

CROSS BORDER ORGANISED CRIME

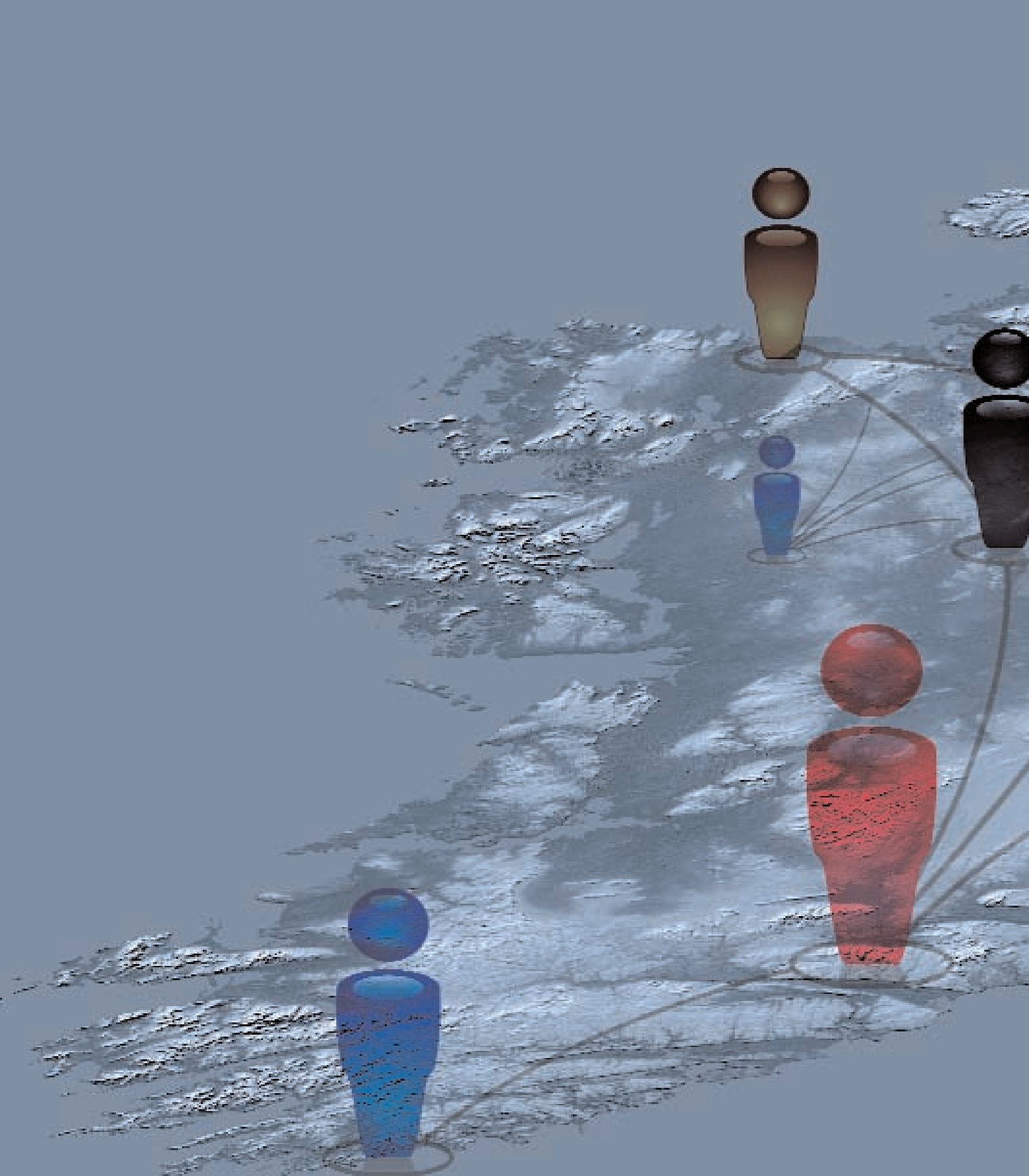
THREAT ASSESSMENT 2016



AN GARDÁ
SÍOCHÁNA



POLICE SERVICE OF
NORTHERN IRELAND



CROSS BORDER ORGANISED CRIME

**THREAT
ASSESSMENT
2016**





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FOREWORD

Organised crime is diverse and complex and poses a major challenge for law enforcement agencies on both sides of the Irish border. Thanks to excellent engagement between these agencies we continue to disrupt and dismantle those Organised Crime Groups (OCGs) who would seek to profit from various forms of organised criminality and cause great harm within our communities. Our land border provides an opportunity for OCGs to operate in both jurisdictions, with free movement between Northern Ireland and the Republic of Ireland, which they use to facilitate their criminality. Through ongoing communication, intelligence-sharing, joint investigations and the creation of cross border working groups, we continue to thwart the efforts of these OCGs.

In November 2015, the British and Irish Governments and the Northern Ireland Executive agreed a series of measures in *A Fresh Start, The Stormont Agreement and Implementation Plan*. This saw the introduction of a new Cross Border Joint Agency Task Force. The Joint Agency Task Force is led by senior officers from the Police Service of Northern Ireland, An Garda Síochána, the Revenue Commissioners and HM Revenue and Customs. A number of other organisations including the National Crime Agency and the Criminal Assets Bureau are also involved in operational activity. The Task Force has already met on multiple occasions and agreed upon a number of areas of organised criminality, which have received focused attention over the last six months. The Joint Agency Task Force enhances and strengthens further the established working relationships between law enforcement agencies north and south. Continued cross border co-operation is key to the fight against organised crime on this island.

The annual Cross Border Organised Crime Seminar is now in its 14th year. This provides an invaluable opportunity for law enforcement agencies to discuss experiences, share knowledge and address any potential impediments to the fight against organised criminality.

We are pleased to present the 7th Biennial Cross Border Organised Crime Threat Assessment, which provides an insight into organised criminality on both sides of the border. Trends and developments across both jurisdictions are compared in an effort to highlight similarities and differences in the threat posed by certain areas of criminal activity. Due to our shared land border it is often the case that we see displacement of criminal activity from one jurisdiction to the other. Strong working relationships allow us to quickly respond to these challenges and learn from each other's experiences, which ultimately makes for a greater force in the fight against organised crime.



PSNI Chief Constable - George Hamilton



An Garda Síochána Commissioner - Nóirín O'Sullivan



3.0 ABUSE OF THE COMMON TRAVEL AREA

Current Threat

A Common Travel Area (CTA) is in existence between the Republic of Ireland (ROI) and the United Kingdom (UK). This provides major benefits (economic, cultural and societal) to those who live and work in both jurisdictions and enabling and encouraging the free movement of goods, money, people and information. It, however could be open to exploitation by criminals, illegal immigrants and extremists who use the border to facilitate and enable criminality.

CTA Abuse via the Land Border

The border between Northern Ireland (NI) and the Republic of Ireland (ROI) covers 224 miles from Lough Foyle in the west to Carlingford Lough. There is free movement between the ROI and NI, meaning individuals and commodities travel, often without being stopped and without any record existing of that movement having taken place. Organised Crime Groups (OCGs) regularly utilise the CTA to enable or enhance their criminality and to avoid detection by law enforcement agency partners. Criminality includes the smuggling of various illicit commodities including drugs, fuel, firearms, counterfeit and contraband cigarettes and alcohol.

Immigration issues are a key reason for use of the land border to avoid detection travelling onto the UK mainland or into the ROI. Once illegal immigrants enter NI they often travel via a seaport where there are less stringent identification requirements. The proximity of the City of Derry Airport to the land border creates an opportunity for the facilitation of illegal immigration into the ROI due to the short distance from the land border..

CTA Abuse involving Haulage Companies

Criminal hauliers are having a detrimental impact on the NI haulage industry due to the fact they operate their business at rates which are difficult for legitimate hauliers to match, off-setting their costs through illegal activities.

Northern Irish and ROI based criminal hauliers have links to OCGs involved in a range of criminality, including the movement of weapons, controlled drugs, alcohol, fuel and people.

Criminal hauliers are known to alter or use a range of false documentation in addition to developing new and diverse methods of concealing illegal goods on freight trailers and containers.

OCGs are known to make use of Roll On Roll Off (RoRo) containers for criminal gain. This is perceived by criminals as a low risk method of transportation due to the vast number of containers that are being moved across Great Britain/NI/ROI ports. Hauliers may be complicit in leaving or collecting suspect containers or simply utilised by other OCGs to unknowingly facilitate this activity. Indeed drivers in general may be unaware that they are transporting illegal goods.

Examples of cross border issues in relation to criminal hauliers include the following:

- a. HGV drivers who have been disqualified in one jurisdiction obtaining licences in the other.
- b. Both NI and ROI companies are operating their lorries from depots within Great Britain and OCGs have established a significant criminal network of hauliers that can maximise the use of lorries, trailers and drivers in order to facilitate cross channel / Irish Sea smuggling activity.
- c. Issues surrounding subcontracting, leasing of vehicles, self-employed drivers and geographical boundaries enable criminal hauliers to operate in a low risk / large scale environment.
- d. Difficulties for law enforcement agencies include the sheer scale of vehicles / containers travelling through the Ports, the methodology of concealing illegal goods within legitimate loads and the ability to travel across the CTA without a requirement to provide / record identification.

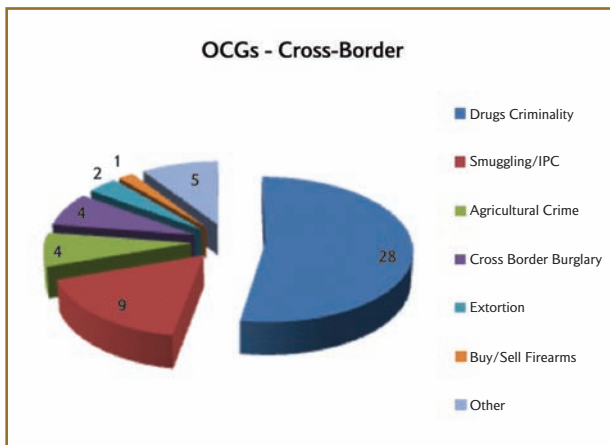


ORGANISED CRIME GROUPS (OCGs)

4.0

There are significant interactions and relationships between OCGs operating on both sides of the border who work together across a number of types of organised crime. Almost half of all OCGs managed and investigated by the Police Service of Northern Ireland are known to have strong links and associations with OCGs based in the Republic of Ireland.

