

<b>Committee:</b>  Police: Economic Crime Board	<b>Date:</b>  25 <sup>th</sup> February 2015
<b>Subject:</b>  National Lead Force Overview	<b>Public</b>
<b>Report of:</b>  Commissioner of Police  Pol 11-15	<b>For Information</b>
<p style="text-align: center;"><b><u>Summary</u></b></p> <p>This report, recently distributed to key stakeholders in Central Government, describes the very significant advances made by policing under the leadership of the City of London Police and the National Coordinator's Office in particular. It outlines the ambitious development programme currently underway. It also serves to support the Committee's decision to create the post of National Coordinator and emphasises the need to resource the appropriate team, without which this leadership and coordination role could not have been undertaken. The small National Coordinator's team has not only developed the strategies and plans referenced in this narrative but has been responsible for day to day, practical, delivery of the 'Protect' programme and the provision of tangible support to local police forces through the Force Support Team, leading to the improvement in local police capability highlighted in the performance report. This, alongside the Commissioner's highly visible leadership has placed the Force in a position where it's national credibility has never been higher and from which it is increasingly exerting influence felt at the national and local levels.</p> <p><b><u>Recommendations</u></b></p> <p>The Committee is invited to note the content of the report</p>	

# **Leading the Police Service Response to Fraud**

As the national policing leads for economic crime the City of London Police 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. Despite this significant step-change in capability however, the threat is evolving and growing at a rate that is currently outstripping the police response to it and there is an urgent requirement for policing to modernise further and faster.

## **THE THREAT**

**Scale of the Challenge.** The challenge is one of both scale and complexity. In the year ended April 2013 Action Fraud, the central reporting point for fraud, recorded 122,240 reported crimes, the following year that had risen to 230,845 reported crimes and is conservatively expected to be over 250,000 reported crimes for the year ending April 2015. To compound matters this is an area of chronic under-reporting, some say by as much as 80%, with leaders in the field, such as KPMG, acknowledging that it is extremely difficult to grasp the true scale of the problem. It is perhaps not surprising that, given this challenge and under its day to day pressures, much of British Policing has remained firmly focussed on traditional crimes and challenges. Sadly, even with the conservative figures quoted above, the rise in modern crime overshadows the reduction achieved in many traditional crime types. Crime has adapted, policing is belatedly having to catch-up.

**Complexity.** However, it is not simply about the volume. Whereas other crimes occur in an identifiable time and place cyber crimes need not. Modern criminals target victims across boundaries simultaneously and, through the internet, automate their crime so that they can continue to harvest victims for extended periods remotely. The policing response must therefore be equally free of geographic boundaries and temporal constraints.

## **OUR RESPONSE - TRANSFORMING POLICING NATIONALLY TO LOCALLY**

The new policing response we have pioneered will allow us to keep up with, and eventually get ahead of, modern criminality. It is one of national effort supporting local delivery. The national element has been supported by the important and influential relationships that we have developed with the NCA, FCA and Government departments. This willingness to engage at the national level is mirrored in the private sector, including within financial services where we have been asked to support the steering boards of various industry bodies including the British Retail Consortium.

**Centralised Reporting and Intelligence** Over the past 5 years we have transformed the national to local policing of fraud and cyber enabled crime, introducing a revolutionary central reporting and intelligence system allowing policing to support victims wherever they are; identifying the appropriate police forces to lead on suspect-based investigations and equipping them with the latest intelligence

gathered from across the nation and even internationally. Through this we are directly supporting local front-line investigators with practical and actionable intelligence to which they would previously not have had ready access. It is this extended network of new and historic criminal intelligence delivered by the National Fraud Intelligence Bureau, which enables policing to cross more effectively the geographic and temporal boundaries in a way criminals have been exploiting for some years. It is therefore crucial to policing that all economic crime is reported centrally and not diluted through various other channels or agencies.

**Supporting Local Forces** We have also put in place, for the first time, the means of allowing police forces and their Police and Crime Commissioners to see the impact of fraud on their communities and to take resourcing decisions accordingly. Working with partners we have put in place the mechanisms to coordinate crime prevention activity, ensuring the most effective use of resources. We are maturing a national performance framework to inform Chief Constables and are using this, in conjunction with centrally held expertise, to advise, support and improve the overall police response to fraud. We are working with the National College of Policing to develop appropriate standards for this area of policing.

**Developing Partnerships** Just as modern fraud and cyber crime has permeated the whole of society in a way that traditional physical crime did not, so must our response to it. We have recognised that we will not succeed in tackling these crimes if we regard them as solely the responsibility of a small number of police specialists. We have developed partnerships with industry bodies to share advice and, through the National Fraud Intelligence Bureau, data and intelligence. Furthermore, we have sought to share the burden with specific industry sectors to fund and partner expert capabilities, such as those tackling insurance fraud, intellectual property crime and cheque and plastic card crime. Within policing we have simultaneously been seeking to encourage the development of specialist capability whilst harnessing mainstream capacity. Through our National Coordinator's Office we have put in place a number of active networks, for senior officers with accountability for tackling crime, including fraud, in their force areas, fraud subject matter experts and those within neighbourhood policing and crime prevention teams through whom we coordinate activity to protect communities from fraud and cyber crime. We continue to engage regularly with Chief Constables and the Police and Crime Commissioners.

