. This engagement has brought about measureable improvement in the way in which local forces nationally tackle fraud (see performance report).

2. Current Position

The NCO has delivered a number of initiatives on which to base engagement with stakeholders. We have produced, in conjunction with partners and wide consultation a strategic framework to guide the way policing tackles fraud. The key strategic documents are covered by a separate report. We are determined to bring these strategies to life to shape delivery at the practical level and are using representatives

from local forces across the country within our Economic Crime Portfolio network to do so. Some of our higher level operational initiatives are covered below.

3. National Capability Survey.

As an important element of our engagement we have completed an assessment of the UK's capability and capacity to investigate fraud across the Country. We have written to Chief Constables and PCC's with the key findings and identified best practice and to encourage them to review their forces approach to tackling fraud. In particular we have asked them to nominate a suitable senior officer to lead on this and with whom our Economic Crime Portfolio network can engage to support local improvement. We have asked them to examine in particular their current practices for vulnerable victims. Key findings were:

- The number of specialists employed on fraud was 1,500 the same as in 2010. This masks the fact however that, between the two surveys, numbers had dropped significantly a trend which we have managed to reverse by highlighting the impact locally of reduced capability and encouraging growth. It was to be noted that of the 1,500 over half were based in London by virtue of the MPS Op Falcon and CoLP NLF resources.
- Less than 50% of forces assessed the impact of fraud within their last strategic assessments.
- Fraud is regularly featuring in only 25% of forces' tactical assessments.
- The best performing forces have both a well understood and followed process and, crucially, have nominated officers accountable for the effective tackling of fraud at both the strategic (chief officer) and operational level.

4. Setting National Standards

Following on from acceptance of our Authorised Professional Practice (APP) we have been invited by the National College of Policing to lead on development of the national standards to be adopted by forces. In parallel we have been heavily involved with HMIC in our capacity as the national experts in helping them firstly understand the fraud challenge and our response to it and to then to develop a fraud themed inspection regime for the country from 2016 onwards.

5. Victim Support Unit Pilot

We held an open-day on the 15th April to show-case the work of our London based economic crime victim care unit. As well as delivering a very well received service to London based victims it has encouraged others to explore similar models in their regions and to discuss involvement in and expansion of our pilot. We have also used it as a proof of concept demonstrator with which to inform our development of a draft strategy for police support to victims of fraud (covered in a separate report). In particular we have used it to develop the means by which we can identify vulnerable or potential repeat victims from their initial reports to Action Fraud.

6. Ongoing Support to Forces

As well as driving improvement through developments and initiatives such as those outlined above and in our report on strategic papers we continue to deliver a service on an ongoing basis through our Force Support Team (FST) and through the National Economic Crime Prevention Centre (NECPC).

7. Force Support Team (FST)

The FST has been effective in working with forces at a very practical level to improve their systems and processes and to fire-fight problems. Such visits normally follow my own personal engagement with the relevant Chief Officers and often use our attrition performance data to identify areas for support. Whilst having only a small core team the FST is able to pull in the most appropriate expertise from across CoLP (or further afield when appropriate) to provide an advisory team tailored to the needs of the individual force. Recent interactions have involved subject matter experts from the investigation teams, NFIB, and those with particular expertise in crime categorisation and management.

8. National Economic Crime Prevention Centre (NECPC)

The NECPC sits at the centre of an extensive Fraud Prevention Network (FPN) comprising at its heart named members of each local force to act as the channel through which national prevention campaigns are taken to their local community and through which local requirements for national support are fed back. I reported previously on the successful 12 Frauds of Christmas campaign and now attach an outline of the forthcoming campaign to prevent fraud committed against those making their Hajj pilgrimages (Appendix 1).

9. Stakeholder Engagement

We have produced an ambitious forward work-plan to build on the considerable advances we have made in the past year. We are conscious of the need for support from our stakeholders if we are to achieve all we want and will be working with the Corporation to ensure we are engaged at the appropriate political and corporate levels. We intend to remind others of our achievements and signpost our way ahead through an event to formally launch the various strategies and policies we have delivered on behalf of national policing (see Strategic Papers report).

10. Conclusion

This has been a significant period nationally for CoLP and the NCO. We have led the development of significant national policies and strategies and continue to work with police and other stakeholders to bring these into practice to the benefit of our communities.

