Economic Crime Board of the Police Committee

Date: **FRIDAY, 27 APRIL 2018**

Time: **11.00 am**

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

Members: Simon Duckworth (Chairman)
Deputy Douglas Barrow (Ex-Officio Member)
Nicholas Bensted-Smith
Deputy Keith Bottomley
Deputy Robert Merrett
Deputy Henry Pollard
Deputy Richard Regan
Deputy Tom Sleigh
Deputy James Thomson (Ex-Officio Member)

Enquiries: **George Fraser**
tel. no.: 020 7332 1174
george.fraser@cityoflondon.gov.uk

Next Meetings:

6 Jul 2018   **20 Oct 2018**

Lunch will be served in Guildhall Club at 1PM
NB: Part of this meeting could be the subject of audio or video recording

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**
   The public minutes from the previous meeting, held on 2 February 2018.

   For Decision
   (Pages 1 - 6)

4. **OUTSTANDING REFERENCES**
   Report of the Town Clerk

   For Information
   (Pages 7 - 8)

5. **NATIONAL LEAD FORCE: 2017/18 PERFORMANCE REPORT**
   Report of the Commissioner

   For Information
   (Pages 9 - 22)

6. **RESOLUTION - CRYPTOCURRENCIES**
   Resolution from the Port Health and Environmental Services Committee

   For Decision
   (Pages 23 - 24)

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

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

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

Part 2 - Non-Public Agenda

10. **NON-PUBLIC MINUTES**
    To agree the non-public minutes of the last meeting, held on 2 February 2018

    For Decision
    (Pages 25 - 28)

11. **RESTRICTED ACTIVITY UPDATE**
   Report of the Commissioner

12. **ECONOMIC CRIME ACADEMY UPDATE**
   Report of the Commissioner

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

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

This page is intentionally left blank

ECONOMIC CRIME BOARD OF THE POLICE COMMITTEE

Friday, 2 February 2018

Minutes of the meeting of the Economic Crime Board of the Police Committee held at the Guildhall EC2 at 11.00 am

Present

Members:

Simon Duckworth (Chairman)	Deputy Henry Pollard
Nicholas Bensted-Smith	Deputy Richard Regan
Deputy Keith Bottomley	Deputy Tom Sleigh
Deputy Robert Merrett	Deputy James Thomson (Ex-Officio)

Officers:

George Fraser	-	Town Clerk's Department
Alex Orme	-	Town Clerk's Department
David Clark	-	Commander of Economic Crime, CoLP

1. **APOLOGIES**
   Apologies were received from Deputy Doug Barrow.

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

3. **MINUTES**
   The Board considered the minutes from the last meeting, held on 20 October 2017.

   The Chairman thanked Deputy Tom Sleigh for chairing the last meeting in his absence.

   The Town Clerk noted, in reference to discussion at the last meeting under item 6 – *National Lead Force: 2017-18 Performance Report*, that the Value for Money data was missing in the previous report. The Commander of Economic Crime explained that these figures were indeed recorded, and confirmed that they would be included from now onwards. (1)

   RESOLVED – That the minutes be approved.

4. **OUTSTANDING REFERENCES**
   The Board received a report of the Town Clerk that summarised the outstanding actions from previous meetings.

OR1 – Cyber Training for Members
The T/Commander of Economic Crime explained that Mike Beck was hoping to attend the Economic Crime Board, but was unable to attend this meeting. He explained that it would be possible to provide a basic level training session for Members lasting around 2-4 hours. The Chairman asked which Members this would be provided to. Members agreed that this training would be beneficial to all Members of the Court of Common Council. A Member suggested that perhaps it would be sensible to get an overview of the proposed session at the next meeting, before proposing a wider roll-out to Members. The Board agreed that a paper should be submitted to the next meeting that detailed the basic 2-hour training session proposed for Members. (2)

A second Member explained that they thought Cyber Training should be an obligatory requirement for all Members. The Chairman suggested that it would be difficult to mandate training to Members, but it could be strongly recommended by the Board.

OR2 – Social Media Engagement
The T/Commander of Economic Crime explained that Social Media Engagement descriptions had been improved.

OR3 – Victim Care Satisfaction
The T/Commander of Economic Crime explained that the Victim Care Satisfaction questionnaire questions would be updated as the survey is refreshed for the new financial year, and feedback from this Board had been taken into account. The Chairman illustrated his approval. A Member recalled from the previous meeting that it was determined that the wording of the question might have led to unfavourable responses regarding "satisfaction" levels, to the detriment of the Economic Crime Directorate.

OR4 – Cumulative Data
The T/Commander of Economic Crime explained that the Economic Crime Directorate was unclear on Members' desires with regards to data presentation, based on the outstanding reference from the previous meeting. Members agreed that it would be best to proceed with displaying both monthly and cumulative data.

RESOLVED – That the report be received.

5. **Q3 NATIONAL LEAD FORCE: 2017/18 PERFORMANCE REPORT**
The Board received a report of the Commissioner that outlined the quantitative and qualitative data performance of City of London Police as the National Lead Force for Fraud for the period April 2017 – December 2017.

The T/Commander of Economic Crime explained that the decrease of 21% in the number of crimes identified for dissemination to police forces was attributable to the adoption of the new Management of Risk in Law Enforcement (MORILE) approach. This involved a marginally lower volume of crimes subjected to investigation, but a significantly improved prioritisation of crimes investigated, leading to an overall net reduction in harm caused. This

was supported by the 11% increase in disruption requests figure presented within the report.

The T/Commander of Economic Crime explained that the key enabler of the 11% increase in disruptions requests was the use of telephony, through Voice-over-Internet-Protocol (VoIP) and the termination of UK phone lines.