Mobile organised crime groupings have been an issue across the island in recent years. A number of groups travelling inter-regionally throughout the Republic of Ireland have been carrying out burglaries of commercial and residential properties. Numerous incidents highlight cross border activity in this regard also, with OCGs from the Republic of Ireland travelling into Northern Ireland to commit crimes and vice versa. These groupings readily engage in violence meaning victims and indeed anyone who disturbs their activities, including law enforcement personnel, are at risk.



The chart above provides a visual representation of the nature of these links. At least 28 have recently engaged in drug related criminality, primarily the purchase and subsequent importation of drugs (including heroin, cocaine and cannabis) into Northern Ireland. In order to undertake this criminality, mutually beneficial business relationships have been developed between OCGs across each jurisdiction. At least nine OCGs have been engaged in criminality relating to tax and excise evasion (primarily the

smuggling of contraband and counterfeit goods). OCGs based in Northern Ireland have also used the land border with the Republic of Ireland to enable and facilitate other organised criminality including burglary, agricultural crime, the purchase and movement of firearms, plant theft and human trafficking. A number of these OCGs are also involved in money laundering activities. This includes currency exchange, the purchase of property and setting up commercial interests in the other jurisdiction.

There has been a substantial increase in the number of **foreign national OCGs** known to be involved in organised crime across Northern Ireland. These groups have origins in, and links to, South East Asia, Africa, Portugal, Spain, Italy, Russia, Lithuania, Albania, Romania and other countries within eastern Europe. These groups bring new methodologies and can be more challenging to investigate, due to issues such as language barriers. These groups often commit offences in both jurisdictions. Recent successes against a number of these OCGs tends to support intelligence that these groups are involved in a wide range of organised criminal offences including, the importation, cultivation and distribution of drugs, human trafficking, labour and sexual exploitation, fraud, cybercrime, money laundering and organised theft.

The nationality of these OCGs means they do not operate exclusively in Northern Ireland, but take advantage of the CTA to travel to the Republic of Ireland and back to Europe on a regular basis. This travel is often used following serious incidents to remove offenders from the jurisdiction and also to transport the proceeds of their criminality back to their home countries.

It is suspected that a number of principal members of these OCGs are based in the Republic of Ireland and regularly receive finance from their illegal operations in Northern Ireland.

Members of paramilitary groups continue to engage in organised crime. Some of this is committed on both sides of the border.

5.0 CROSS BORDER ORGANISED CRIME

5.1 Drugs

The Threat

Harm caused by drugs and drug related criminality is a common concern raised by communities on both sides of the border. The ability of police and other agencies to manage this issue affects public confidence. In Northern Ireland during 2015/16 there was an increase in the number of arrests, charges and seizure incidents compared to the previous financial year.

The illicit drugs market on both sides of the border has changed in recent years and has become more diverse. The emergence of a new range of psychoactive substances has altered the dynamic of drug misuse among young people in terms of how they source drugs in open and closed markets. The online availability of drugs via the open internet and 'darknet' represents the modern era of drug dealing which brings with it significant challenges for law enforcement globally.

OCGs across the island continue to profit most from the traditionally known drugs and many features of the criminal enterprise in terms of the importation and distribution of these drugs remain unchanged. In 2014 almost €63 million

worth of controlled drugs were seized in the Republic of Ireland. This compares to €65 million in 2013, €115 million in 2012, €56 million in 2011, €46 million in 2010 and €179 million in 2009.

Cannabis continues to be the most prevalent controlled drug on both sides of the border. It achieves the highest market value in the European Union at €20 per gram. In 2014 over €40 million worth of cannabis was seized in the Republic of Ireland, most of which was in the form of cannabis herb or plants. Drug treatment centres have recently reported that there are more new treatment referrals for cannabis than any other type of drug (in both jurisdictions). Cannabis continues to be the most commonly seized drug in Northern Ireland, with significant amounts of herbal cannabis, resin and plants seized. Seizures of cannabis resin are showing a rise in Northern Ireland but this is principally due to a single large seizure in April 2015. An increase has also been noted in both the number of seizure incidents and in the amount of herbal cannabis seized compared to the financial year 2014/2015.

Since 2007 herbal cannabis has been cultivated domestically in Ireland rather than imported. Sophisticated growing techniques have ensured





high potency (often 20% THC) in the flowering tops of the female plant which in turn achieves maximum profits for criminal groups. Over the past decade 'Growhouses' have become a feature of daily drug seizures in Ireland. By 2012 a cannabis cultivation facility was being discovered by An Garda Síochána at a rate of one every two days. The broad demand for cannabis herb has meant that the Chinese and Vietnamese OCGs were never destined to maintain the monopoly on the cultivation market and Irish OCGs eventually became involved (albeit to a smaller scale). Profits from the Asian criminal enterprises discovered are believed to have left the country with little visible signs of wealth demonstrated by the group leaders in Ireland.

In Northern Ireland the number of cannabis factories detected continues to be substantially decreased compared to the same period last year. This mirrors the UK wide trend of falling numbers of detections. Whilst a reduction has been noted in local production, facilities uncovered continue to range from small, haphazard cultivations for personal use, to large scale, sophisticated cultivations linked to established organised crime groups.

The most recent statistics published by the Department of Health, Social Services and Public Safety (October 2015) in relation to drugs misuse in Northern Ireland indicates that a total of 2,262 clients presented to services for problem drug

misuse during 2014/15. Cannabis was used by 42% of clients as the main drug of misuse (an increase of 39% compared to the previous financial year). In a ten year period use of cocaine by clients rose from 21% to 34%, while use of ecstasy (27% to 13%) and heroin (16% to 11%) both fell.

There has been an increase in the number of seizures involving heroin and in the total amount of heroin seized in Northern Ireland. Incidents of seizures involving heroin have increased from 71 in the 2014/2015 financial year to 110 in 2015/2016; however, amounts seized suggest that the heroin market within Northern Ireland remains limited. There are, however, community concerns about heroin and extensive work is ongoing to protect the Northern Ireland public from the threat posed by heroin. The PSNI are conducting a number of proactive investigations with regional, national and international strands targeting the importation and supply of heroin to NI.

A new opiate prevalence survey is currently underway in the Republic of Ireland. This will update current estimates which indicate that there are between 18,000 and 23,000 heroin users in the country. It is thought that in the region of 15,000 of these are in Dublin. There are 9,876 people on the central treatment list for methadone in the ROI. Recent figures links methadone to almost 113 drug related deaths in



2011 which accounted for 56% of all poisoning deaths for that year. 2014 figures show a significant decrease in the number of times heroin/morphine¹ was mentioned in death certificates in Northern Ireland (from 25 in 2013 to 11 in 2014); figures are not yet available for 2015².

The **cocaine** market in the Republic of Ireland has declined significantly since its peak in 2007. This is partly because of the economic climate that followed this period and also because of the cheap new range of white powders introduced to mimic the effects of cocaine. In 2014 there was almost €7.5 million worth of cocaine seized in the Republic of Ireland. This compares to €3.6 million in 2013, €30 million in 2012, €7.9 million in 2011, €7.9 million in 2010 and over €132 million in 2009. Major seizures off the Cork coastline in the last decade have been significant because they have demonstrated that Ireland was being favoured by global OCGs as a transit hub for onward transportation of drugs to third countries.

In Northern Ireland, the amount of cocaine powder seized in the financial year 2015/2016 reduced dramatically compared to the previous financial year; however, the numbers of cocaine seizures have increased. This reduction is primarily due to the seizure of approximately 50kg of cocaine in November 2014. To put this seizure into context, over a three year period from the financial year 2011/12 to the financial year 2013/14, PSNI seized a total of approximately 49kg of cocaine. Despite the fact that the purity of cocaine on point of entry to the country is higher than noted in previous years this has not been reflected in purity levels at street level. This, in part, is due to the successful importation of mixing agents.

Crack cocaine has been a feature of the drug market in the Republic of Ireland since 2006 but it remains as a drug of misuse by users with a principle heroin addiction. For this reason it has not escalated to be a drug of epidemic proportion in its own right. It has not as yet been noted in N.I.

New psychoactive substances (NPS) or 'legal highs' continue to present a significant problem on both sides of the border. Surveys and data provided by the European Monitoring Centre of Drugs and Drug Addiction (EMCDDA) and the United Nations Office of Drugs and Crime (UNODC) illustrate that ROI has the highest prevalence rate with regard to New Psychoactive Substances (NPS) in the European Union. A 2011 study showed 16% of 15 - 24 year olds tried NPS which compared to an EU average of just 5%. The EMCDDA is currently monitoring 443 NPS and many of these have appeared on the Irish drug market. The most popular substances have been white powder cathinones and smokeable synthetic cannabinoids.

These drugs can be sold in liquid, powder and tablet form and are consumed at parties or clubs for their stimulant, mood altering and in some cases, aphrodisiac effect. However, it is generally reported that these drugs can have serious side effects both from a psychological and physical viewpoint. Such side effects include paranoia, hallucinations (both auditory and visual), gastrointestinal effects and kidney problems. Young people are advised that there is no quality control on these drugs. There are problems with purity and containments, and there is no way of checking that what is purchased or consumed is the intended substance, this can contribute to overdose and ultimately drug related deaths.