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BACKGROUND BRIEF – THE HAJJ CAMPAIGN

Two-and-half years ago (October 2013) the City of London Police, which is the National Policing Lead for Fraud, launched a multi-media campaign in partnership with the Council of British Hajjis to combat Hajj fraud. The principal aim was to raise awareness of a criminality that for years had been going unreported and undetected within Muslim communities across the UK that was both damaging and ruining pilgrim's trips to Mecca and costing victims thousands of pounds. The campaign included operational activity, was reported on across national, regional and Muslim focused media and led to a small increase in crime reporting to Action Fraud.

In 2014 the campaign was moved forwards to June and focused on police force areas with large Muslim populations and increased community engagement. This time it was supported by National Trading Standards with the aim of reaching Muslims before they booked their trips with advice to help them spot when they were at risk of a fraud and encouraging them to book their trips in the safest way possible. Operational activity was broadcast on the BBC 'One Show' and there was again a small increase in reporting to Action Fraud. Most positively of all National Trading Standards committed £100,000 to combat the problem nationwide, sharing information with the City of London Police's National Fraud Intelligence Bureau and taking proactive steps to both warn and shut down tour operators suspected to be operating illegally.

Both these campaigns have delivered an increased awareness of Hajj fraud, with a small group of agencies and community groups working together to combat a criminality that continues to bring heartache and misery to members of the Muslim community. However, we are now at the point where if we are to build on these successes a much wider, more collaborative partnership cutting across law enforcement, the Government, academia, travel operators and regulators and the Muslim community is needed. People and organisations are working positively and productively in small partnerships or in isolation but still the offending continues with the vast majority of victims still choosing to suffer in silence rather than seek support and report the crime.

The Hajj fraud event will bring these disparate groups together and make the case for a more targeted, cohesive approach to combatting Hajj (and also Umrah) fraud. It will be an opportunity to look back at what has already been achieved and to lay out what needs to be done to really get to grips with this problem now and in the future. This will include presentations and discussions on:

- Laying out the nature and scale of the problem and identify why so many people choose to suffer in silence rather than seek help and advice and report a crime. In essence explaining why there is reason to hold the Hajj event.
- Emphasise the priority that must be given to crime prevention activities, running alongside operational activity where the evidence and intelligence demands it.
- Present the academic research and conclusions that are now available around the issue of Hajj and Umrah fraud.

- Highlight the collective will there is across the UK to address this problem, the mechanisms that are already in place to tackle the current threat and show how this can and must be brought together and improved to deliver a more effective response to Hajj and Umrah fraud.
- The most effective way to reach into the Muslim community with key crime prevention advice and to encourage them to report to Action Fraud or Trading Standards when they have fallen victim to some sort of scam.

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Agenda Item 6

Committee(s): Police: Economic Crime Board	Date(s): 1 st May 2015
Subject: National Lead Force: Fourth Quarter and end of year Performance Report	Public
Report of: Commissioner of Police Pol 22/15	For Information
Summary	
<p>This is the Quarter 4 2014-15 and end of year 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.</p> <p>The report also provides your Economic Crime Board with a performance update in respect of:</p> <ul style="list-style-type: none">• Action Fraud Victim Complaints.• Value for Money position for the quarter• Overall Attrition from Action Fraud Reporting through to outcomes for the victims. <p>In general members will note there has been some significant improvements in our reported performance this quarter, especially in relation to our national performance figures and in particular the latest national attrition figures are a demonstration of the success we are having influencing forces right across the country in prioritising fraud and cyber crime. Action Fraud complaints continue to be an extremely small percentage of overall crime reporting (0.03%) and the nature of complaints has changed as a result of the improvements implemented by the new Director. Members will notice however that there are some areas of concern in relation to parts of the ECD performance reporting and as a result an initial review was instigated to look into the underlying trends for some of the downturns; the results of this review are included in the report. Members should be aware however that there is also a more comprehensive and in depth review underway with the Directorate Commander to ascertain how we can ensure we maintain and improve upon all areas of ECD performance overall.</p>	
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.

