

<b>Committee:</b> Police: Economic Crime Board	<b>Date:</b> 28 <sup>th</sup> February 2014
<b>Subject:</b> Economic Crime Update – National Fraud Capability Programme	<b>Public</b>
<b>Report of:</b> Commissioner of Police Pol 21/14	<b>For Information</b>

### Summary

At your Economic Crime Board in September 2013, Members were given an update on the background and current position of the National Fraud Capability Programme and details of the negotiating strategy for the future development of a regional fraud capability. This is an update for Members as to the current situation.

As you will recall, in early May 2013 the Home Office (HO) announced funding agreements for Regional Organised Crime Units (ROCU's) to enhance their capability and capacity to target organised crime, including fraud. The continuous national engagement of the CoLP National Capability Programme Team has now secured either the presence of a Regional Fraud Team within every region, or the commitment to have one by 1<sup>st</sup> April this year. Leading the way the CoLP established one of the first Regional Fraud Teams (RFTs) in December 2013, the London RFT employs representatives from all three London forces and already has a sizable caseload.

As previously reported, the National Co-ordinator's Office (NCO) based in the City of London has tasked the existing intelligence structures across the country to create the first comprehensive set of local fraud profiles, which were published in October 2013. This information was instrumental in securing support for regional fraud teams and for the first time provided a comprehensive picture of the fraud threat to each force and region, enabling accurate resource and asset allocation. Updated versions of these profiles will be published in March.

As Members may recall, the NCO in consultation with the HO and national policing has a new developed case allocation process and with the pilot phase concluded the assessment of all Action Fraud crimes for local, regional or national allocation is now 'business as usual'. This method continues to provide a picture of demand on the local, regional and national resources at this time.

Following the decision by the Home Office to fund the ROCUs centrally via national Organised Crime funding May 2013, the national capability programme team continues to work closely with the ACPO regions at the quarterly Heads of ROCU meetings to influence the national approach to fraud on a regional basis. The newly formed Economic Crime Chief Officer Group, chaired by City of London Police, will enable the national capability programme team to drive forward performance and national response to the

growing volume of reported fraud crime through Action Fraud. CoLP leads the way on all aspects of responsibility for the London Regional Fraud Team (RFT).

There has also been progress in developing the Authorised Professional Practice (APP) for Fraud in this reporting period. Additionally, the Force and Members of your Sub Committee have been instrumental in raising the profile of Fraud and the national capability and regionalisation programme, including hosting a Police and Crime Commissioner's event in October 2013 at the Guildhall.

### **Recommendations**

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

## **Main Report**

### **Background**

1. At your Economic Crime Board in September, Members were given an update on the background and current position of the national capability programme and further details of the negotiating strategy for future funding. The decision taken by the Home Office (HO) in May 2013, dictated a regional funding approach to combat all organised crime. The national capability programme has maintained momentum and secured the presence of a Regional Fraud Team (RFT) within each ACPO region to ensure fraud has remained a key priority. The introduction of Policing Crime Commissioners has added to the complexity of the anti-fraud arena, in anticipation of this the CoLP held a Police and Crime Commissioner's awareness event in October 2013. This report provides details of progress since the last report to your Board and planned strategies to develop a regional capability and influence the national police response to fraud.

### **Current Position**

2. As Members may recall, the programme team was set up in April 2012 led by Commander Stephen Head. The programme team continue to influence the national and regional police response to fraud whilst developing new relationships in the changing landscape with Police and Crime Commissioner's (PCCs) and the National Crime Agency (NCA) to coordinate and maximise operational delivery within the funding envelope.
3. Stage one of the programme Regional Intelligence Officers (RIOs) is complete, sixteen of the expected twenty RIOs were recruited at differing intervals between September 2012 and February 2013. Each region produced a capability assessment detailing prevention, intelligence and enforcement

opportunities within the region and the applied performance framework highlighted a marked increase in the volume of regional activity as a result.