In August 2010 the Criminal Justice (Psychoactive Substances) Act became law in the Republic of Ireland which effectively closed the doors on 102 separate retail outlets known as 'Headshops'. In the preceding years the 'Headshop' industry flourished and introduced a wave of NPS to young people who experimented with these drugs often by virtue of the fact that they were legal and available on the high street. The first broad range of drugs to appear was the party pill range containing Piperazines and more specifically 1-Benzylpiperazine (BZP). At the same time that BZP appeared in 2008 criminal groups in the Netherlands found it difficult to source PMK. As a result of this BZP and other Piperazines replaced MDMA in the global ecstasy

¹ Heroin (diamorphine) breaks down in the body into morphine therefore a combined figure must be given.

² All statistics relating to deaths - from NISRA (April 2016). "Drug related deaths and deaths due to drug misuse by sex and registration year, 2004-2014". "Drug related deaths where selected substances were mentioned on the death certificate by registration year, 2004-2014".



market driving the market value down by 50% in Ireland for a period which only ended in 2012 when MDMA started to reappear.

The Psychoactive Substances Act received Royal Assent in the UK on 28 January 2016 and enactment commenced in Northern Ireland on 26 May 2016. The Act prohibits the production, distribution, sale and supply of psychoactive substances, often incorrectly called “legal highs”. It is hoped that the Act will reduce the supply of, and demand for, these drugs.

The Criminal Justice (Psychoactive Substances) Act 2010 was very effective in shutting down the Headshop industry overnight in Ireland but unfortunately the reign of these outlets introduced many young people to the world of drug experimentation and today NPS share a critical corner of the Irish drug market.

In January 2016 the Health Service Executive (HSE) updated its warning to members of the public (in the Republic of Ireland) and in particular to young people following an incident in Cork when six young people were admitted to hospital following the ingestion of a psychoactive substance. Specifically the warning relates to the 2C family of psychedelic phenethylamine designer drugs.

Methamphetamine has been observed in the Republic of Ireland for over 10 years but it has maintained a relatively low prevalence. In the past 24 months four separate 'box labs' have been discovered in Youghal, Co. Cork; Tralee, Co. Kerry; Lusk, North Co. Dublin and in Dublin 8 where small scale methamphetamine production had taken place.

In November 2013 pre-precursors including Alphaphenylacetonitrile (APAAN) and Benzylcyanide were discovered in Ireland which was an unexpected development. Despite these seizures and a previous seizure of PMK and BMK (the precursors to make MDMA and Amphetamine) it is generally the case that synthetic drug production does not occur in Ireland save for the small scale Methamphetamine conversion as described above.

A number of Republic of Ireland based OCGs have become involved in tableting **pharmaceutical drugs**. This involves sourcing Z drugs such as Zopiclone and Zolpidem or Benzodiazepines in powder form and then making the tablets using custom made equipment. The trade of medicinal products on the illicit market continues to grow. The misuse of drugs such as Alprazolam, Diazepam and





Flurazepam are not only a feature of the visible illicit market but also have a noted prevalence in society generally.

There continues to be a significant amount of prescription medication, namely diazepam, being brought into Northern Ireland on a weekly basis. Ongoing proactive operations are targeting this issue along with an annual Interpol operation, Operation PANGEA, targeting online sales of prescription drugs³ continue to remain a concern as they feature in over three times more death certificates in Northern Ireland than heroin, cocaine, amphetamines and mephedrone combined. Once again, the internet facilitates suppliers and users by making these drugs more accessible with a lesser risk of detection.

Cross Border Activity

A number of Northern Ireland based OCGs involved in drug related criminality are known to have cross border links.

- a. Priority OCGs (based on the level of harm caused) are involved in the importation of drugs from the Republic of Ireland to Northern Ireland. This includes cannabis, cocaine and heroin.
- b. There is collaboration between OCGs in both jurisdictions in the importation of drugs from Europe (and potentially further afield). These drugs cause harm on both sides of the border.
- c. Northern Ireland OCGs have links with OCGs based in a number of cities across the Republic of Ireland.
- d. Drugs are transported to Northern Ireland using a wide range of methods and vehicles. This includes private vehicles (cars, motorcycles and vans), lorries, taxis, trains and buses. Often drugs are transported in relatively small amounts, however these importations occur regularly.

- e. OCGs based in Northern Ireland are known to use the Republic of Ireland as a transit route into Northern Ireland. Drugs are imported via ports (including Dublin) and then transported for distribution and sale in Northern Ireland.

The following case studies provide an illustration of collaboration between OCGs from both jurisdictions.

Case Study 1

On Tuesday 26th January 2016 two men were arrested in the vicinity of an industrial estate in Belfast when they were in the course of a drugs handover. Four large cardboard boxes were located within a vehicle and each contained a large number of plastic bags with suspect herbal cannabis with an overall estimated street value of £1 million.

In a follow up home search in Drogheda, An Garda Síochána recovered cannabis and cocaine (combined value of £63,000). Both individuals were arrested, made admissions during interview and were charged with possession of a class B controlled drug, being concerned in the supply of a class B controlled drug and possession of a class B controlled drug with intent to supply.

Case Study 2

Operation SOLARO - This was a cross border investigation into the alleged criminal activities of an OCG who were assessed to be operating throughout Ireland. The group were suspected of cultivating cannabis on a major scale. As a result of timely communication and intelligence sharing between AGS and PSNI, cannabis plants with an estimated street value of £3 million were seized at five locations in Northern Ireland and plants with an estimated value of €750 seized in County Meath.

Officers from the PSNI Reactive and Organised Crime Branch arrested a total of 10 people during the investigation with AGS arresting three suspects in connection with their County Meath seizure. The majority were subsequently charged with a number of drugs trafficking offences and remanded in custody.

³ Figures relating to all benzodiazepines, tramadol, anti-depressants, paracetamol, codeine and dihydrocodeine.



Routes

In terms of the origin of drugs that are misused in Ireland there has also been some interesting developments. Morocco still remains the source country for all Cannabis resin. Synthetic drugs (and semi synthetics) are manufactured in the Netherlands and Heroin still comes across the Balkan routes from Afghanistan. Now however, China has become an important source country in terms of NPS and India and Pakistan feature prominently in relation to counterfeit medicines.

Republic of Ireland based OCGs are working at an international scale as much as ever before with Spain, Holland and the United Kingdom being particularly relevant hubs for illegal activity related to the importation of controlled drugs into Ireland. Effective domestic legislation including the Criminal Assets Bureau Act 1996, the Criminal Justice (Mutual Assistance) Act 2008 and the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 has made it more difficult for Irish criminals to use or possess assets in the Republic of Ireland. Enhanced international cooperation in this regard is also serving to frustrate criminal activity across many borders which have become relevant to the Irish drugs market. According to the Transcrime Organised Crime Portfolio (OCP) report analysis shows that moveable assets and in particular cash represents the biggest share of confiscated goods between 2005 and 2012 in Ireland. OCGs have invested in real estate, oil supply, companies, intangible assets, vehicles and jewels. Criminal groups also launder money through a range of legitimate and non-legitimate enterprises including car sales companies, the catering industry and online betting. Analysis by the OCP indicates that evidence clearly exists of criminal infiltration into the legal economy.

5.2 Human Trafficking

Human Trafficking referrals in Northern Ireland continue to increase year on year. In the 2015/16 financial year the PSNI conducted 252 screening assessments; from these, 59 potential victims of human trafficking were recovered in Northern Ireland. This is an increase when compared to the 46 potential victims recorded for the financial year 2014/2015. In the Republic of Ireland the extent of human trafficking had

remained static for a number of years, however 2015 has seen a considerable increase particularly in the area of labour exploitation. The trafficking of persons for the purpose of sexual exploitation remains significantly high and the abuse of the land border appears to be a major factor in the area of both labour and sexual exploitation.

In 2015 a total of 91 new human trafficking investigations were initiated in the Republic of Ireland. Four of these have been completed and cannot be progressed; however 78 suspected victims of human trafficking were identified in 62 of these investigations. This shows a major increase in comparison with 46 victims identified in 2014. This increase can be attributed in part to the continued close liaison between An Garda Síochána in partnership with State Agencies and Civil Society in a continued programme of training and awareness raising. The increase in the number of victims of human trafficking for sexual exploitation can be further attributed to the fact that Operation QUEST works closely with the Human Trafficking Investigation and Coordination Unit.

The main issues for law enforcement continue to centre on labour and sexual exploitation. Thirty four of the 59 victims in Northern Ireland during 2015/2016 have been linked to labour exploitation, 16 of whom were recovered in one investigation involving the agricultural industry. There has been a significant increase in the number of victims identified for both sexual exploitation and labour exploitation in the Republic of Ireland. The number of victims identified for sexual exploitation has increased from 32 in 2014 to 48 in 2015. Labour exploitation victims increased from seven in 2014 to 23 in 2015. Two people have been identified as victims in 2015 for both sexual and labour exploitation. The major increase in the number of victims of labour exploitation is attributed in a large part to targeted operations focusing on the pop-up car washes which are being run by Organised Crime Groups in Ireland. Eleven of the victims identified for labour exploitation were identified and rescued from these car washes.

There are currently a number of cross border operations running, with PSNI officers working in partnership with An Garda Síochána relating to the investigation of human exploitation. These



operations involving OCGs operating on both sides of the border are suspected of trafficking females into towns and cities across both the Republic of Ireland and Northern Ireland without concern for the land border.

The key to the investigation of human trafficking and controlled prostitution is the investigation of the public web portals that are used to advertise the 'services' of the victims and these investigations have been successful in the proactive and reactive investigations in previous operations. The identification of potential victims in relation to forced labour remains a challenging area and recent operations have demonstrated that the main suspects use the border as a protection from law enforcement investigation.

One recent operation identified suspects living in the Republic of Ireland who were enabling the recruitment and exploitation of workers in Northern Ireland. This has continued to frustrate the investigation and whilst 16 victims of trafficking were identified the abuse of the border remains a key barrier preventing the immediate arrest of the suspects.