Key:

	Performance is satisfactory and gives no cause for concern.
	Performance is satisfactory but with minor cause for concern. It is being monitored and action is being taken where required.
	Performance is unsatisfactory. Action Plans are in place.
↑	There is an improving trend (ie an improvement in performance rating or improvement within the performance rating)
↓	There is a declining trend (ie a decline in performance rating or decline within the performance rating)
→	Performance is neither improving nor declining

Table 1 - OVERVIEW	
ECD Performance (see Table 2) →	National Attrition (see Table 3) ↑
Action Fraud Complaints (see Table 4) ↓	Value for Money (see Table 5) ↓

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. Generally ECD continues to deliver against the 5 KPAs to a satisfactory level. Some KPIs require improvement. Appendix 1 outlines the areas of concern and details intended action and expected trends.
- **Action Fraud Complaints** Indicates how well Action Fraud is performing based on the number and nature of complaints. The level of Action Fraud complaints remains low and has reduced further but continues to be subject of an action plan.
- **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. We are seeing national police forces improving their performance under CoLP with the number of outcomes rising to 10147 in Q4 2014/15 from 3001 in Q 4 last year 2013/14.

- **Value for Money** Indicates how well ECD is performing as measured by return on investment and customer satisfaction. Although a drop in last year ECD continue to provide satisfactory value for money.

ECD PERFORMANCE

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

Table 2 Commentary: Generally ECD is delivering against the 5 KPAs to a satisfactory level although some KPIs require improvement. Appendix 1 outlines the areas of concern and details intended action and expected trends.

KPA 1 is trending up with the YTD value of potential disruptions raised by an impressive 68% from £317million in 2013/14 Q4 to £534 million in 2014/15. The cumulative volume of media coverage has increased by 49% from 619 in Q3 to 920 in Q4.

KPA 2 sees continual improvement. NFIB provided enhanced intelligence against 8 OCGs in Q3 and 15 in Q4 taking the yearly total to 28. This work has made significant contributions to the national intelligence picture on organised crime. Additionally, ECD has contributed to the National Intelligence Requirement by answering 100% of the Economic Crime gap questions through products disseminated in Q4.

KPA 3 has seen consistent performance throughout the year; however comparison of some KPI performance against 2013/14 sees a decrease in output due to exceptional circumstances in that year.

KPA 4 sees a significant improvement with the number of Economic Crime Academy delegates exceeding 1000 improving standards of investigation across the public and private sector.

KPA 5 sees consistent performance in Action Fraud satisfaction levels at 92% throughout 2014/15. Satisfaction levels in ECD victim service has significantly increased rising from 40% in Q1 to 100% in Q4. Return on Investment (RIO) recorded a return of £45.71 for 2014/15 lower than 2013/14 due to lower value fraud

cases an element beyond ECD's control. A full explanation of the data is provided in Table 5 .

Action Plan: Continuous monitoring and ongoing improvement.

NATIONAL ATTRITION

Table 3 - NATIONAL ATTRITION	
Reporting Levels	Quality of Crime Packages
Disseminations to Local Forces	Outcomes
Disruptions	

Table 3 Commentary: In addition to disseminating crime packages, NFIB will use the intelligence gathered to provide prevention messages across sectors and to community groups, and disrupt criminal activity by having websites, bank accounts and phone accounts denied to the criminals to prevent further victimisation.

Disruptions For the year ended 2014/15 disruptions totalled 167,456. This compared against the previous year of 82,152, illustrates an exceptional increase of 85,304 or 104%. The upturn in disruption activity highlights the changing methodology of policing to prevention and disruption.

- **Reporting Levels** 248,260 crime reports were ingested by Know Fraud in 2014/15 compared to 230,845 in the same period last year an increase of 8%.
- **Disseminations** There has been a significant increase in the number of packages disseminated to forces rising from 45,543 last year to 68,998 this year representing an increase of 52% on last year's performance.
- **Outcomes** Reported "outcomes" following dissemination of an Action Fraud crime package to local police forces has risen from 8,580 last year to 22,950 this year representing an impressive increase of 167%. This clearly illustrates the impact of the work of the National Police Coordinator for Fraud to improve forces responses to fraud crime.

Table 4 - ACTION FRAUD COMPLAINTS	
Complaints	↑

Table 4 Commentary: Analysis of Action Fraud (AF) complaints identified victim's required timely updates on reported crime. In response victim updates are now provided 28 days after initial report notifying the victim of the initial outcome. This change in procedure has reduced the number of complaints regarding 'no updates'.