The T/Commander of Economic Crime explained that the Economic Crime Directorate was currently managing 36 different Organised Crime Groups (OCGs), more than the rest of the City of London Police combined. The Chairman asked if some of these were being managed in partnership with other forces/agencies. The T/Commander confirmed that many cases have both a Financial Conduct Authority element and a criminal element. He explained that the ECD had managed to recoup £700,000 of £1.2m back in one particular case.

The T/Commander of Economic Crime explained that following meetings with the minister for Economic Crime Ben Wallace, the ECD have been able to engage officer numbers into Protect.

The T/Commander of Economic Crime explained that the Economic Crime Academy has made good progress as accreditation has proved useful for officers.

A Member stated their concern that the satisfaction level was based on all cases, rather than major cases.

The T/Commander of Economic Crime explained that the figures for dissemination of crimes splits into three areas: National, Local and Regional, but that the figures presented focus on those of the City of London. A Member asked whether disseminations are directed to the locale of the perpetrator or the investigation. The T/Commander of Economic Crime confirmed that these signified the location of the perpetrator, and proved useful for intelligence purposes.

A Member noted that issues involving the facilitation of crime were not mentioned. The T/Commander of Economic Crime explained that there was a joint taskforce dedicated to this that carried out training to inform relevant private sector businesses against providing platforms unwittingly. He explained that not all areas were included within these performance reports, though they are able to do so with any area at the request of Members. The Member explained that it would be useful to have facilitation of crime reported on. A Member agreed that this was the correct platform. (3)

The T/Commander of Economic Crime explained that, in contrast to other areas, funded units maintained their cadence during economic downturns as the funding is secured. He explained that terror incidents have drawn staff from other areas into the front line, whilst funded units have remained protected. The Chairman explained that this related to the Grand Committee plea regarding officer numbers, and that it was helpful to be given sight of resourcing

issues on a practical level. The Chairman asked what the recruitment plan was. The T/Commander of Economic Crime explained that there were now 12 inductees. He explained that funds had been added to occupational health in an attempt to reduce delays, but that this was still challenging.

The T/Commander of Economic Crime explained that there was a serious issue with new pensions regulation that meant those aged 50 were taking the opportunity to seek a significantly increased salary in the private sector alongside receipt of their pension. The Chairman agreed that this was a serious issue. He explained that we could now predicate for this happening, but it would nevertheless be a challenge to retain credible leaders.

A Member asked if the staff gap could realistically be closed within 12 months under the current plans. The T/Commander of Economic Crime explained that this would be very difficult. The Chairman asked if there was any way that Members could alleviate the issue. A Member suggested that their might be an opportunity to leverage the network of alumni within the private sector. The T/Commander of Economic Crime explained that there were around 30 Special Volunteers that can be called upon, though there was a question over their length of service. The Chairman asked if it would be beneficial to take steps to ensure that leavers' assistance is requested.

The T/Commander of Economic Crime explained that the 87% increase in Non-Judicial Outcomes were attributable to the use of a new system that categorised 16 outcomes. He agreed to circulate a description of these to Members. (4)

In reference to the reduction in Total Outcomes, the Chairman asked if this was a reputational issue, or if it was an indicator of resourcing challenges. The T/Commander of Economic Crime explained that this would not be a reputational issue as the effect of national downturn was evident.

A Member asked how website disruptions were measured. The T/Commander of Economic Crime explained that they were based on 6-month comparisons. He also noted that some websites had been taken down due to the increased powers of the Police Intellectual Property Crime Unit (approximately 12,000).

The Chairman noted that there was a more detailed narrative regarding social media engagement which was useful.

The T/Commander of Economic Crime explained that the HMICFRS would be carrying out inspections this year, and members of the ECD team had been asked to assist. He explained that this would ensure the 10 teams selected for inspection nationally would be correct, based on ECD intelligence. He informed Members that a member of the ECD team had been working in placement with the HMICFRS for more than a month so far, and this influence was very useful in raising the general standards of counter-fraud nationally.

The T/Commander of Economic Crime explained that complaints received by ECD were less than 0.1% of all complaints received by CoLP. The Chairman noted that there would always be issues with "satisfaction", given the nature of being a victim of crime. However, the level of complaints should be perceived as a very effective performance measure, as it particularly highlights the perception of the actions taken by the Police.

The T/Commander of Economic Crime explained that the National Cyber Security funding was secured for the next two years, but provisions would need to be made for 2021 onwards. He explained that the National Lead Force Grant limitation of one year's notice significantly hindered the ability to employ strategic planning going forward. He noted that the Home Office were beginning to gain understanding of this challenge, and were able to agree in principle to a further 2 years of funding, but were still unable to explicitly commit to any sum. He explained that delays in funding led to staff retention issues, as exiting staff commonly seek permanent contracts elsewhere.

A Member noted that the 100% of ECD City fraud investigations resulting in a positive outcome was very impressive.

RESOLVED – That the report be received.

6. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
In reference to the funding issues raised, a Member asked if it would be beneficial to send a message to the Home Office. The Chairman explained that the challenge would be in presenting an argument that demonstrates that a positive outcome would be yielded from increased funding, especially considering ECD's evidently strong performance in the face of current funding limitations. The T/Commander of Economic Crime agreed that he would be in contact with the Remembrancers department in order to highlight key areas. The Chairman suggested that, if required, perhaps a note could be sent from the Chairman of Police and himself.

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

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

9. **NON-PUBLIC MINUTES**
The Board considered the Non-Public Minutes from the last meeting, held on 20 October 2017.

RESOLVED – That the minutes be approved.

10. **RESTRICTED ACTIVITY UPDATE**
     The Board received a report of the Commissioner of Police that summarised notable activity not for publication that was being delivered by the City of London Police in its capacity as National Lead Force.

     RESOLVED – That the report be received.

11. **ECONOMIC CRIME ACADEMY UPDATE**
     The Board received a report of the Commissioner of Police that provided updates on the activity relating to the Economic Crime Academy.

     RESOLVED – That the report be received.

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**
     There was no further business.