The investigation of human trafficking remains a priority. Whilst the demand remains in the labour and sexual services sectors there is a market that is being exploited by the OCGs. Effective cross border investigation is crucial in the effective detection of human trafficking affecting both Northern Ireland and Ireland and this is a key area for development.

5.3 Excise Fraud⁴

Excise fraud across the Northern Ireland / Republic of Ireland border is of major concern to Her Majesty's Revenue and Customs in terms of lost revenue. The border represents a risk specifically in terms of oils and tobacco fraud due to the nature of OCG activity, the ease with which OCGs can conduct their business, and difficulties in enforcing border controls.

Within Northern Ireland, the primary areas of concern for law enforcement are Londonderry and Armagh where inter-connected and well established networks organise and facilitate excise frauds.

Tobacco

Tobacco fraud typically involves the trade of;

- a) Counterfeit tobacco products (both cigarettes and Hand Rolling Tobacco – HRT).
- b) 'Cheap White' cigarettes which are manufactured legally overseas often in emerging economies where little regulation exists, with the intent of being exported illegally to other countries via a smuggling network.
- c) Illegal or smuggled non-duty paid tobacco products.

The lack of a physical border between the Republic of Ireland and Northern Ireland facilitates tobacco smuggling with known OCGs conducting smuggling activities, primarily the movement of illicit cigarettes, but also according to recent seizures, attempting the movement of raw tobacco.

The most commonly seen MO is of illicit tobacco products smuggled in through Dublin Port both in containers and in Ro-Ro freight. These products originate primarily from the near continent, however there have been seizures relating to containers of product originating from East Asia (Vietnam, Malaysia) into Dublin Port.

Seizures of cigarettes and HRT in Northern Ireland have occurred both at Belfast Port and Belfast International Airport. This traffic originates primarily from within the EU, but in some cases may have transited the UK.

Oils

Fuel fraud remains a major issue in Northern Ireland. Illicit diesel was estimated to make up 8% of the market share of diesel in Northern Ireland in the year ended 31 March 2014, costing the taxpayer around £50 million each year in lost taxes. There has been a significant reduction in the fraud since 2002/2003 when the illicit diesel market share was estimated at 26%.

⁴ Information provided by Her Majesty's Revenue and Customs



Both Governments are committed to tackling fraud and close partnership working takes place between UK and Irish law enforcement agencies to tackle fuel related criminality. The UK and the Republic of Ireland introduced a new fuel marker, Accutrace™S10 in 2015. A report on the new marker was published after six months of operation. The report showed a downward shift in fuel supply ratios between Diesel and Marked Gas Oil (MGO) across the UK and the Republic of Ireland; a reduction in laundering plants discovered; a fall in illegal use detected; and a reduction in waste products associated with fuel laundering. Although it is early days, the emerging findings suggest a shift away from fuel laundering by fraudsters.

The impact of the marker continues to be monitored. HMRC is keeping the fuel marker under constant review and will take further action if required as part of on-going efforts in the fight against fuel fraud.

It is suspected that the introduction of the new fuel marker will displace criminals into other areas of oils fraud, or other types of criminality, and HMRC is currently taking forward work to identify if any displacement activity has occurred, and if so what form this has taken.

Over the last year, HMRC and Irish Customs have had an increasing focus on the emerging threat posed by 'designer fuels'. These are fuels that have had their chemical make-up changed, such as by the addition of lubricants and biofuel blends to diesel. Whilst the high diesel content of the designer fuels makes it possible for them to be used as road fuel, their make-up means that they are classified as lubricants under specific Customs Tariff (CN) codes. As these tariff codes fall outside the scope of intra-EU movement controls (EMCS) the fuels may move across EU borders without supervision, using only commercial documentation. Excise fraudsters take advantage of this to import these fuels with the intention of putting them to road use, without payment of excise duty. The issue of designer fuels is present across Europe, but the high exchange rate of Sterling to the Euro potentially makes the purchasing of cheaper fuel in Eurozone countries for subsequent use in the UK particularly attractive."

Case Study 3

During July 2016 two men were arrested in connection with a joint investigation by HM Revenue and Customs (HMRC), the Police Service of Northern Ireland (PSNI) and the Revenue Commissioners, into the importation and distribution of suspected illicit fuel.

The men, one aged 49 from the Newry area and one aged 20 from County Louth in the Republic of Ireland, were interviewed by HMRC and were released on bail. Investigations are continuing. HMRC officers seized 26,000 litres of oil at a fuel supply company in County Armagh on 30 June with a further 130,000 litres seized at Belfast docks. The seized fuel is believed to be a mixture of industrial lubricant and diesel.



Alcohol

Alcohol fraud mainly occurs through excise duty fraud, the smuggling of alcohol from countries with lower alcohol tax rates and production/distribution of counterfeit spirits. The following modus operandi have been used for **Excise Diversion Fraud**:

- a) Mirror Loads – Multiple use of ARCs (excise movement documents)
- b) Fraudulent receipt of consignments
- c) Volume of products in excess of the declared amounts
- d) Outward Diversion Fraud - A consignment dispatched under duty suspension by a tax warehouse in the State to another tax warehouse in another Member State with a much lower excise duty rate than Ireland



Separately, there are also a number of methods adopted to smuggle alcohol:

- a) Removal from the duty suspended system and onward supply
- b) Smuggling of alcohol from countries with lower alcohol taxes
- c) Under declaring the quantities of alcohol purchased from other Member States
- d) Irish Traders selling alcohol without payment of excise duty or having the required Excise licence to deal in alcohol trading

Inward diversion (the abuse of duty suspended alcohol movements) continues to offer the maximum profit to risk ratio for OCGs and provides a method to move large volumes. It therefore remains the greatest revenue risk within alcohol fraud with OCGs suspected to be continuing to abuse duty suspension rules to move multiple loads of alcohol under a single electronic administrative document. This type of fraud is prevalent among Irish OCGs as seized alcohol has entered both Northern Ireland and the Republic of Ireland through Belfast and Dublin Ports.

There is information to suggest abuse of the Irish Excise Duty Entry (EDE) system to divert alcohol from Poland into the UK in addition to the more traditional methods and routes.

An internal review by the Revenue Commissioners of the Alcohol Products Tax Regime (in the Republic of Ireland) was completed in March 2015. The incidence and experience of alcohol fraud formed part of this review. Evidence of large scale alcohol fraud or EMCS fraud (Excise Movement Control System for duty suspended product) was not found by this review.

The Intellectual Property Crime Unit (IPCU) attached to the National Bureau of Criminal Investigation liaises with FSAI and Revenue Commissioners as part of **Operation OPSON**, a global initiative by Interpol and Europol to tackle sub-standard and counterfeit food and beverage products being sold to the general public.

In a global context, the Republic of Ireland participated in Operation OPSON for the first time in 2014 (Operation OPSON IV). Ireland has subsequently participated in OPSON V in 2015 and OPSON VI is due to take place in late 2016 and early 2017. A meeting is scheduled in October 2016 to outline the parameters for OPSON VI.

As a result of inter-agency cooperation a number of persons have been identified as targets in relation to the sale of counterfeit alcohol. As a result of this cooperation a Food Fraud Task Force has been established to meet on a regular basis to identify suspects and discuss the targeting of criminals involved in the sale and supply of counterfeit foods and beverages to unsuspecting members of the public.

Currently there are a number of enquiries ongoing between FSAI, Revenue & Customs, AGS and the PSNI in relation to the illegal sale and supply of counterfeit alcohol in the border region. In 2014, a confidential report was made to FSAI that a man in a white Mercedes van approached a publican in Dublin and offered to sell him vodka at a reduced price. The van owner was identified as a person from Co. Monaghan who was suspected of supplying counterfeit alcohol to publicans on both sides of the border. Enquiries are ongoing on both sides of the border in relation to this case.

A number of persons have been discovered by FSAI advertising Smirnoff vodka and wine for sale on Facebook and the Internet: In November 2014 FSAI searched a premises under warrant and found counterfeit vodka. The suspect identified the persons who supplied her counterfeit alcohol. Both of these persons were known to Garda members on the search as persons involved in criminality. Currently enquiries are ongoing into the activities of these criminals in relation to the sale and supply of counterfeit alcohol.

FSAI has identified a group involved in the sale and supply of counterfeit wine and spirits online and linked to Facebook. The main suspect runs a courier business from a Business Park. In July 2014, he shipped a pallet of counterfeit wine to Co. Cork. This was intercepted and seized. Analysis has proved that the wine was counterfeit and had a lower alcohol content than stated on the bottles. Enquiries are ongoing into this OCG.



On 6th July 2015 a midlands Garda stopped a car in Mullingar driven by a local criminal in Co. Westmeath. In the vehicle the Garda member found 39 bottles of Smirnoff Vodka and 64 bottles of Glens Vodka. A subsequent analysis conducted by FSAI found that these bottles were counterfeit and the Vodka contained in them was counterfeit also. Enquiries are ongoing in relation to the information and evidence found in the above cases to establish the source of the counterfeit alcohol being supplied and sold to unsuspecting members of the public.

In recent times the supply of counterfeit alcohol has diminished and this may be due to Dundalk Gardai locating a Bottling Plant on 1st December 2015 at a premises in Co. Louth. This discovery was part of Operation Scale and appears to have severely disrupted the supply of counterfeit alcohol to the criminals involved in this enterprise.

5.4 Cybercrime

By its very nature, Cybercrime as a pernicious threat operates seamlessly across International borders and nationals and residents of multiple states can engage in criminal acts together and remotely. These criminal relationships are not unique to the UK and Republic of Ireland as a specific 'cross-border' matter. Nor unique is the manner by which cyber criminals benefit from differing legal frameworks across jurisdictions, especially those relating to service provision around the likes of hosting services.⁵

NCA report that the overseas-based element of the cybercrime threat to the UK emanates primarily from an elite set of highly professional, well-co-ordinated criminals operating mainly from Russia and Eastern Europe and inflicting major harm on the UK and other economies. There are also significant elements of the threat based in the UK and a vibrant cyber criminal marketplace which, by acting as a trading platform for information and services, continues to lower the bar to criminals in any location to access increasingly sophisticated tools and techniques.