The overall number of complaints received by Action Fraud has increased from 31 in Q3 to 34 in Q4. However the amount of complaints regarding lack of update has decreased from 28 in Q3 to 13 in Q4 indicating the new processes implemented are having a positive impact on our service.

Although complaints have increased it should be noted by members that volumes of reported and disseminated crime have increased and presented as a percentage complaints represent 0.03% of all Action Fraud contacts in Q4 which is consistent.

To improve AF service delivery a new comprehensive process is being implemented to ensure all areas of complaints are captured and addressed. This will enable ECD to formulate a bespoke short and long term action plans with other forces to address victim concerns.

This has proved more problematic than anticipated because of the variety of performance sources that need to be accessed nationally and the degree of de-confliction that has to take place to ensure reports are not duplicated.

Please note the table in Appendix 2

Table 5 - VALUE FOR MONEY	
Return on Investment	↑

Table 5 Commentary: Using nationally accepted methodology and assumptions ECD reports 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.

The 2014/15 annual ROI is £45.71, this is calculated by dividing the yearly total £ value of fraud loss saved by the budget spend, a decrease when compared with the 2013/14 ROI of £77.68 but an increase on the 2012/13 ROI at £32.17.

After review the following factors should be considered when making comparisons with the 2013/14 year.

- 2013/14 values were significantly influenced by unprecedented levels of the £ value of Future Fraud disrupted, caused in Q3 2013/14 by just six exceptional cases with reported fraud losses ranging between £1.1 Million and £15 Million as set out in Appendix 3.

Action Plan: Continuous monitoring and ongoing improvement.

SUMMARY

Overall ECD is meeting its core delivery objectives, with a number of areas of improvement being addressed.

The national performance including on attrition is improving consistently. We are ambitious in this area and continue to push for further improvement.

We will continue to monitor progress against these action plans and report to the Board.

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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	At the end of Q4 2014/15 the YTD position for the value of ECD disruptions has increased by 68% from £317 Million in 2013/14 to £534 Million in 2014/15.
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	In Q4 2014/15 220 ECD products were disseminated a 21% decrease on Q3 2014/15 at 279. The total ECD products disseminated in 2014/15 is 1317 a 27% decrease on the 2013/14 at 1808. However, improved product quality is having a significant impact on the National Intelligence Requirement answering 100% of the Economic Crime Intelligence gap questions in Q4.
KPI 1.3 Increasing individual self-protection from Economic and cyber crime and reducing the risk of repeat victimisation	The cumulative volume of media coverage has increased from 619 at Quarter 3 2014-15 to 920 in Quarter 4. 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	In Quarter 4 2014-15 100% of the National Intelligence Requirement Gap questions were answered as a result of ECD contributions. NB The Board should note that this is a new measure so no YTD comparison is available.
KPI 2.2a Identification, assessment, management and dissemination of national active offenders	In Quarter 4 2014-15 4406 offenders were identified by ECD and disseminated to law enforcement partners illustrating consistent performance in this measure. This is an increase on Q3 with a total of 16811 offenders disseminated to law enforcement partners. The Board

(lone and OCGs)	should note that this is a new measure so no YTD comparison is available.
KPI 2.2b Number of priority and High priority OCGs where ECD have provided enhanced intelligence and information to Law Enforcement Partners to assist disruption.	This is a new measure that was base lined during Q's 1 and 2. In Q4 ECD provided enhanced intelligence and information to Law Enforcement Partners to assist the disruption of 15 priority and high priority OCGs compared with only 8 in Q3. This work has made significant contributions to the national intelligence picture on organised crime.
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)	<p>The total Criminal Assets recovered for 2014/15 is £5.7 Million a decrease on the 2013/14 Criminal Assets recovered £13.4 billion but reasonably consistent with 2012/13 return £7 million. However the following mitigating factors should be considered when making comparisons with the 2013/14 year.</p> <p>After review it was identified the nature of financial assets available to be seized 2013/14 asset recovery values were considerably higher than other years. An element beyond ECD control.</p> <p>The asset recovery team have maintained consistent performance in the number of Asset recovery investigations resulting in confiscation/forfeiture orders (2014/15 – 123; 2013/14 – 134 and 2012/13 – 128). This indicates that the value of assets recovered can fluctuate depending on the assets available to recover.</p>
KPI 3.2 The £ value of future fraud disrupted by NLF enforcement cases	<p>The total future fraud disrupted figure for 2014/15 is £548 million a decrease on the 2013/14 at £1.1 billion but an increase on the 2012/13 return £531 million. The following factors should be considered when making comparisons with the 2013/14 year.</p> <p>The 2013/14 Future Fraud disrupted figure was influenced by the inclusion of six exceptional high value cases in Q3 2013/14 which ranged between £1.1 Million and £15 Million. See appendix 3.</p>