The meeting closed at 12.43 pm

Chairman

Contact Officer: George Fraser
 tel. no.: 020 7332 1174
george.fraser@cityoflondon.gov.uk

No.	Meeting Date & Reference	Action	Owner	Status
1.	**02/02/18** Item 3 - *Minutes* **"Value for Money" Data**	The Town Clerk noted, in reference to discussion at the last meeting under item 6 – National Lead Force: 2017-18 Performance Report, that the Value for Money data was missing in the previous report. The Commander of Economic Crime explained that these figures were indeed recorded and confirmed that they would be included from now onwards.	CoLP	**COMPLETE –** **On the agenda**
2.	**02/02/18** Item 4 - *Outstanding References* **20/10/17** Item 4 - *Outstanding References* **27/07/17** Item 11 - *Economic Crime Academy Update* **Cyber Training for Members**	That the feasibility of cyber training being given to all Council Members be followed up within the Corporation. Update 20-10-17: The Detective Chief Superintendent suggested that it might be beneficial to invite a representative of the Economic Crime Academy to the following meeting in order to present and discuss feasible cyber training provision for Members. **Update 02-02-18:** The T/Commander of Economic Crime explained that Mike Beck was hoping to attend the Economic Crime Board, but was unable to attend this meeting. He explained that it would be possible to provide a basic level training session for Members lasting around 2-4 hours. The Chairman asked which Members this would be provided to. Members agreed that this training would be beneficial to all Members of the Court of Common Council. A Member suggested that perhaps it would be sensible to get an overview of the proposed session at the next meeting, before proposing a wider roll-out to Members. The Board agreed that a paper should be submitted to the next meeting that detailed the basic 2-hour training session proposed for Members.	CoLP	**OUTSTANDING**

3.	**02/02/18** Item 5 - *National Lead Force: 2017/18 Performance Report* **Facilitation Reporting**	The T/Commander of Economic Crime explained that there was a joint taskforce that carried out training to inform relevant private sector businesses against providing platforms unwittingly. He explained that not all areas were included within these performance reports, though they are able to do so with any area at the request of Members. The Member explained that it would be useful to have facilitation of crime reported on. A Member agreed that this was the correct platform.	CoLP	**OUTSTANDING**
4.	**02/02/18** Item 5 - *National Lead Force: 2017/18 Performance Report* **16 Non-Judicial Outcomes**	The T/Commander of Economic Crime explained that the 87% increase in Non-Judicial Outcomes were attributable to the use of a new system that categorised 16 outcomes. He agreed to circulate a description of these to Members.	CoLP	**OUTSTANDING**

Committee(s)	Dated:
Police Economic Crime Board	27th April 2018
Subject: National Lead Force: 2017/18 Performance Report	**Public**
Report of: Commissioner of Police Pol 36-18	**For Information**
Report author: T/Commander Economic Crime	

SUMMARY

This report outlines the quantitative and qualitative performance of City of London Police as the National Lead Force (NLF) for Fraud for the period Apr 2017 – Mar 2018, regarding NFIB, NLF/Fraud teams and Economic Crime Academy (ECA). Where data is available this performance has been compared against the same period for the previous year (PY).

Pursue
- Action Fraud reports to the NFIB have i**ncreased by almost 1,200 a month to 294,984, a 5%** increase in the number of crimes reported to Action Fraud compared with the PY.
- **64%** increase in outcomes reported back from forces to the NFIB to **59,444**.
- **11%** increase in disruption requests across City of London Police to **141,314.**
- At the end of March 2018, City of London Police ECD are currently managing **1,220** live investigations of which 189 are distinct to NLF.
- ECD currently has **36** active OCGs.

Protect
- Overall satisfaction with products and alerts issued by the NFIB is **96% (619/648)**. Highest levels of satisfaction are registered in relation to how alerts are "informative" and "relevant".
- **41** national protect events coordinated with a combined reach of almost **3,600** individuals, with social media messaging aimed at providing cyber protect advice to small businesses achieved well over half a million views.
- National and international media coverage in relation to supporting NLF priorities City of London Police.

Prepare
- **In 2017-18, 96** courses delivered by the Economic Crime Academy (ECA) attended by **1,201** delegates, amounting to **4,154** training days delivered.
- **99%** delegate satisfaction with the attended courses.

Victim Service
- **83%** (55/66) of respondents registered overall satisfaction with the service provided by ECD officers in the last 12 months (Apr 17 – Mar 18).
- Action Fraud complaints via PSD (**140**) were **0.03%** of crime and information reports received in the same period (**392,691**).

RECOMMENDATION It is recommended the Board note this report.

1.   BACKGROUND

This report outlines the quantitative and qualitative performance of City of London Police as the National Lead Force for Fraud for the period Apr 2017 – Mar 2018 (YTD). Where data is available this performance has been compared against the same period for the previous year.

The report is divided into four areas:

- *Pursue* – to reduce the economic crime threat through the coordinated investigation of the individuals or groups engaged in economic crime and the disruption of their activities
- *Protect* – to strengthen the protection of individuals, communities, systems and infrastructure against economic crime
- *Prepare* – to reduce the impact of economic crime by dealing effectively with the ongoing criminality and future threat.
- *Victim Service* – to maximise victim service and satisfaction.

2.   PURSUE

2.1   National Outcomes

During 2017/18, there has been an **increase** of over **14,000** (almost 1,200 a month) victim reports to Action Fraud, a **5%** increase in the **number of crime and information reports** that were made to Action fraud with **294,984** recorded compared with **280,706** in the previous year. This increase can be attributed in part to the continued awareness and greater understanding of the Action Fraud reporting system.
There has been a **19%** reduction in the number of disseminations to forces with 12,935 less disseminations. The decrease in disseminations is due to a reduction of reviewing capacity. This has been addressed with a recruitment and training programme and also in part a more discerning assessment of matters that are viable for further investigation.
There has been a significant increase in the number of outcomes back from Forces across the country that have been recorded and driven by the National Coordinators Office, City of London Police. During 2017/18 there were **59,444** outcomes reported compared with **36,251** in 2016/17, amounting to a 64% increase.
The table below shows a comparison of crimes reported, disseminations and recorded outcomes at the Year End point for the past three years.