Cyber Crime continues to evolve and develop in what was once an emerging threat area but is now a daily response for policing. Individual members of the community continue to be attacked in a wide range of areas including blackmail and cyber enabled fraud incidents, identity thefts and other financially or sexually motivated crimes. The targeted and devastating attacks on business and industry across Ireland continue to give cause for concern in network intrusions (hacking), in malware deployments again business targeting fraud and theft of financial details and data. The impact of such attacks can have devastating and catastrophic effects in business and industry and the impact is not only on the reputational aspect of the company but on the economy of Northern Ireland as a whole impacting on inward investment, employment and growth. Recently OCGs have targeted business and industry across Ireland and Northern Ireland in a co-ordinated blackmail campaign. This demonstrates the cross border attacks that require an effective cohesive response.

An Garda Síochána report the following specific areas of concern:

- a) Malware continues to be utilised by criminals to hack computers, steal information and facilitate the creation of computer networks which in turn are utilized in further criminal campaigns.
- b) There is also a continued growth in Ransomware and the public have recently reported infections using Tesla Crypt 3.0, Locky and Zepto. This malware encrypts an individual's computer and the criminals seek a payment usually in Bitcoin to unencrypt the data.
- c) We continue to see a growth in the number of Distributed Denial of Service (DDoS) attacks against government and financial institutions. Those responsible for these attacks include hactivists. We have also observed the continued reporting of extortion by way of DDoS by groups such as DD4BC, the Armada Collective and the Lizzard Squad.

⁵ Information provided by the National Crime Agency



A number of International Revenue Share Fraud/PBX frauds are reported regularly to An Garda Síochána. Gardaí continue to promote awareness in relation to cybercrime by speaking at various events and have participated at the Organised Crime Task Force (OCTF) Cybercrime Group meeting held at Stormont in December.

A key concern is the development of cyber enabled tactics by existing and developing OCGs working across Ireland. The use of the 'darknet' is not only facilitating the supply of drugs, firearms and other illegal commodities but 'services' are also becoming available for hire to enable OCGs to utilise the cyber environment without any prior knowledge, skill or experience. Recent operations have demonstrated the need for a cohesive cyber cross border response to proactively investigate the use of these 'services for hire' being utilised in traditional crime across both jurisdictions.

The last and most challenging area of cyber is the forensic and technical support to traditional investigations. Historically this involved the seizure and removal of IT systems from suspects' addresses or locations. But, with the increasing use of encryption and cloud services, there is need to proactively deploy technical and forensic officers to conduct live data examinations (live data analysis) on scene whilst systems are open and accessible. This use of live data forensics has already provided vital evidence in many cases and development of this through investment in training and infrastructure is a key area for the increased capability and enhancement of cyber investigations across all areas of organised and serious crime.

Cyber technical, forensic and investigative support touches on all areas of crime investigation and there is a need to continue the enhancement of skills and capability in this area if we care to defeat the criminals' use of IT as an enabler. The continued development of encryption and secure communication and accessible cloud services continues to frustrate law enforcement evidence gathering and if we are to have a realistic opportunity for effective investigation we must continue to develop this law enforcement skill.

5.5 Environmental/Waste Crime⁶

What is Waste Crime

Waste crime is the collection, transport, processing, export or disposal of waste outside licensed activity or authorisations. When waste is not handled legitimately, it can potentially cause harm to human health and the environment. The unlicensed activity also has the potential to undermine legitimate business and deprive the government of tax income.

The Legitimate Economy

A report produced by the Environmental Services Association Education Trust (ESAET) in March 2014 refers to the UK economy as a whole and states that "while waste crime can have serious environmental impacts, the motive is economic. It offers high rewards and relatively low risk of substantial penalty. It takes work away from legitimate, permitted waste operators, who therefore lose income. However, the profits come largely at the expense of the taxpayer. The Table below shows that the annual costs of illegal waste

Activity	Cost Range (£m/yr)	Best Estimate (£m/yr)
Illegal Waste Sites	126.9 – 224.3	126.9 – 224.3
Tax Evasion	93.7 – 314.0	93.7 – 314.0
Fly-tipping	103.2 – 270.0	103.2 – 270.0
TOTAL	323.8 – 808.3	567.9

Table : Costs of Waste Crime to the UK economy

⁶ Northern Ireland Environment Agency (NIEA) – Strategic Assessment – Environmental Crime (October 2015)



sites, fly-tipping and Landfill Tax evasion each exceed £100m per year.”

Whether it is the loss of revenue to HM Revenue and Customs or the money spent in clearing up, the tax-payer ultimately shoulders the burden of the costs of these illegal sites – resources that could have been spent on vital services.

The Threat

Organised criminality

There is a level of organisation to all major waste crime and its driver is financial gain – this meets the strict definition of organised crime and therefore the assessment is that organised waste crime is pervasive.

In March 2016, the Northern Ireland Environment Agency (NIEA) liaised with PSNI on their current enforcement cases.

PSNI’s assessment of the defendants (relating to waste crime) is:

- None had known (current) paramilitary links (although one has historic Republican traces).
- Offenders frequently involved in other types of organised crime either use the waste industry as a means to legitimise the proceeds of crime, or include waste crime as an ‘add on’ to an existing criminal enterprise.
- Crime types engaged in include fuel laundering/smuggling, drug supply, theft and fraud.

At the end of August 2016, the Environmental Crime Unit was dealing with a total of 70 ongoing cases. It has been estimated that a total of 1,726,799 tonnes of waste has been illegally dumped across these cases. A sizeable proportion (1,165,155 tonnes) relates to one high profile criminal case in Londonderry. The criminal benefit (based on the 2016/17 higher rate of landfill tax of £84.40 per tonne) for these cases is £145.7 million (£98 million from the high profile case in Londonderry).

Financial rewards

Waste is a valuable commodity and those involved in the collection, transport, processing and disposal can earn money in a legitimate way. However, when offenders carry out activity outside authorisations, they stand to make significant financial gain in the following ways:

- a) Illegal Dumping - by criminals and legitimate businesses (who are operating outside their license, permit or exemption). For example, a Co Down man who had previously been made the subject of a **£108,350 confiscation order under the Proceeds of Crime Act 2002** was sentenced to 18 months imprisonment. He was depositing and keeping waste on his land which is in contravention of Articles 4(1)(a), 4(1)(b) and 4(1)(c) of the Waste and Contaminated Land (NI) Order 1997. No waste management licence existed for this site, on which investigating officers from NIEA found around 2,000 tonnes of mixed waste.
- b) Mis-classification of Waste – to avoid higher disposal fees or to export potentially hazardous material under the guise of inert waste to hide the true nature of this waste. Intelligence received into NIEA suggests that skip companies are bringing standard waste to a landfill site where the higher rate of £84.40 per tonne should apply. However, there is a practice of ‘top-dressing’ taking place where the standard waste is covered by a layer of inert waste – e.g. soil and stones – making it appear that the (2016/17) lower rate of £2.65 per tonne should apply to the entire load. The skip companies are defrauding HMRC of more than £80 per tonne with each load of ‘top-dressed’ waste. It is very difficult for regulators to prove that this activity takes place onsite and therefore the exact value of the loss of revenue is not known; however, the example overleaf outlines this loss if just **one lorry-load per day deposits misclassified waste at each of the landfill sites.**

Example	
£80	– loss of revenue for 1 tonne of misclassified waste
20 tonnes	– the capacity of one lorry-load
30	– number of open landfill sites
5	– days of the week
50	– working weeks in the year
= potential £12.5million per annum in lost revenue	

Harm to Human Health and the Environment

The degradation of materials in these unauthorised landfills can lead to the production of hydrogen sulphide which damages the nervous and respiratory systems when inhaled. The leachate produced from these materials can also damage soils and local water courses.

Cross Border Activity⁷

Liaison between NIEA and PSNI has highlighted an emerging trend where dumped waste has originated in the Republic of Ireland.

NIEA assess that Northern Ireland is being used as a ‘corridor’ to transport controlled waste from ROI to Scotland without notifying the relevant authorities. The risk is that the authorities do not know what is being transported across borders.

An Garda Síochána is represented on the National Waste Enforcement Steering Committee by the National Bureau of Criminal Investigation. The committee was set up in 2015 by the Department of Environment, Community and Local Government to oversee the work of new Waste Enforcement Regional Lead Authorities (WERLAs). The membership is drawn from regulatory bodies with a link to waste crime and

Case Study 4

In November 2015 NIEA launched an operation in response to reports that waste originating from the Republic of Ireland (ROI) was buried in a number of sites in County Tyrone. Initially, two sites were reported. Subsequently other sites were identified with buried waste from the ROI. Waste including food packaging, tetra packs, electrical items, baled plastics, dry and domestic recyclables and clinical waste was discovered. Waste was linked to a number of locations across ROI, including Tipperary, Kerry, Clare, Limerick, Cork, Galway, Dublin and Longford.

So far, the amount of waste uncovered is approximately 30,000 tonnes. With the 2016/17 higher rate of landfill tax at £84.40 per tonne, the criminal benefit is believed to be at least £2,532,000.

It is perceived that waste crime is a low risk, high reward activity with little or no chance of being identified and convicted.



⁷ Northern Ireland Environment Agency (NIEA)



the objective is that the national committee will embed an inter-agency approach at a national level and that this inter-agency approach will filter down and be replicated at a regional and local level in the management of Waste/Environmental criminality. Each agency will continue to discharge its own existing functions. The interagency approach provides an opportunity to accomplish this in a complimentary nature to each other.