<p>KPI 3.3 To reduce the intent and capability of the most serious Organised Crime Groups perpetrating fraud</p>	<p>1 OCG was disrupted in Q4 taking the yearly total to 22 compared with 91 in 2013/14. Corporate knowledge and context must be taken into account in interpreting comparisons with previous years. In the final 2 quarters of 2013/14 the force reviewed the status of force OCGs to align force processes with national best practice for OCG disruption. Force OCGs that were classified as dormant or dismantled were re registered, reviewed and reassessed for disruption, this caused a significant increase in the volume of disruptions in the final half of 2013/14. Therefore, the volume of disruptions in 2013/14 is disproportionate to both 2012/13 and 2014/15 and no like for like comparisons are feasible. The NLF are increasingly dealing with more serious organised crime gangs operating with impunity across jurisdictions to a higher level and example of this is a recent operation within the city based at the Heron Tower. In summary 2014/15 performance is more comparable with 2012/13 where 32 OCGs were disrupted.</p>
<p>KPI 3.4 Quality of investigation and enhancing judicial outcomes</p>	<p>There were 23 charges in Q4 2014/15 a decrease of 62 on last year 2013/14. Performance between 2013/14 and 2014/15 remained consistent for initial 3 quarters of the year; however an exceptionally high volume of cases in Q4 2013/14 has distorted year on year comparisons. Analysis suggests performance in 2014/15 has been adversely impacted by a backlog of cases awaiting CPS charging decisions.</p>
<p>KPA 4 Raising the standard of economic crime prevention and investigation nationally by providing education and awareness to the counter fraud community</p>	
<p>KPI 4.1 Impact and reach of training strategy and delivery</p>	<p>The year-end position for the number of delegates trained by the Economic Crime Academy has increased from 743 in 2013-14 to 1009 at the end of Quarter 4 2014-15.</p>
<p>KPI 4.2 Impact and reach of standard setting and dissemination of best practice guidance</p>	<p>Whilst the Economic Crime Academy has not changed any Fraud Course content since Q2, the courses are reviewed constantly against operational debrief information. We are satisfied the course content reflects best practice.</p>

KPA 5 Delivering value and reassurance to our community and partners in industry	
KPI 5.1 To increase return on investment in NLF (£saved per £spent	Please refer to table 5.
KPI 5.2 To improve overall satisfaction of community (including victims) and partners in industry with NLF economic crime services Action Fraud satisfaction	During Quarter 4 2014-15 ECD maintained consistent performance with 92% of victims were satisfied with the Action Fraud Reporting Service. NB The Board should note that no YTD comparison is available.
Victim satisfaction in ECD services	Victim satisfaction with the levels of service provided in ECD investigations has peaked in Q4 at 100% this is a significant improvement on Q1 at 40%.

Appendix 2

Action Fraud complaints analysis

	Q2	Q3	Q4
Crimes reported	102,975	97,106	104,844
Complaints to PSD	42	31	34
Lack of update	33	28	13
Misc	9	3	21
Ratio of complaints to reports crimes	0.04%	0.03%	0.03%
Action Fraud Satisfaction level	92%	92%	92%

Appendix 3

High value cases contributing to Q3 2013/14 Future Fraud disrupted by enforcement cases

CR/3818/04	£15 Million	OCG involved in cheque and CHAPs transfer frauds
CR/5698/10	£3.1 Million	Boiler room.
CR/2407/11	£1.7 Million	Mortgage fraud
CR/5454/11	£1.1 Million	Insider fraud
CR/6814/12	£1.2 Million	Insider fraud
CR/5013/12	£2.6 Million	Mandate fraud

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By virtue of paragraph(s) 1, 3 of Part 1 of Schedule 12A
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