	2015/16	2016/17	2017/18	16/17 – 17/18 change
Crime reports to Action Fraud	234,201	280,706	294,984	5% ▲
Disseminations	72,654	68,606	55,671	19% ▼
Judicial outcomes	9,873	8,105	9,476	17% ▲
Non-judicial outcomes	26,346	28,146	49,968	78% ▲
Total outcomes	36,219	36,251	59,444	64% ▲

The graph below shows the number of crime reports made to Action Fraud by month over the last three financial years.
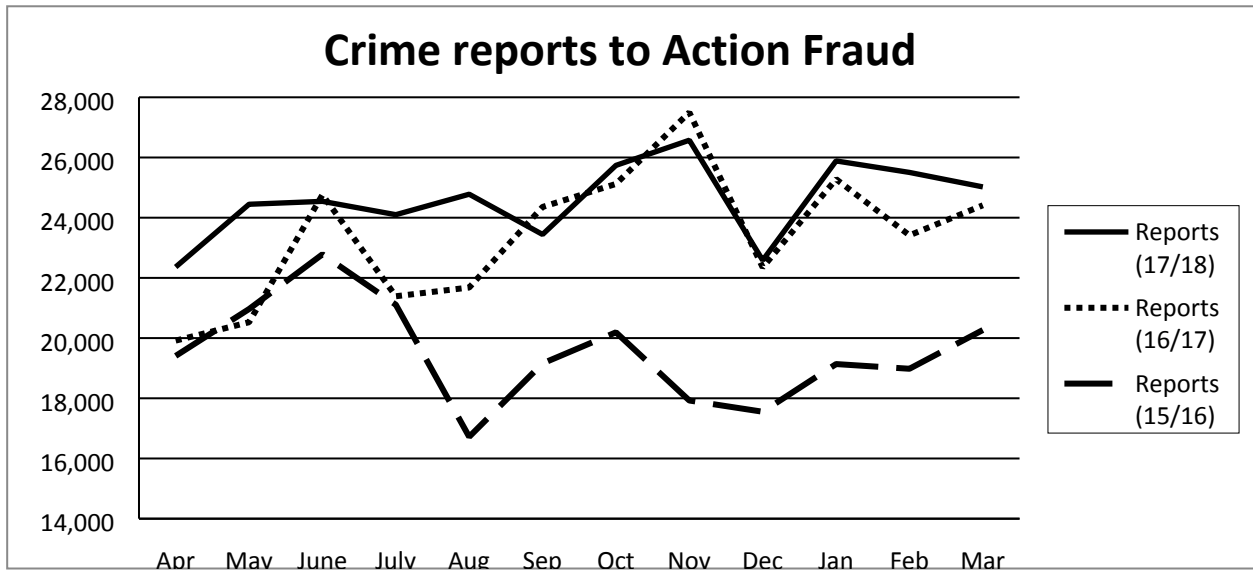
The chart below shows the total number of recorded outcomes by month over the last three financial years.
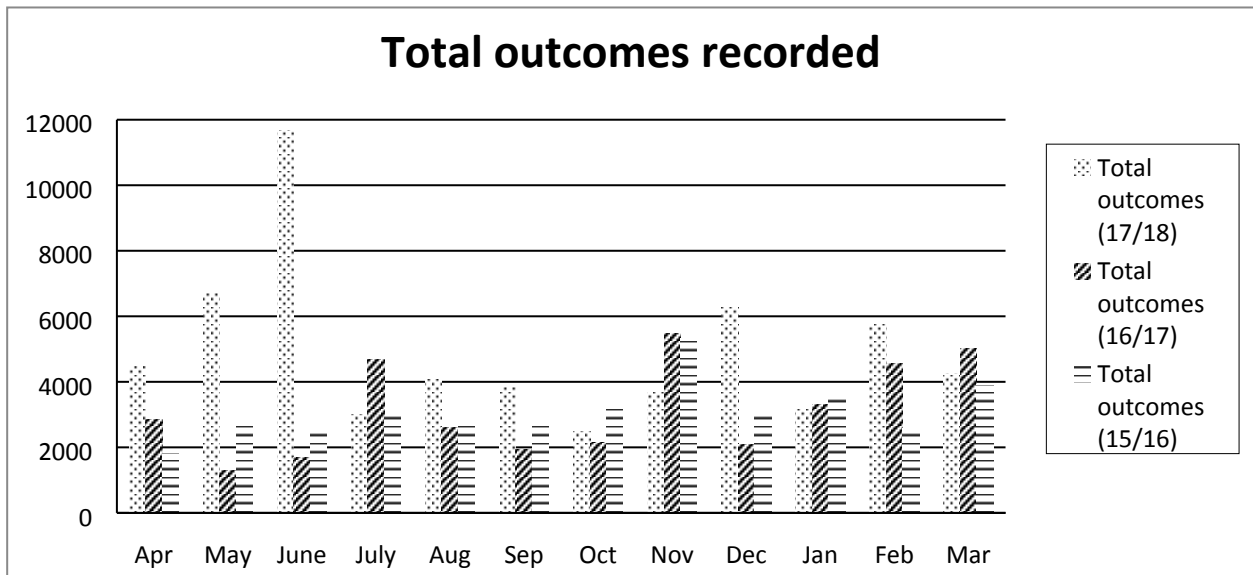
2.2   National Disruptions

There has been an **11%** increase in the total number of disruption requests made during 2017/18 with **127,480** compared with **141,314** during the previous year.