Each representative on the Committee has undertaken to act as a contact point at national level and feed requests from the WERLAs through their respective organisations. An Garda Síochána is committed to assisting regulatory agencies in combating environmental criminality and where specific operations are planned and assistance from An Garda Síochána anticipated, a business case will be prepared which An Garda Síochána's representative will present to Senior Garda management in order that a decision on assistance and/or resources will be made available.

The NWESC meets four to five times a year and the next meeting is scheduled for 18th October 2016. At a meeting of the Committee on 27th January 2016, Chaired by the Principal Officer, Department of Environment, Community and Local Government, it was agreed that the specific topic of emerging illegal waste deposited in Northern Ireland from this jurisdiction needed a multi-agency approach with a view towards tackling it quickly and effectively. With that in mind, a task force, headed by the Dublin Regional Authority would commence an investigation into these emerging threats. An Garda Síochána, through its representative, expressed its willingness and availability to support the investigation.

5.6 Criminal Finances / Money Laundering

Financial gain is a major motivator of most, if not all, serious and organised criminal activities of which money laundering is a natural consequence. While there are no confirmed figures for the scale of money laundering,

estimates by the International Monetary Fund, in keeping with those of the United Nations and Financial Action Task Force would suggest that the scale of money laundering impacting upon the UK would be in the region of GBP 36 billion to GBP 90 billion.⁸

Organised criminal groups need to launder the proceeds of their criminality in order to make it appear legitimate. In the past few years a number of new money laundering methodologies have been identified in Northern Ireland. These have included:⁹

- a) The use of gift cards – Law enforcement can seize cash where they have reason to believe it has been criminally obtained. The seizing of store gift cards can be somewhat more complex. PSNI previously identified a money laundering methodology whereby criminally obtained cash was being transferred onto store gift cards before being converted into other commodities and then back into cash. It should be noted that this methodology was complicated and time consuming, as the commodities had to be sold in order to gain cash back again. This type of laundering technique has the potential to minimise risk to the OCG through evading detection and indeed increases the profit made by these groups. If this is not managed properly however it may result in significant losses to the group. An Garda Síochána are not aware of the widespread use of gift cards to launder funds in the ROI.
- b) The use of digital currencies, electronic transfer systems, cash vouchers and pre pay cards – This threat has been noted on both sides of the border. In the past OCGs would have physically moved cash across borders in order to reduce the risk of scrutiny when using financial institutions. Whilst this is still the case, there are now an increasingly wide variety of ways of transferring cash between jurisdictions without using 'traditional' financial institutions. Many of these facilities are not easily traced and allow money to be 'loaded'

⁸ Information provided by the National Crime Agency

⁹ Information provided by Her Majesty's Revenue and Customs





- in one jurisdiction and withdrawn in another in quick time. Examples used by locally based organised crime groups include Bitcoin, Western Union, uKash, Coinstar, Money Gram and prepaid MasterCard and Visa cards. In 2015 an individual was convicted of Drug Trafficking offences in the Republic of Ireland. In this case it was identified that the suspect was using virtual currencies (not solely Bitcoin).
- c) The use of cash businesses – Some businesses lend themselves more readily to money laundering as they deal mostly with cash. Organised crime groups sometimes use these businesses to hide criminally obtained money alongside legitimate profits. This may seem like a relatively easy way to launder money however, since the introduction of the Proceeds of Crime Act (POCA) in NI, staff at financial institutions are trained to recognise and report ‘unusual’ transactions and this includes unusual movements of cash through business accounts. This method of laundering is often managed by the use of a professional facilitator, such as an accountant.
- d) Physical movement of cash across borders – Some organised crime groups still favour this method. They will often use ‘mules’ to carry out this activity. In some instances the cash is moved through the postal system. The large number of local bank notes in circulation in Northern Ireland can make this practice more difficult as the criminal group will often have to change the cash into Euro or Bank of England Sterling notes prior to moving it. In a 2015 report “Why Cash is Still King” Europol estimated that in excess of 1.5 Billion Euro is detected and/or seized by Competent Authorities each year.
- e) Layering the profits through a number of accounts – Organised criminals may try to avoid detection by placing smaller amounts through a large number of accounts, often in other people’s names. This can be a risky choice for the criminal as it widens the circle of people involved in their criminality, making them more vulnerable to identification by law enforcement.
- f) The use of money service businesses (MSBs) – Northern Ireland bank notes can be undesirable for those wishing to purchase criminal commodities outside the country. Criminally complicit MSBs offer a ‘no questions asked’ currency exchange facility which is attractive to organised criminals. Money laundering by complicit currency exchange MSBs has traditionally taken place in London and Northern Ireland, with OCGs from elsewhere in the UK and/or Europe travelling to exchange money. Northern Ireland appears particularly attractive to this due to its land border with the Republic of Ireland, which has the Euro as its currency, and the continued availability of the €500 note. Money will be changed into sterling or Euros depending on whether transactions for illicit goods are being made in Northern Ireland, the Republic or the UK mainland.
- Law enforcement agencies in Northern Ireland continue to investigate the criminal use of MSBs in co-operation with An Garda Síochána where appropriate. Joint investigations have highlighted complicit MSBs linked to criminality such as drugs supply and cigarette smuggling, in some instances involving the processing of millions of pounds.
- g) Property and land purchase – Many organised criminals have invested criminally-obtained profits in property and land. Property in the United Kingdom, Republic of Ireland and also Eastern Europe has been popular; however the recession has led to many of these properties losing much of their value. It should be noted however that the rental market remains buoyant and many criminals who put their money into property became involved in the buy-to-let sector with a view to long term investment. Given the high degree of negative equity that is being seen across this sector, property portfolios continue to be a popular and effective method of concealing the proceeds of crime and, in the medium to long term, will represent a significant investment. This is particularly true when mortgage payments continue to be serviced by rental income. Throughout the money



laundering process organised crime groups will often enlist the help of corrupt professionals, such as accountants, solicitors and banking officials. These 'professional facilitators', sometimes referred to as 'gatekeepers', can provide a range of services and whilst some may do so unknowingly, others will be fully aware of their clients' involvement in organised crime. Even those who are genuinely not aware of their clients' involvement may have acted illegally or irresponsibly by not showing due diligence in the execution of their duties.

NCA assess trade based money laundering (TBML) to have been a growth area across the UK in recent years, primarily through incorporated companies with limited liabilities; in which business structures are used to launder criminal proceeds through the trade in real or imaginary goods or services both domestically and internationally.

Criminals using TBML may also seek to minimise their tax costs by using international trade or goods and services which do not attract VAT or other charges. This has been evidenced in particular with the use of wholesale clothing companies by controller networks across Europe to move criminal proceeds. Other trade sectors are also known to have been used for this purpose, including vehicle companies.

The management of the movement of cash, and goods through the trading companies and within cash pools, is carried out by international controllers who are professional money launderers with a network of collectors and businesses under their command. It is probable that such 'International controllers' are active via local collectors and consolidator networks on both sides of the Northern Ireland / Republic of Ireland border.

5.7 Extortion

The Threat

Personal blackmails against individuals investigated by PSNI in the past year have included those committed by locally based organised crime groups and also those specialising

in web-based extortion, sometimes based overseas. 'Protection racket' type offences continue. These involve the extorting of money from a business in exchange for 'protection services', with the threat of violence against the business owner/staff/family or damage to property if the payments are not made. In the past in Northern Ireland these types of attack were often used to raise funds for paramilitary groups, for personal financial gain of members, and to exert authority over local communities. More recently some of the organised crime groups involved in this type of activity have maintained links to paramilitary groups, however it is often not clear whether the actions have been sanctioned by senior members. Some organised criminals will use the name of a paramilitary group in order to threaten a business, however any money extorted will ultimately be for personal gain. Both loyalist and republican paramilitary groups have been involved in extortion.

In addition to extortion attempts against business owners, so-called 'bad on bad' extortions are also seen in Northern Ireland. These involve the blackmailing of an individual involved in some form of criminality, most frequently drug supply. It is often described as a form of 'tax'. Those claiming to be from dissident republican groups are particularly active in this area, however individuals claiming to be from loyalist paramilitary groups are also implicated. As with other types of extortion, it is not always clear whether senior leaders within the named paramilitary groups have actually sanctioned the extortion attempt and how much of the money raised, will be used for terrorist financing or for personal gain.

5.8 Mobile OCGs

There are a number of mobile organised crime groups operating throughout the island of Ireland. These groups are involved in carrying out burglaries of commercial and residential properties. They often target the most vulnerable members of society.

There is considerable evidence that the border plays a significant role in domestic burglary in Northern Ireland, not just in the border counties as would be expected, but right across the Province.



Cross border burglary has been an issue for many years, but recent trends have highlighted the extent of the involvement of OCGs involved in domestic burglary. The border is an important factor in these offences with criminal groups from the Republic of Ireland travelling into Northern Ireland to commit crimes and vice versa. Intelligence would suggest Northern Ireland based groups are involved in intelligence gathering and victim identification for groups based across the border.

This has been particularly apparent in the last eighteen months. Travelling criminals from the ROI have been involved in a sustained series of domestic burglaries in Northern Ireland, mainly across Belfast City and South Area. These include creeper burglaries targeting high value vehicles, (a number of which have been recovered across the border), burglaries specifically targeting the elderly, distraction burglaries and burglaries where Asian victims have been targeted. Vehicles, cash and high value jewellery are generally the only items stolen, with other valuables such as electronics bypassed. Even firearms are not routinely stolen, and there are numerous examples of gun cabinets being broken into and the firearms left behind as money was the target.

During 2015 there was a series of up to 200 domestic burglaries linked to one travelling OCG (with cases in both NI and the ROI), These offences (mostly distraction burglaries) were targeted against older people. Members of this group used a large number of vehicles in the commission of these crimes. This included several stolen high performance cars. This group was extremely professional and forensically aware.