## **CURRENT INITIATIVES**

Significant though these innovations may be, they do not provide the whole solution; indeed, whilst making great headway the rising tide of fraud and cybercrime might yet overwhelm us. Determined to meet the challenge we are working with our partners to build on our current momentum. Specifically, we are now embarking on an ambitious programme of work to further enhance our understanding of the threat to better inform the police response to it, develop an overarching strategy and create

and implement the plans to address key issues such as how to best protect the community, tackle business crime and support victims.

**Enhanced Understanding of the Threat** Although we now have an understanding of the volume of fraud as reported to Policing through Action Fraud and are able to do detailed analysis on that, we still do not have the full picture. Much fraud remains unreported, in some cases the data is held by partners such as CIFAS and the FFA(UK) or through other systems such as CiSP and CERT. The Cyber-security Information Sharing Partnership (CiSP), part of CERT-UK, is a joint industry government initiative to share cyber threat and vulnerability information in order to increase overall situational awareness of the cyber threat and therefore reduce the impact on UK business. CiSP allows members from across sectors and organisations to exchange cyber threat information in real time, on a secure and dynamic environment, whilst operating within a framework that protects the confidentiality of shared information. CoLP is working with them to see how this data might best be shared. Unfortunately, many large corporate victims feel either unable or unwilling to report the high volume of fraud they are experiencing. We are working with industry bodies to make it easier for them to bulk report fraud at volume. We are conscious that some elements of the private sector take a more responsible and willing attitude to the reporting of fraud than others and we are exploring how we might create a more even playing field in this regard, possibly looking to regulation or legislation to do so. Our grasp of the threat must develop beyond mere volume however and we 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.

**Developing the Strategy.** We are currently shaping the police response to fraud through the development of a guiding strategy. This recognises the need to define success in the modern, cyber enabled context where, no matter how effective policing becomes it will often not be able to reach those who target UK victims from abroad. Success then, is not to be measured solely in terms of prosecutions but must also include consideration of the extent to which we reduce the impact of fraud - its volume, value and the harm done to its victims. The police strategy therefore, is one which sees the application of a variety of means ("the four Ps") to achieve this end<sup>1</sup>. As well as improving the ability to pursue and successfully prosecute criminals we are putting in place means of disrupting their activities. In the first half of this financial year alone we have suspended over 70,000 bank accounts, websites and telephone accounts denying fraudsters an estimated £230 million of victims' money. Crucially, we are putting considerable effort into protecting our communities and helping them to protect themselves. The strategy will provide guidance as to how we:

- 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

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<sup>1</sup> The '4Ps' developed under the CONTEST strategy, Pursue offenders, Protect the community, Prevent individuals from engaging in crime, Prepare the community and individuals to recover if they become a victim.

- 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.

## **NEXT STEPS**

We are determined to bring the Strategy to life and through the National Police Coordinator will be working with the police service and stakeholders to develop those subordinate strategies and plans which will guide practical delivery. In particular we will be consulting with colleagues to deliver, as our next steps, the means through which we:

- protect the community from fraud and cyber crime.
- ensure victims of fraud receive the support they require.

**Protecting the Community** Of particular urgency now is the strategy for protecting individuals and businesses from becoming victim to fraud. Our vision for this is necessarily ambitious but achievable, making best use of the police and local authority crime prevention resources and partnerships in which the Country has invested over the last decade or so. As well as developing our overarching ‘Protect’ Strategy we will be giving particular thought to how we can best work with our industry colleagues to tackle the specific challenges of business crime. The Protect Strategy is likely to include consideration of such factors as:

- ensuring that activity is evidence based and intelligence led so as to have the best impact and make the most efficient use of resources.
- identifying how best to communicate with individuals and organisations so that they can take responsibility for protecting themselves, as they would against, say, burglary or car theft.
- encouraging industry to design-in appropriate protection measures to new technology and processes.
- exploring how we can make use of volunteers, within the police service and more widely.

**Supporting Victims** Our strategy also requires us to continue to develop the means by which we can help reduce the harm suffered by victims. There remains a misconception that fraud is a victimless crime, we know however, that fraud can be a life changing event for victims, with real impact on their quality of life and emotional well being. We will be working with others to develop the appropriate plans for their care, mindful that repeat victimisation is high in this crime area and that in many cases the victim will be geographically remote from the police force investigating their crime.

## RESOURCES AND PRIORITIES

As we develop the full picture of the threat and identify the means of tackling it we risk becoming victims of our own success. Raised consciousness of the currently hidden scale of this crime type and an increased expectation of policing responding to it appropriately will put a strain on resources, at a time when the temptation is to reduce resources to reflect the reduction in other crime types. Instead, we may need to re-prioritise some of our investment in policing to reflect the new threats.

*“We are constantly fighting the last war responding to the threats that have come to fruition instead of staying one step ahead of the threats of the 21st century<sup>2</sup>”*

## SUMMARY

In sum we face a rapidly escalating threat from modern fraud and cyber crime, one which threatens to overshadow the gains made by policing against traditional crime types. Criminality is changing and policing must change with it. We have succeeded in alerting policing to the emerging threat and have already transformed the systems through which policing tackles these crimes. We have not done enough to contain this threat however, and are urgently putting in place the strategies with which to gain a full understanding of the threat, respond innovatively and effectively to reduce the impact of fraud and to be able to spot and react to emerging and evolving threats. Success is dependent on wide recognition of the scale and nature of the new threat, a willingness to adapt to new and innovative ways of tackling it and a commitment to support all this with the appropriate priorities and resources.

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<sup>2</sup> This well established saying was adapted by the then Illinois Senator Barrack Obama during his 2008 presidential campaign.