Website disruptions confirmed during the year yield a potential future saving of **£32,507,941.** These can be attributed to the **732** confirmed website disruptions by the NFIB.

For Q4 the number and potential value of fraud saved through telephone and bank account suspension requests are therefore not available. The table below shows that despite Q4 data not being available the NFIB have continued to improve disruptions of Bank Accounts and Telephones compared to the previous year (Q1-Q3). This is because the NFIB has made a decision to cease some elements of data sharing to ensure we are compliant with the impending GDPR changes. The developing strategy is to fairly and legally share personally identifiable information data to key strategic partners to maximise the prevention and disruption of key enablers. The impact in the short term will be a reduction in management information data, but we ensure ethical disruption continue beyond.

A pilot conducted by the NFIB over the past 6 months following a minor alteration to process has led the identification of over **500** bank accounts and the prevention of **£500,000** worth of losses.

Disruptions requests	2016/17	2017/18	% Change
Website Q1-Q4	947	732	22%▼
Bank accounts Q1-Q3	30,256	39,793	31% ▲
Telephone Q1-Q3	96,277	100,789	5%▲
Total	**127,480**	**141,314**	**11% ▲**

2.3   City of London Police Outcomes

During the previous year we saw a number of large boiler rooms containing multiple victims being reported. We see that during 2017/18 there has been a decrease in the number of crime disseminations received for investigation by the Fraud Teams to **362**, and we believe this to be a positive step that there are fewer victims of boiler room frauds coming to the notice of City of London Police. Operation Broadway continues to operate to flush these matters out. During this same period a commensurate reduction in the number of recorded outcomes reported to **465**.

2.4   Organised Crime Group Disruptions

During Q4 2017/18, four new OCGs have been mapped against ECD and three disruptions have been recorded.

At the time of reporting, the ECD are currently managing 36 active OCGs.

2.5 National Lead Force Referrals

Investigations are categorised into City of London Police cases and NLF cases. City of London Police cases are those investigations into matters occurring within the jurisdiction of the square mile and NLF cases are those which have satisfied the NLF cases acceptance process. A majority of City of London Police cases have a national or complex element to them and such factors would constitute a NLF enquiry. Overlap between the categories of City of London Police and NLF is often due to international enquiries, possible threats to the UK economy, and high volumes of victims and the complexity of enquiries.

This excludes investigations undertaken by funded units, namely the Insurance Fraud Enforcement Department, Police Intellectual Property Unit, Dedicated Card and Payment Crime Unit.

YTD **19** NLF investigations have been formally referred to City of London Police. **14** have been accepted, for investigation, or to provide assistance, and **1** has been referred to another agency (Op Falcon). A further **4** referrals are currently under Fraud Hub for assessment.

In addition to the NLF referrals, the fraud desk have received **20** City based referrals. **15** have been accepted, for investigation, and **5** are currently under Fraud Hub for assessment.

At the end of March 2018, City of London Police ECD are currently managing **1,220** live investigations of which 189 are distinct to NLF.

3. PROTECT

3.1 Quality and reach of protect alerts

City of London Police aims to collect feedback from online surveys to determine the quality and impact of the protect alerts, whilst identifying opportunities for improvement. During 2017/18 feedback through targeted alerts achieved an overall satisfaction of **96%**, whilst increasing the number of recipients surveyed to 648, from 308.

At the time of completing the survey recipients are also encouraged to provide feedback to help the continuous improvement of the products and alerts created. The following categories are measured and results compared against 2016/17 results.

	2016/17	2017/18
Informative	**98%** (302/307)	**96%** (637/661)
Relevant	**96%** (292/304)	**83%** (548/659)
Timely	**90%** (274/302)	**85%** (557/659)
Clear	**99%** (303/306)	**93%** (617/661)
Actionable	**89%** (267/300)	**78%** (514/657)

To increase the reach of alerts City of London Police uses additional platforms, such as the Neighbourhood Alerts Service which currently has **496,730** contactable users.

3.2 Social Media

Action Fraud has continued to deliver and increase its digital reach during 2017/18, sharing several key Pursue and Protect messages. In order to achieve the greater reach Action Fraud has achieved an increase in both Twitter and Facebook followers.

Action Fraud currently has:

- **42,450** Twitter followers
- **41,903** Facebook Likes (followers)

3.2.1 Media stories

The Week mentioned Action Fraud statistics in an article about new trends in investment fraud.
Action Fraud is mentioned in articles published by Will and Probate News, Wired Gov, Third Sector, and Civil Society as the Charity Commission trustees, employees and volunteers are being called to take steps to identify and protect against CEO fraud.

An Action Fraud alert which warns people that fraudsters are cold-calling victims, falsely stating that they are calling from one of the well-known UK telecommunication service providers is mentioned in articles published by the Littlehampton Gazette, A Little Bit of Stone, Chad, the Worthing Herald, the Sussex Express the Leyland Guardian and Peterborough Today.

The Guardian mentioned the NFIB in coverage of a fraudster who was sentenced for falsely claiming to be from Microsoft.

The Manchester Evening News, Insurance Times, Rochdale Online, Insurance Age, Insurance Post and YouTalk Insurance covered an IFED case involving 13 people who claimed refunds on car insurance bought with compromised bank cards.

The Sunday Telegraph, the Sunday Times (Driving), the Sunday Express and the Sunday Mirror covered IFED's ghost broking campaign, ahead of its launch on Monday 5th February. DCI Andy Fyfe did a live interview on Sky News and it was covered on their website. He also did an interview with Sky News Radio and it was syndicated to a number of local radio stations, including Free Radio, Manx Radio and KL.FM96.

Police Professional, Professional Security and City Matters reported on the four year anniversary of Project Servator. It has been used to stop crime and reassure the public in the City of London since February 2014. The operation – which sees plain-clothes officers work alongside unpredictable uniformed deployments – has helped City of London Police carry out 938 searches and 547 arrests.

