

TO: **PORT HEALTH AND
ENVIRONMENTAL SERVICES
COMMITTEE**

19 September 2017

FROM: **ECONOMIC CRIME BOARD**

27 July 2017

The Sub-Committee received a report of the Director of Markets and Consumer Protection updating Members on the progress of Operation Offspring for which approval has been given by Port Health & Environmental Services to expand beyond the limits of the City of London into other London boroughs.

The Trading Standards Manager explained that the primary aim of the expansion was to include surrounding local authorities in the work to identify perpetrators of investment fraud as early as possible.

The Chairman asked if the City of London Corporation was adherent to the London Local Authorities Act 2007 and this was confirmed by the Trading Standards Manager.

The Trading Standards Manager explained that a new rise in popularity of Binary Options has been linked with a high volume of fraud cases, and as such has been outlawed by US financial regulators. The regulation of Binary Options in the UK is due to commence in 2018, though this will not resolve the issue of fraudulent companies based overseas that continue to operate outside of this regulatory framework. The Trading Standards Manager explained that the primary goal of fraudulent Binary Option schemes is to present as legitimate to their victims, thus there are frequent attempts to register addresses within the City of London, many illegitimately hijacking high profile brands such as the Virgin Group to lure victims to invest. The Virgin Group have publicly endorsed the IP Protection website, which illustrates the significant scale of this form of fraud and has raised the profile of investment fraud across the UK.

The Chairman noted that the funding for this project expansion was sourced from an underspend of the Port Health & Environmental Protection Committee, and Members agreed to send a note to the Committee to declare that they were very pleased to receive this report and with the joint working that was being encouraged.

RESOLVED – That a note of this discussion be sent to the next meeting of the Port Health & Environmental Services Committee.