A number of groupings have bases on both sides of the Border and cross freely back and forward, exploiting the fact that there are two different police services, exploiting difficulties in information sharing and joined up intelligence – for instance they utilise different addresses and dates of birth, causing confusion. It is assessed that the majority of the jewellery stolen in NI is taken across the border to the ROI for disposal, again making recovery less likely.

Travelling criminals from the Dublin area were previously involved in a series of high value domestic burglaries targeting the Chinese

community right across Northern Ireland. They utilise ringer plates on high value cars and are highly professional. In approximately eight months there were over 85 burglaries targeting Chinese victims and an unknown number of linked burglaries. Safes from a number of these burglaries have been recovered just across the Border. This is further evidence that property stolen in Northern Ireland is transported across the border for disposal.

In Londonderry in 2015 there were numerous daytime domestic burglaries targeting cash and jewellery – criminals from the Dublin area were suspected of involvement in this series – this demonstrates the lengths that some OCGs will travel to commit crime.

The sum of money stolen by these groups is significant – in the Chinese series alone in excess of £400,000 cash and many tens of thousands of pounds worth of jewellery have been stolen in the last eight months. This money is often converted into new luxury vehicles.

There has also been a sustained series of high value 4X4 vehicles stolen in South Armagh going back over two years. Toyota Hi Lux and Land Cruisers are particularly targeted, with a very low recovery rate. The criminals involved are believed to live in Northern Ireland, but exploit the border to move stolen vehicles.

It is difficult to get an accurate overview of all crimes linked to such groups when their crimes straddle the border, meaning investigative opportunities can potentially be overlooked.

In May 2016 the PSNI in South Area launched a dedicated operation targeting Cross Border travelling burglary groups. As a result, there were 11 arrests and four cars seized as being involved in burglary during May. In one incident, five members of one Dublin-based crime family were arrested in a single vehicle as they were about to engage in another burglary spree. This proactive approach by police has resulted in a significant reduction in domestic burglary in South Area in the months since.

The Garda Commissioner launched Operation THOR, the National Anti-Crime Strategy, on 2nd November 2015. The operation was set up to



tackle burglary and related crimes based on analysis of crime trends and patterns. Since the beginning of the operation on a national level, the number of burglaries has decreased by 34% in comparison to the previous year. The success of Operation THOR is built on enhanced policing activity across multiple strands including high visibility patrols and checkpoints supported by number plate recognition technology, case management of prolific offenders, tailored victim support services, effective inter-agency partnerships and the national “Lock Up, Light Up” advertising campaign. To date the Operation has led to the arrest of 2,102 individuals and there have been 30,062 patrols and 38,567 checkpoints nationally. An Garda Síochána is currently expanding the focus of Operation THOR to include preventing crimes against the person, enhancing community safety and preventing incidents of public disorder.

An Garda Síochána launched Operation BISTRO in 2014 to provide a focused, intelligence led, approach to identifying and disrupting criminals specifically targeting restaurant and take away owners, mainly within the Asian community. These offences were also occurring in Northern Ireland.

The home addresses of these business owners are targeted by criminals for residential burglaries due to the belief they may contain safes/large volumes of cash. The operation covers (and burglaries have been recorded in) all Garda regions; whilst prior to 2014 all incidents occurred outside of the Dublin region, since 2014 the majority of burglaries occur in the Dublin Metropolitan Region. The number of associated burglaries peaked in late 2014 and has declined since that time. There were 25 incidents linked to the operation in October and November 2014 alone. During the calendar year 2015, there were a total of 22 Op Bistro associated burglaries with property to a total value of around €300,000 stolen. Information suggests a significant degree of planning and organisation in the commission of these offences which primarily target cash and jewellery. Up to three OCGs were believed to have been involved with these offences, though these are interconnected by a small number of individuals.

Case Study 5

In September 2015 the home of the owner of a Chinese Restaurant in Fermanagh was burgled. Electrical goods were bypassed and £10000 and €7500 were stolen. Police were given the description of a vehicle with false plates making off from the scene and later that evening two vehicles were stopped by AGS in Cavan. Paperwork from the burglary and £20,000 in cash were recovered. Two arrests were made – travelling criminals originally from the Dublin area who had recently been living in Fermanagh, and a third suspect, also from the Dublin area, made off.

5.9 Rural / Agricultural crime¹⁰

Definition of Rural Crime – covers all burglary, robbery and theft offences in a geographical area based on an aggregation of settlement bands. Crimes are allocated based on available postcode information.

Recent incidents and press coverage indicate there are a number of OCGs involved in crime types traditionally seen in rural locations, including fuel laundering, plant theft, organised livestock theft, waste crime and food fraud.

These groups can move from one crime type to another depending on Police activity, for example individuals involved in waste crime moving into plant theft and then ATM theft. These organised crime groups can, in some instances, pose significant challenges for intelligence gathering as they often operate in locations which have traditionally posed difficulties for police.

Agricultural Crime

Definition of Agricultural Crime – Agricultural crime covers all burglary, robbery and theft offences where the property and/or vehicles stolen have an agricultural link (e.g. farm equipment, agricultural vehicles, livestock etc.) or where the crime location was agricultural (e.g. farm, farmhouse).

¹⁰ Figures on urban and rural crime are based on a geographically-based definition from the Report of the Inter-Departmental Urban-Rural Definition Group February 2005, using settlement bands grouped into urban or rural. Please note that not all agricultural crime will occur in a rural settlement.





Figures for Agricultural Crime (in Northern Ireland) have fallen from 937 crimes in 2010/11 to 706 in 2014/15.

Agricultural crime, unsurprisingly occurs overwhelmingly in rural areas, with 685 of the 706 crimes in 2014/15 occurring in rural areas.

The cost of agricultural crime is punctuated with peaks and troughs in the period between 2011-2014. This is assessed from the value of claims paid through the National Farmers Union Mutual (NFU Mutual). In 2012 the cost was £3.4million. In 2013 the cost had risen by 15% to £3.9million (25% increase in livestock claims). In 2014 the cost fell significantly to £2.4million, though by contrast the cost in 2014 in Wales was £1.7million and in Scotland £1.8million. Figures for 2015 are not yet available, though it is assessed that there is unlikely to be a significant, if any, increase on 2014.

The decrease in 2014 is attributed to the implementation of a range of initiatives by PSNI and UFU, including the launch of schemes such as "Farmwatch", initially launched in Fermanagh in April 2012 and now operating service wide. The Scheme includes:

- a) DNA marking on machines and tools
- b) Unique number for all farm machinery
- c) A property marking scheme
- d) Machinery and tool assets register
- e) A road sign 'Farm Watch'
- f) A Business Watch telephone alert system
- g) Practical crime prevention advice

A Trailer Marking Scheme was also launched in April 2012 and now operates across all PSNI Districts. This has also had a positive impact on thefts of farm trailers and horseboxes.

In the border region the theft of livestock and the smuggling of animals has been a concern for a number of years. In the Republic of Ireland An Garda Síochána liaises and works closely with the Food Safety Authority of Ireland (FSAI) and the Department of Agriculture, Food and the Marine (DAFM) in tackling the theft of livestock in the border region.

TheftStop is a farm theft prevention initiative that has been developed by the Irish Farmer's Association (IFA) in partnership with An Garda Síochána. TheftStop empowers farmers to take a proactive approach to protect their farm equipment. Registered members are provided with a unique security ID, which they use to mark their machinery and equipment both overtly and covertly and then upload an image of their equipment to the TheftStop website.

A comprehensive database of all stolen equipment is available for TheftStop members to view on-line. TheftStop also communicates with members when there is a theft of farm equipment/machinery to increase awareness. Before purchasing used equipment, members can check the database to make sure that the item(s) are not listed as stolen.

This is one of many of the IFA's initiatives to improve rural security in Ireland. It is co-ordinated by the IFA and the Rural Crime Prevention Executive in conjunction with An Garda Síochána. More information is available at TheftStop.ie.

As the theft of livestock occurs on both sides of the border and these animals are being slaughtered and entering the food chain both north and south, a Cross Border Task Force has been set up to tackle this serious threat to farming, the agri food industry and the community who unwittingly purchase beef products that have entered the food chain without proper regulation. The task force brings all the relevant agencies together on both sides of the border such as police investigators, food safety and food standards authorities, Departments of Agriculture and any other agency deemed necessary to assist and prevent, detect and deter this criminal activity.

There are a number of operations ongoing at present with specific targets identified in relation to the illegal slaughtering of stolen or smuggled animals across the border and regular meetings are held on both sides of the border to progress these new initiatives. The FSAI and AGS assisted in the investigation of a farmer from Co. Monaghan in relation to stolen livestock in the border region. The suspect was convicted in September 2015 for handling stolen cattle and



received a five month prison sentence. It is anticipated that this conviction will help to deter others from engaging in the criminal enterprise relating to stolen animals in the border region.

Plant and Machinery Theft

Similar to Livestock theft above, this has fallen from the high level recorded in 2013.

Marking schemes such as CESAR and DataTag are likely to have had an impact, with insurers giving considerable financial incentives to install such security measures.

The theft of high value tractors has fallen in the last 12-18 months. There is evidence that in recent years stolen high value tractors were routinely moved out of NI, often first going through the land border with the ROI before leaving from an ROI Port. Farm machinery was recovered in Germany almost three years after it was stolen in Tyrone, and evidence would suggest it crossed the Border to ROI before being shipped to the Continent with forged documents. Similarly, tractors and plant stolen elsewhere come onto NI via both ROI as well as local ports. The sums of money involved are huge.

Despite the decreasing volume of reported offences in Northern Ireland Rural / Agricultural crime has significant community impact in Border areas. As a consequence it is recommended that it is considered as a priority area for the Cross Border Task Force.