PIPCU's warning ahead of World Book Day on the danger of buying fake fancy dress was covered by The i, the Mirror, and the Yorkshire Post, as well as being picked up by several regional titles.

3.3 Protect Campaigns and Events

During the previous quarter the NFIB Cyber Protect team have conducted a number of activities with the aim of reducing the impact of cybercrime. This has included supporting and coordinating the ROCU with **9** campaigns, including the Home Office's Cyber Aware relaunch, the NCSC's small charities guide and the recent Take Five campaign. This last was launched after a recent survey published by Cyber Aware and Experian showed that **79%** of Britons send personal information, such as bank and passport details via email. Cyber Protect UK's social media posts focused on the importance of securing your email account with a strong and separate password and enabling 2 Factor Authentication during the reporting period.

Analysis into the NFIB phishing Inbox (currently receiving approximately **35,000-40,000** emails per month) has also led to the introduction of a **#PhishyFriday** social media campaign. This campaign has received significant media attention and has been published in a number of daily newspapers. Currently the NFIB Cyber Protect's social media channels (Cyber Protect UK) have continued to grow, with **2,194** twitter followers and **621** followers on Facebook. These channels now see **500,000** impressions per quarter. A new LinkedIn page has also been introduced to help increase the reach and awareness.

41 national protect events coordinated with a combined reach of almost 3,600 individuals, with social media messaging aimed at providing cyber protect advice to small businesses achieved well over half a million views.

During Q4 2017/18 the NFIB Cyber Protect team took part in **10** events with the public and industries. These events have been attended by over **200** individuals and were aimed at raising cyber security awareness. Content has also been created for the Association of Chartered Certified Accountants (ACCA) website to be viewed by their members.

4. PREPARE

4.1 Economic Crime Academy (ECA)

The ECA developed and delivered a bespoke financial investigation course for the Transnational Organised Crime Unit in Kenya working collaboratively with the National Crime Agency and College of Policing. The course used innovative training methods to capture the knowledge and skills of the delegates to understand the legal context and organisational structures; this combined with core investigative skills developed in the UK resulted in an excellent training programme that received outstanding feedback.

The ECA has developed an interactive bribery case study using immersive training techniques which is utilised on the new bribery investigation programme. The case study is focussed on international corruption perpetrated by a UK organisation involved in the building of a dam. The delivery of the case study is supported by subject matter experts representing a wide range of stakeholders. This is part of a commitment under the UK Anti-Corruption Strategy.

The ECA has developed and delivered in partnership with the Electoral Commission an Electoral Fraud training course, which has had attendance from Economic Crime Units

across the country. This is seen by the commission as a highly positive step for the democratic process.

The ECA has worked with the College of Policing to embed Specialist Fraud training into the National PIP Policy document, resulting in a career pathway for those investigating serious and complex fraud. This is a major achievement in professionalising fraud investigation across UK policing. The Directorate Head represents the Academy with the Cabinet Office Professionals board and the ECD has provided a dedicated resource to develop a professional development programme for Fraud investigators across the public sector.

	2016/17	2017/18	% Change
Total courses	83	96	16% ▲
Total course delegates	1,065	1,201	13% ▲
Total delegate days delivered	3,748	4,154	11% ▲
Delegate satisfaction	99%	99%	0%

4.2 National force engagement

Banking Protocols

The National Coordinators Office has continued to work with forces and partner agencies developing Banking Protocols. This is a ground-breaking fraud prevention scheme aimed at identifying and protecting potential fraud victims, which enables bank staff to contact police if they suspect a customer is in the process of being scammed. As at the end of March 2018, all 45 police forces were live with the scheme. Through financial institutions and law enforcement working together, in February the Banking Protocol achieved **£2.1million** in prevented fraud, bringing the total to date to **£16,536,856** and led to **16 arrests,** bringing the total to **154**. **2,064** emergency calls have now been placed and responded to, with the average prevention per call equating to **£8,012**.

With the launch of the Banking Protocol across Scotland on the 5th March, we have now achieved national coverage and all financial institutions are able to benefit from the partnership. Initial results across Scotland are exceptionally promising with Police Scotland reporting **£44,609** in prevented fraud and 1 arrest in the first 9 days alone.

Deception and impersonation scams continue to be the key driver with police forces reporting missed opportunities daily whereby the customer has been socially engineered into transferring funds into a mule account. 31% of Fraud is facilitated by the telephone. Popular MOs are Fraudsters calling the customer from somebody purporting to be from a bank fraud department or a law enforcement agency.

HMIC Fraud Review/Inspection

During the months of February and March HMIC conducted pilot fieldwork at Action Fraud and the NFIB, and Dorset Police and the South West ROCU. The Terms of Reference and methodology for the inspections has now been confirmed.

Further fieldwork in 10 other forces and the NCA is being conducted between April and June, including City of London Police and its NLF functions. The date of the next force inspection has yet to be confirmed but is likely to be early June. A seminar of initial findings and best practice from this inspection is to be held in July and the report will be published later on in the year.

5.   VICTIM SERVICE

5.1   Action Fraud reporting satisfaction

During 2017/18 **10,107** victims completed the online Action Fraud reporting satisfaction survey. **91%** of those surveyed had a positive or neutral experience of the process.

5.2   Action Fraud Complaints

140 complaints relating to Action Fraud were received via the Professional Standards Department during 2017/18 (compared with 169 PY). This is **0.03%** of crime and information reports received in the same period (**392,691**). The most common cause of complaint remains lack of investigations with **83** of the **140** complaints relating to this.

A total of **142** complaints were concluded in the period. All complaints are responded to in writing. Complainants who have reported dissatisfaction with the fact that their crime will not be investigated are provided with an explanation as to how the decision was made and ultimately why an investigation is not possible at this time. Management are aware of the high proportion of complaints relating to lack of investigation and efforts are being made to mitigate dissatisfaction. This includes increased awareness surrounding the Action Fraud process as well as providing all victims with fraud prevention guidance. Accordingly, the number of complaints in this category have decreased from **126** in 2016/17 to **83** in 2017/18.