4. All RIO contracts have now expired and under the new funding arrangements the CoLP no longer support the RIOs financially. In highlighting the value of fraud intelligence assets within the regions the capability team has influenced regional capability, by securing an intelligence capability within each region maximising the use of the established RIO role.
5. The case allocation pilot has concluded assessment of crimes into categories of local, regional and national forms business as usual. YTD figures show 1,695 crimes are deemed regional from a total of 31,520. Case allocation figures are essential to the ongoing programme to monitor police response to allocated crime and capability requirements of the regional and national structure for serious and complex fraud. The NCO will utilise the newly formed Economic Crime Chief Officer Group meetings to monitor performance in police response to reported fraud crime and the necessity for a national case allocation process.
6. The creation of this intelligence network that runs throughout the country is a revolutionary approach so we can see the bigger picture at a local, regional and national level for the first time. From a crime being reported to Action Fraud and information being ingested into the Know Fraud system information is now provided to local and regional hubs to create a bespoke representation of fraud crime in a specific area.
7. The HO decision in May to fund the ROCU's was a significant sea change from the original plans. To maintain momentum of the programme to ensure a fraud capability is maintained within regional priorities, the NCO is represented at the Heads of ROCU meetings. The national capability programme remains in the centre of the policing response to fraud. Cmdr Head has recently embarked on a national programme to personally visit all regions to promote the NCO and the quarterly Economic Crime Chief Officer Group operates as a key delivery mechanism for police performance in response to fraud crime. The first meeting was held in December and is chaired by City of London Police.
8. Following influence from City of London Police and the direction provided by DCC Goodman, the majority of ACPO regions are committed to building a Regional Fraud Team as part of their Capability Programme. Size, remit and degree of progress with the establishment of these teams differ between regions. A common theme is the inclusion of an intelligence function in recognition of the achievements of stage one of the programme.
9. Leading the way the CoLP has responsibility for all aspects of the London Regional Fraud Team (LRFT). The majority of the team is formed and operational activity commenced in December 2013. The current team is representative of the regions' constituent forces with a number of additional resources joining the team over January. The draft Terms of Reference and

Case Acceptance Criteria have been completed and accepted by the Head of ROCU and our British Transport Police (BTP) partners. The documents are currently being reviewed by the Regional Asset Recovery Team (RART) national coordinators office for compliance with national standards. Two new cases have been identified for investigation by the LRFT relating to Auction Fraud and Courier Fraud. They are also engaging directly with the National Crime Agency (NCA) to discuss case referrals relating to compromise of online banking systems, conspiracy to defraud the student loans service and money laundering by Organised Crime Gangs (OCGs).

10. Members will recall CoLP being directly selected to draft an ACPO approved Authorised Professional Practice (APP) for fraud to define standards to the police response to fraud at every stage. Work continues following engagement with the College of Policing and chief constables across the UK. This engagement created some slide on timescales but the National Coordinators Office (NCO) has negotiated successfully and overcome the time delay. The next draft for consultation on the APP will be June 2014.
11. Part of the transfer of Action Fraud from the National Fraud Authority to the City of London Police includes procurement of a single (re-branded) Action Fraud and Know Fraud IT system, placing victims at its centre, by the 31<sup>st</sup> December 2014. The objective is to deliver a single “end-to end” service to victims. Developments will be made to improve capability to receive and analyse reported cyber and financial crime. The victim will be placed at the heart of the new service. This will include offering more feedback to victims. Workshops have been held for both internal & external stakeholders to obtain consensus around 10 defined outcomes on what the system should be required to deliver. External stakeholders include police forces and law enforcement agencies, banking sector, private industry (e.g. Gumtree, Ukash, British Retail Consortium) and fraud prevention bodies (e.g. CIFAS, Prevention of Fraud in Travel – PROFIT, Telecommunications UK Fraud Forum – TUFF)
12. The programme team continues to work with the NCA, particularly the Economic Crime Command (ECC). Ongoing work streams include operational responses to the most significant threats, leading the alignment of ECC and CoLP performance regimes and ensuring effective integration and alignment of the HO Serious Organised Crime Strategy under the 4 Ps (Protect, Prevent, Prepare and Pursue) with CoLP fraud strategy.
13. A Fraud awareness event was held in October 2013, the aim of which was to educate the newly appointed PCCs on the current fraud threats in their force area and how the CoLP intended to drive forward the national policing response. The PCCs were presented with force profiles to raise their awareness of the types of fraud crime impacting their communities. The CoLP used the event as an opportunity to gain the support of the PCCs and initiate a productive working relationship. A joint strategy between the PCCs and CoLP will maintain information flows in the shape of quarterly threat updates, enabling the PCCs to support CoLP prevention strategies such as fraud

awareness events for local business and communities. This development has been aided by support from the Members of your Sub Committee.

## **Conclusion**

14. Confronted with the challenge of the regional funding award the CoLP have continued to successfully influence the national police capability to fraud crime, each ACPO region now contains a dedicated investigative resource for fraud. The PCCs across the country are fully engaged, armed with knowledge on the threats to their area promoting joint initiatives with the CoLP securing the provision of much needed resources. New meeting structures continue to hold the police service to account and continually justify the requirement and necessity for dedicated fraud resources.

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