An Garda Síochána Stolen Motor Vehicle Investigation Unit attached to the National Bureau of Criminal Investigation is currently involved in a number of Cross Border Investigations where vehicles, plant and agricultural machinery stolen in Northern Ireland has been recovered in the South and similarly vehicles, plant and machinery stolen in the Republic has been located in Northern Ireland.

A Cross Border conference was held on 2nd August 2016 at Carrickmacross Garda Station in relation to the activities of a Co. Monaghan target. The focus of the conference was to put a Cross Border operation in place to investigate the target who owns properties on both sides of the

border and operates a large salvage yard in Co. Monaghan. A number of vehicles stolen in the greater Dublin area have been intercepted enroute to the target's premises. The conference was attended by AGS and PSNI members. The next conference is scheduled for the middle of September 2016.

Case Study 6

In February 2016 members from the Stolen Motor Vehicle Investigation Unit (SMVIU) liaised with PSNI colleagues in relation to the theft of agricultural tractors from Northern Ireland which were recovered in Co. Monaghan. Two suspects were subsequently arrested by the PSNI after a pursuit following the theft of a New Holland tractor and Diet feeder in South Armagh. On 25th February 2016 members from SMVIU and Monaghan recovered a large New Holland Tractor in Co. Monaghan. The tractor had been reported stolen from outside Dungannon, Co Tyrone. Enquiries are ongoing in relation to this joint investigation between AGS and PSNI.

5.10 Firearms

Current Situation

It is assessed that a minimum of 41% of identified Northern Ireland based OCGs have access to firearms.

Firearms continue to be:

- a. Procured from the Republic of Ireland and further afield.
- b. Targeted and stolen during burglaries (on both sides of the border).
- c. Illegally re-activated.
- d. Utilised in other crimes (including murders, attempted murders and armed robberies).
- e. Used to exert control over vulnerable communities and to threaten or intimidate criminal competitors.
- f. Sold or swapped for cash or other commodities.

Cross Border Activity

Information suggests that OCGs from both jurisdictions have been involved in sourcing firearms from criminal groups on the other side of the border. The risk of harm that these transactions lead to cannot be underestimated. Much of this activity is linked to OCGs who are also involved in drug related crime. There is also a risk that these firearms will end up in the possession of paramilitary organisations.

5.11 ATM Thefts

Current Threat and Emerging Issues

The physical theft of ATMs initially became an issue on the island of Ireland in 2009/10, when a series of incidents, involving the use of stolen plant machinery, was perpetrated on both sides of the border. There was one organised crime group linked to the earliest recorded incidents, however, despite limited success in actually gaining access to the ATMs, the subsequent media coverage resulted in a series of 'copycat' offences. Some of the identified groups were operating on both sides of the border. Parallel investigations in both jurisdictions led to the number of incidents reducing dramatically in subsequent years.

Over the last two years a new modus operandi in relation to physical ATM attacks has emerged. Following a series of incidents in Europe and

Great Britain, ATM attacks using gas have now migrated to Ireland. Similar to the attacks using stolen plant machinery, gas attacks cause significant damage to properties and can lead to the loss of valuable services in rural communities. Gas attacks result in an explosion taking place and pose significant risks to emergency service responders, as well as any members of the public who may be in the vicinity.

In a three week period during November 2015 there were a total of five ATM attacks in Northern Ireland. The photograph below is of the scene of one of these attacks. This occurred in the Newry area. Two of these attacks involved the use of gas, the only two gas attacks noted in Northern Ireland in the 2015 calendar year. The numbers and level of sophistication noted in gas attacks in 2015 have reduced compared to 2014; this may be partly due to the successful arrest and charging of offenders after attacks in 2014. However, ATM gas attacks underwent resurgence during the final quarter of 2015 in the Republic of Ireland, with six separate incidents or attempts being recorded during the period. In total there were seven ATM gas attacks in the Republic of Ireland during 2015. Each of these incidents were unsuccessful in gaining access to the ATM however there was significant damage caused in several incidents.

At least some of these attacks are suspected to have been carried out by an OCG comprising Romanian nationals. In June 2014 two





Romanian nationals were arrested following a similar incident at an ATM at Hamiltonsbawn in County Armagh. Two vehicles used during the commission of this offence were registered to an address in Dublin. These individuals have also been linked to human trafficking.

In all there have been nineteen recorded incidents of ATM gas attacks in the Republic of Ireland since February 2014. There was one recorded incident of a physical attack on an ATM on the 15th of April 2015 in Castleblaney where a JCB was used to remove the ATM.

5.12 Vehicle Crime

In respect of vehicle crime the general trends appear to remain as outlined in the last Cross Border Organised Crime Assessment. The trend of 'Ghost Thefts' is still prevalent across the island, similarly the running of 'Chop Shops' remains an area of focus for both police services. The Stolen Motor Vehicle Investigation Unit works with the Police Service of Northern Ireland on an ongoing basis.

Case Study 7

On the 3rd of January as part of Operation Bolus An Garda Síochána recovered an Audi A4, Audi A5, Audi A6 and a Range Rover stolen from Northern Ireland. The vehicles were recovered at an underground car park near Dublin Airport. The total value of the vehicles was €163,000. The vehicles had been professionally rung with false identities. In June 2015 An Garda Síochána worked closely with colleagues in the Police Service of Northern Ireland and in the Port of Dover which led to the recovery of a stolen BMW X5 from Ashbourne, Co Meath and a BMW 520 from Newry, Co Down. These vehicles were bound for Lithuania on a transporter. The details of the suspects were circulated through Europol and the male suspect was arrested transiting through Stansted Airport found in possession of equipment to take vehicles without keys. He was arrested by the PSNI for handing stolen vehicles and is remanded in custody.

5.13 Intellectual Property Crime

The sale of counterfeit goods in both jurisdictions is not only confined to markets, street traders, car-boot sales or door to door sellers in recent years the growth of internet trading via websites such as Facebook, Donedeal, and many others have contributed to the growth in trade of counterfeit goods.

The most common type of counterfeit products discovered in both jurisdictions is designer or brand name clothes and handbags. However, there are frequently seizures of sportswear and sports goods, pharmaceutical products, cigarettes, alcohol, power tools, electronics, jewellery, toiletries, cosmetics, laundry products and motor accessories and parts. Emerging trends from online sales are evidence that any type of product can be counterfeit. Interpol has estimated that between 6% and 8% of world trade is in fact trade in counterfeit goods. The National Bureau of Criminal Investigations (NBCI) work closely with the PSNI, Her Majesty's Revenue and Customs, The National Crime Agency, and the Irish Revenue Commissioners (Customs) in respect of these crimes.

Over the past two years the Gardai (in particular the Intellectual Property Crime Unit at the National Bureau of Criminal Investigation) have worked closely with Irish Customs & Excise to identify importers/distributors of counterfeit goods and bring the perpetrators to justice. Additionally in some cases a tax audit is undertaken by the Revenue Commissioners to identify any revenue issues that are associated with this illegal activity.

There have been in excess of twenty five joint operations, on a nationwide basis, where controlled deliveries have been affected against the consignors of the counterfeit goods. The receiving premises for the delivery have been searched and the goods recovered and seized. To date this has led to the seizure of a large variety of counterfeit goods including clothing, footwear, cosmetics, perfume, sporting goods, watches, handbags, purses etc. It is estimated that the value of these goods exceeds €1 million.



number of Constables led by a Sergeant and Inspector. New structures maximise opportunities for more effective partnership and collaborative working.

There are currently 84 persons on the PSNI master-list of identified children deemed at high risk of CSE. Children are deemed at high risk after a joint assessment process is conducted using a risk assessment tool and professional judgement by police officers and social workers operating in the field of CSE. Once children are identified through this process they are flagged and a subject profile including fast track actions is attached to their file to assist in the operational response to any incident they may be involved in. This greatly assists uniform officers in investigating missing person reports and ensures that risks are readily identified, prioritised and managed.

Contact is maintained with children on this list by CSE officers. Regular meetings are held between professionals on a monthly basis to ensure all safeguarding is in place in respect of the children and any investigative opportunities are explored on a rolling basis.

A total of 43 incidents have been flagged as CSE, including missing person investigations since the flagging system has become operational on 12th November 2015.

Persons of interest (suspects), who are believed to be linked to CSE activity, are also flagged. This enhances our ability to disrupt these offenders by providing a more comprehensive picture and allowing investigative links to be made. Again this is a fairly new system of work which is still in its infancy.

CSE is undoubtedly happening in Northern Ireland, but at this stage there is no intelligence to suggest it is happening on an organised scale similar to that seen in other parts of the United Kingdom.

Work is currently underway to progress an Information Sharing Agreement between PSNI and An Garda Síochána in relation to safeguarding children.

A total of 15 children were identified in the Republic of Ireland as suspected victims of sexual exploitation in 2015 which is an increase on the 2014 figures which numbered eight. These cases relate to the sexual exploitation of these children and charges under Section 3 (2) of the Criminal law (Human Trafficking) Act 2008 have been preferred in all of these cases. The major trend is that these children have been exploited by Irish adults.

An Garda Síochána has no evidence of cross border Child Sexual Exploitation by organised crime groups. The only cross-border sexual exploitation related to individuals communicating with children via the internet but this form of CSE would tend to involve sole perpetrators and multiple victims from many countries, including the Republic of Ireland and Northern Ireland.
Cross Border Activity

While NCA have been operating against offenders engaged in Child Sexual Exploitation and abuse in Northern Ireland, NCA holds no specific information relating to crime groups participating in the sexual exploitation of children with an MO of operating across the border between NI and the Republic of Ireland. That said, it is assessed that cross-border vulnerabilities for child sexual exploitation are those common to every country, namely that the use of the internet allows offenders to operate in virtual networks that operate irrespective of national boundaries, with little need to physically locate to the same country. NCA have noted nationally that the level of sharing of indecent images of children are judged to have increased by 275% since 2010 and are still assessed as increasing.





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