Additionally **187** correspondence letters including MP letters were received during the same period, and **180** were resolved.

5.3   City of London Police Economic Crime Directorate victim satisfaction – All departments

At the time of reporting only top level headline figures are available relating to the most recent survey.

To improve the interpretation and understanding of trends all quarterly survey results have been presented covering a rolling 12 month period. In total **69** respondents have completed the survey during the current reporting period compared with **147** during the previous period.

During this period **83%** (55/66) of recipients stated satisfaction with the overall service provided by ECD officers. This satisfaction rating represents a further increase in victim satisfaction although the number of responses has also dropped. The level of satisfaction with the outcome of the investigation fluctuates dependant on whether the victim's case ended in a judicial outcome, or compensation. The questions will be reviewed when the contract is renewed.

	2016/17	2017/18	Change
Overall satisfaction with ECD officers' service	**73%** (107/147)	**83%** (55/66)	10% ▲
Satisfaction with initial service	**75%** (110/147)	**100%** (54/54)	25% ▲
Satisfaction with outcome of investigation	**45%** (46/102)	**51%** (14/27)	6% ▲

5.4 Value for Money

Return on Investment

The Return on Investment measure (ROI) which allows for the assessment of the cost of the resources invested against the monetary value of the fraud prevented on a quarterly basis, has been reintroduced this quarter.

	Q4 2016/17	Q4 2017/18	Change
Return on Investment	£20.79	£20.30	2% ▼

During the period, the ROI was calculated at **£20.30** saved for every £1 invested. Although this is **2%** below the previous year's average figure of **£20.79**, it still represents a positive return for the money invested within the directorate.

5.5 Resourcing

The table below shows the number of posts in each ECD department, including both police officers and members of police staff. Also shown are the current vacancies and any over resourcing. This will be monitored on a quarterly basis along with an update on actions being taken to fill any vacancies.

Department	Total posts in Model	Current Strength
DCPCU	17	+ 1 officer - 1 staff
IFED	46	- 4 officers - 1.14 staff
PIPCU	20	- 3 officers - 0.29 staff
FIU	32	- 4.5 officers - 0.23 staff
Fraud Teams	58	- 17.54 officers + 5 staff
ECA	13	- 3 officers - 1 staff
NFIB/AF	81	+ 0.45 officers - 1.65 staff

6.   APPENDICES

- Appendix 1 – Key Performance Indicators
  - PP measures – measures set by the Policing Plan committee
  - DP measures – measure set by the Economic Crime Directorate

T/Commander Economic Crime
City of London Police
Tel: 020 7601 6906

Economic Crime Board - For information
National Lead Force: 2017/18 Performance Report

APPENDIX 1 – KEY PERFORMANCE INDICATORS

VICTIM SATISFACTION	
The percentage of victims of fraud satisfied with the overall service provided by ECD officers • **Satisfactory (S):** Cumulative performance to be within 2.5% or higher than the Apr 14 - Mar 17 cumulative satisfaction rate of 71% with the overall service provided by ECD officers. This would therefore allow for a satisfaction rate of 69%. • **Close monitoring (CM):** Cumulative performance below the Apr 14 - Mar 17 cumulative threshold or continued negative trend. **Requires Action (RA):** Continued cumulative performance below the Apr 14 - Mar 17 cumulative threshold, with limited signs of improvement. Cumulatively, since the survey's inception in 2014, **74% (439/592)** of victims have stated that they are satisfied with the service that was provided by ECD officers throughout their investigation. This is consistent with the cumulative level of satisfaction reported last quarter. Satisfaction has steadily increased over the last three years. Satisfaction regarding the initial service provided by ECD officers has also continued to rise in the last quarter. However, satisfaction regarding the outcome of investigations tends to fluctuate based on whether the victim receives a positive outcome.	**S**
The percentage of victims of fraud who are satisfied with the Action Fraud reporting service • **Satisfactory (S):** Monthly performance to be within 2.5% or higher than the 17/18 YTD average. • **Close monitoring (CM):** Monthly performance below the 17/18 average threshold or continued negative trend. Requires Action: Continued monthly performance below the 17/18 average threshold, with limited signs of improvement. YTD, **10,107** victims have completed the online Action Fraud reporting satisfaction survey. YTD **73%** (7,393/10,107) of recipients have registered satisfaction with the system. An additional, **18%** (1,778/10,107) stated they were neither satisfied nor dissatisfied; meaning **91%** (9,171/10,107) of respondents had either a positive or neutral experience of the system. **9%** (967/10,107) stated that they were dissatisfied with the reporting service.	**S**

PURSUE	
The percentage of ECD City fraud investigations resulting in a positive action whether through offender disposal, prevention or disruption. • **Satisfactory (S):** YTD performance to remain equal, or within 10% of the 16/17 average of 100% of investigations resulting in an offender disposal, prevention or disruption. • **Close monitoring (CM):** YTD performance below the 16/17 average threshold or continued negative trend. **Requires Action (RA):** Continued YTD performance below the 16/17 average threshold, with limited signs of improvement. Year to date **27** City based fraud investigations have concluded. The majority (**26/27 96%**) have resulted in positive outcomes (Charge/ summoned to court = **14**, Disruption = **3**, Premises visits/ Intelligence = **9**).	**S**

PURSUE	
The outcome rate of City of London crimes disseminated by NFIB	**S**

- **Satisfactory (S):** Cumulative performance to be within 10% or higher than the Apr 2013 - Mar 17 cumulative outcome rate of 20.95%. This would therefore allow for an outcome rate of 18.86%.
- **Close monitoring (CM):** Cumulative performance below the Apr 13 - Mar 17 cumulative threshold or continued negative trend. **Requires Action (RA):** Continued performance below the Apr 13 - Mar 17 cumulative threshold, with limited signs of improvement.

Since April 2013, **5,788** City of London crimes have been disseminated to the Fraud Teams for investigation. **1,602** investigative outcomes have subsequently been reported by the Fraud Teams. This gives a cumulative outcome rate of **27.68%** of disseminated crimes resulting in an outcome, which is a rise compared to the outcome rate of **21.71%** reported in December 2017. During the latest quarter (Jan-Mar 18) there were **91** disseminations to CITY OF LONDON POLICE and **365** reported outcomes (**20** judicial and **345** non-judicial).

The percentage of crimes reported to Action Fraud that result in an investigative outcome	**S**

- **Satisfactory (S):** Cumulative performance to be within 10% or higher than the Apr 2013 - Mar 17 cumulative outcome rate of 10.80%. This would therefore allow for an outcome rate of 9.72%.
- **Close monitoring (CM):** Cumulative performance below the Apr 13 - Mar 17 cumulative threshold or continued negative trend. **Requires Action (RA):** Continued cumulative performance below the Apr 13 - Mar 17 threshold, with limited signs of improvement.

Since April 2013, **1,280,250** crimes have been reported to Action Fraud. **316,007** crimes have subsequently been disseminated by the NFIB to police forces in England and Wales for investigation. **165,812** of the disseminated crimes have resulted in an investigative outcome.

The outcome rate is calculated as the percentage of crimes reported that have resulted in an outcome. The outcome rate at the close of March (Q3 17/18) is **13%.** This is an increase of **2.2%** compared to the outcome rate at the close of March 2017.

The percentage of complaints made relating to Action Fraud compared to the number of crime and information reports made	**S**

- **Satisfactory (S):** YTD Performance to be within 0.03 percentage points or lower than the 16/17 average complaints to AF reports percentage of 0.04%. This would therefore allow for percentage of complaints to AF reports received of 0.07%.
- **Close monitoring (CM):** YTD performance below the 16/17 average threshold or continued negative trend. **Requires Action (RA):** Continued performance below the 16/17 average threshold, with limited signs of improvement.

YTD **140** complaints have been received via PSD compared with **435,471** Action Fraud reports received. This is **0.04%** of complaints compared to reports. PYTD - **169** complaints had been received compared with **435,232** crime and information reports to Action Fraud. This is also **0.04%** of complaints to reports.

PROTECT	
The percentage of recipients satisfied with ECD product and alerts	**S**

- **Satisfactory (S):** YTD performance within 5% or higher than the 16/17 overall recipient satisfaction rate of 98%. This would therefore allow for a satisfaction rate of 93%.
- **Close monitoring (CM):** YTD performance below the 16/17 average threshold or continued negative trend. **Requires Action (RA):** Continued YTD performance below the 16/17 average threshold, with limited signs of improvement.

YTD, **96%** (642/671) of recipients have registered satisfaction with the alerts received during the period. This is a decrease of two percentage points from the previous YTD reporting period (2016/17).

96% (22/23) of recipients stated that the alerts were Informative and **91%** (21/23) stated the alerts were Relevant. The Timeliness (YTD - **85%**) and how Actionable (YTD - **78%**) the alerts are continue to receive the lowest level of satisfaction.

PREPARE	
The percentage of delegates satisfied with the Economic Crime Academy courses attended	**S**

- **Satisfactory (S):** YTD performance to be within 5% or higher than the 16/17 average delegates satisfaction rate of 97%. This would therefore allow for a satisfaction rate of 93%.
- **Close monitoring (CM):** YTD performance below the 16/17 average threshold or continued negative trend. **Requires Action (RA):** Continued YTD performance below the 16/17 average threshold, with limited signs of improvement.

Year to date there have been **96** courses attended by **1,201** delegates. **99% (779/768)** of delegates have registered satisfaction with the courses. This is the same percentage as the previous year to date. Of the external delegates, **301** were from police forces, **513** from the public and charity sectors, and **229** from **22** private sector organisations.

TO: **ECONOMIC CRIME BOARD**   <u>27 April 2018</u>

FROM: **PORT HEALTH AND**   <u>6 March 2018</u>
        ENVIRONMENTAL SERVICES
        COMMITTEE

8.   The Committee considered a report of the Director of Markets and Consumer Protection which informed Members on the work taking place in relation to ensure that fraudulent cryptocurrency businesses do not try to exploit the reputation of the Square Mile. The Director of Markets and Consumer Protection explained that there would be a partnership approach to tackle cryptocurrency fraud and to protect the reputation of the Square Mile by not allowing criminals to make use of a City of London address which could add to the credibility of a scam.

Members noted the steps taken by Lloyds and Virgin Banks to protect credit card customers from fraudulent cryptocurrency activity and queried whether the City Corporation could encourage banks headquartered within the City to take similar steps. A Member raised the point that the Industry was considering ways in which greater transparency could be made through regulatory work. In response, the Director of Markets and Consumer Protection agreed that these points could be brought before the Treasury Committee that was announced last week to look into the cryptocurrency sector.

A Member noted that the City Corporation should take a lead in taking action against fraudulent cryptocurrency activity adding that there were issues which included:

- organisations bypassing anti-money laundering procedures;
- false advertising through promises of guaranteed returns and not following any regulation; and
- a lack of evidence that the operators are protecting those who invest through financial mechanisms.

The Committee recommended that the City of London Police website should contain information and help on fraudulent cryptocurrency activity for members of the public. It was added that Action Fraud could also feature this on their website.

RESOLVED – That:
    a) the Committee note the report;
    b) the Committee endorse the proposal for Trading Standards to take a proactive and innovative approach to dealing with a potential future problem; and
    c) a resolution be submitted for the next meeting of the Economic Crime Board to recommend to the Committee that the City of London Police website address the issue of fraudulent cryptocurrency activity.

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 7 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank