



**ORGANISED  
CRIME**  
TASK FORCE

**ANNUAL REPORT &  
THREAT ASSESSMENT** **2016**

ORGANISED CRIME IN NORTHERN IRELAND

[www.octf.gov.uk](http://www.octf.gov.uk)

# INTRODUCTION

I am pleased to introduce the fifteenth edition of the Organised Crime Task Force (OCTF) Annual Report and Threat Assessment. This reflects the work and successes of OCTF partners in disrupting organised criminal activity over the 2015/16 financial year. It also assesses emerging threats and challenges ahead.



This is the first OCTF annual report during my tenure as Justice Minister. I would like to pay tribute to my predecessor David Ford MLA for his commitment to tackling organised crime and making Northern Ireland a safer place. I also want to thank OCTF partners and law enforcement agencies for their work in confronting these criminals. As the new Chair of the Task Force, I will continue to prioritise efforts against organised criminal activity.

Organised crime has a wide reaching impact. Victims – individuals, businesses and Northern Ireland society as a whole - can be directly affected by crimes such as internet fraud, armed robbery, drugs supply and human trafficking. Groups are involved in counterfeiting, fuel smuggling and illegal waste dumping. However it is the people of Northern Ireland who feel the impact: through damage to our economy; losses to legitimate business; harm to the environment; health and safety risk; and loss of revenue which otherwise could be used to fund our schools and hospitals and other public services.

A strong multi-agency approach is vital if we are to tackle organised crime effectively. Over the reporting period law enforcement agencies have had a number of operational successes, including the dismantling of 28 organised crime groups and the disruption and frustration of a further 96 groups. A total of 5597 drugs seizures were made and 12 fuel laundering plants dismantled. Criminal assets totalling £1.6 million have been recovered. Many other achievements are outlined in Chapter 3 of this report.

I am also pleased to report that the National Crime Agency has now been operational in Northern Ireland for over a year. Over the last year, NCA officers working here have provided operational support to 12 PSNI investigations. These have included cannabis and cocaine importations, the trafficking of females for sexual exploitation and the supply of drugs on the internet. These operations have been carried out across the

United Kingdom and internationally, working with partner agencies in countries including Romania, Spain, Lithuania and the Netherlands. This is a much welcome added dimension to the law enforcement response and will help to keep the local community safer.

Complementing the work of the OCTF, the Fresh Start Agreement of November 2015 has brought renewed focus on organised crime. The cross jurisdictional Joint Agency Task Force established under that Agreement, and led by the Police Service of Northern Ireland and An Garda Síochána, is providing an operational response to organised crime across both jurisdictions in order to investigate and bring to justice those involved in it. The Fresh Start Panel on the Disbandment of Paramilitary Groups in Northern Ireland has also reinforced the importance of tackling organised crime, highlighting the often fine line that can exist between paramilitary and organised crime groups. It has made a number of recommendations aimed at ensuring that Northern Ireland's response to organised crime is as robust and effective as possible. I welcome the Panel's report, which is thorough and wide ranging and which represents a positive way forward. Together with OCTF partners my Department now needs to take time to focus on the detail of the recommendations, and how best they can be incorporated into an Executive action plan for dealing with this issue.

Notwithstanding the positive developments over the reporting period, we are not complacent. Organised criminals are constantly adapting and seeking new ways to profit at the expense of the community. Dismantling criminal networks remains a priority and the public's support in reporting suspicions to law enforcement agencies is vital. Everybody can play a part. The challenge will be to ensure that we can continue to provide a joined up response; that we have in place robust and effective legislation; and that we can nurture a culture of lawfulness so that people across Northern Ireland have the confidence to say "no more" to the organised criminals who would seek to operate in our midst.



**CLAIRE SUGDEN MLA**

Minister of Justice and Chair of the Organised Crime Taskforce

June 2016

# ORGANISED CRIME...

## *Don't support it, report it!*

**Play your part, help defeat organised crime**

### How to report...

Crimestoppers	0800 555 111
HMRC Hotline	0800 595 000
PSNI Non Emergency Number	101

### Useful websites

Border Force	<a href="http://www.gov.uk/government/organisations/border-force">www.gov.uk/government/organisations/border-force</a>
Crimestoppers Northern Ireland	<a href="https://crimestoppers-uk.org/in-your-area/northern-ireland/">https://crimestoppers-uk.org/in-your-area/northern-ireland/</a>
Department of Justice	<a href="https://www.justice-ni.gov.uk/">https://www.justice-ni.gov.uk/</a>
HM Revenue & Customs	<a href="http://www.hmrc.gov.uk">www.hmrc.gov.uk</a>
Immigration Enforcement	<a href="http://www.gov.uk/government/organisations/immigration-enforcement">www.gov.uk/government/organisations/immigration-enforcement</a> <a href="http://www.gov.uk/report-immigration-crime">www.gov.uk/report-immigration-crime</a>
National Crime Agency	<a href="http://www.nationalcrimeagency.gov.uk">www.nationalcrimeagency.gov.uk</a>
Northern Ireland Environment Agency	<a href="https://www.daera-ni.gov.uk/">https://www.daera-ni.gov.uk/</a>
Organised Crime Taskforce	<a href="http://www.octf.gov.uk">www.octf.gov.uk</a>
PSNI	<a href="http://www.psnipolice.uk">www.psnipolice.uk</a>
Trading Standards Service	<a href="https://www.economy-ni.gov.uk/topics/consumer-affairs/trading-standards-service">https://www.economy-ni.gov.uk/topics/consumer-affairs/trading-standards-service</a>
OCTF is on Facebook	<a href="http://www.facebook.com/pages/OCTF/136184833076303">www.facebook.com/pages/OCTF/136184833076303</a>

# OCTF ANNUAL REPORT AND THREAT ASSESSMENT 2016

<b>Chapter 1</b>	ABOUT THE OCTF	page 4
<b>Chapter 2</b>	THREAT ASSESSMENT 2016	page 6
<b>Chapter 3</b>	OCTF RESULTS IN 2015/16	page 16
<b>Chapter 4</b>	ASSETS RECOVERY	page 38
<b>Chapter 5</b>	PUBLIC AWARENESS	page 41
<b>Chapter 6</b>	SETTING PRIORITIES AND ASSESSING IMPACT	page 44
<b>Appendix 1</b>	OCTF partner organisations	
<b>Appendix 2</b>	Drug Seizures by type and quantity in Northern Ireland in 2015/16	



**ORGANISED  
CRIME**  
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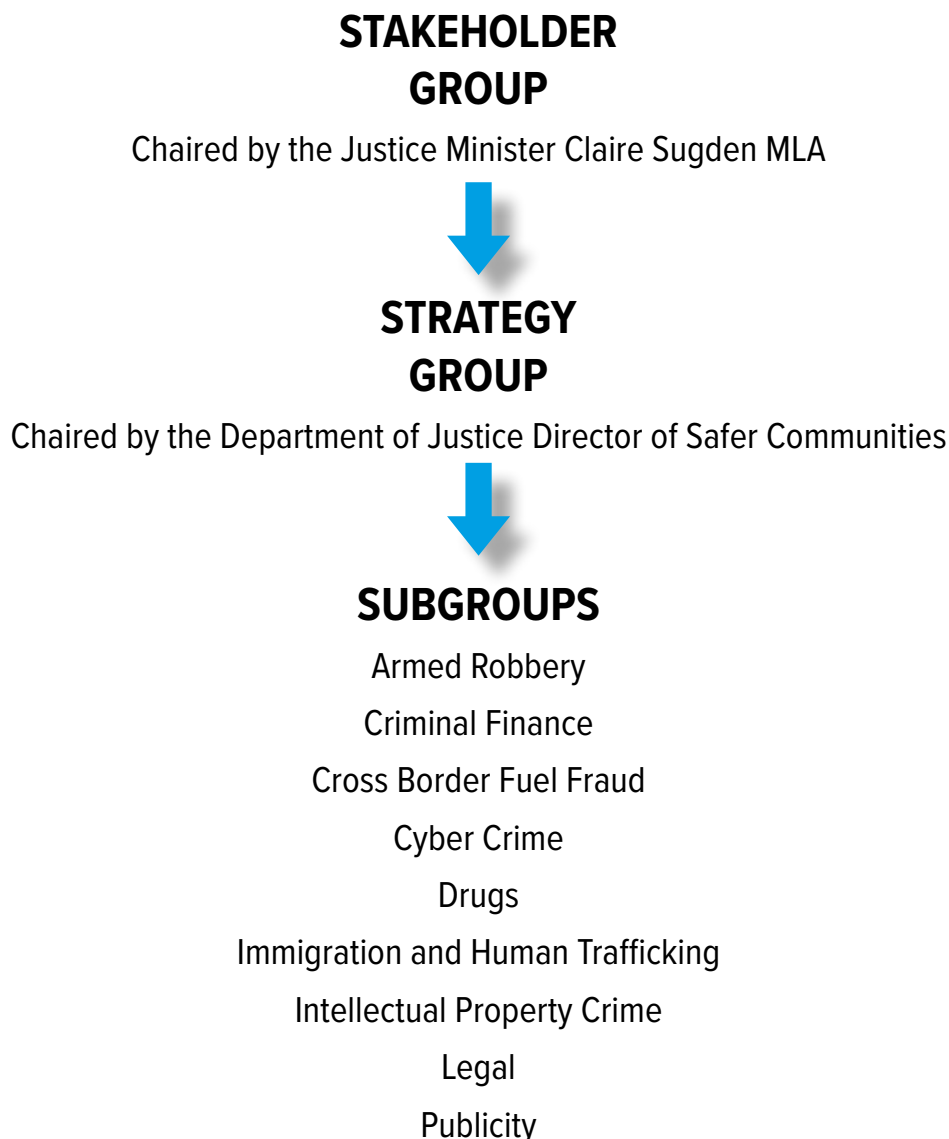
# CHAPTER 1

## ABOUT THE OCTF

# ABOUT THE OCTF

The Organised Crime Task Force (OCTF) was established in 2000. Its mission is to help secure a safe, just and prosperous society in Northern Ireland by confronting organised crime through multi-agency partnership. Government Departments, law enforcement agencies, the Public Prosecution Service, the Northern Ireland Policing Board, the business community and the community all have a role.

The OCTF's structure, set out below, is a tried and tested template for partnership working. The Stakeholder and Strategy Groups and the underpinning subgroups set priorities, develop strategies and agree actions to confront organised crime in Northern Ireland in all its guises, be that cyber crime, human trafficking, organised drug crime, armed robbery or tax evasion. The OCTF undertakes regular threat assessments to identify known and emerging trends and threats and looks at how these may be tackled. The OCTF does not provide an operational response to specific crimes – that remains with individual law enforcement agencies.



As well as striving to support the fight against organised crime, the OCTF continues to support communities most affected by organised crime, whether through activity to raise awareness of, and protect from, risk, or by returning some of the proceeds of organised crime that have been confiscated through the Courts back into local community projects that address crime or the fear of crime, through the Assets Recovery Community Scheme (ARCS). Examples of the types of projects supported in 2015/16 are summarised in Chapter 4.

A list of OCTF partner organisations is at Appendix 1. Contact is also maintained with other relevant organisations.



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## CHAPTER 2

# THREAT ASSESSMENT 2016

ASSESSING THE SCALE AND EXTENT OF ORGANISED CRIME

# THREAT ASSESSMENT 2016

The Organised Crime Task Force (OCTF) provides a Northern Ireland-based approach to increasing our understanding of the organised crime landscape locally. It allows law enforcement agencies to work alongside government bodies and private industry in order to share knowledge and tackle organised crime in partnership. The annual OCTF Threat Assessment provides the opportunity to share publicly the key threats posed to Northern Ireland from organised crime. A key growth area over the past year has been seen in respect of cyber crime but other organised crimes including Cash-in-Transit attacks and so-called tiger kidnaps have continued to diminish.

## Cyber Crime

As people spend more time online doing more things, the opportunities available to cyber criminals increase. Cyber crime demonstrates how the internet is changing aspects of crime across the globe. Cyber attacks can be detrimental to individuals and businesses (large and small) with potential ramifications having a global reach. Cyber criminals have the capability to cause widespread disruption, from attacks on government systems, to instigating technological events which could ultimately lead to the loss of life. Law enforcement is becoming increasingly aware and equipped to deal with the threats associated with cyber crime with the formation of a number of multi-agency task forces set up to tackle these issues.



Cyber crime incidents primarily fall into two categories; cyber enabled crime and cyber dependent crime.

- Cyber enabled crimes refer to conventional crime types that can be conducted both on or offline, for example, fraud, drug supply, child sexual exploitation (CSE), human trafficking, organised prostitution and blackmail. When conducted online these crimes can take place at an unprecedented scale and speed. Servers which conceal a user's identity and the dark web facilitate the supply and acquisition of a wide range of illicit and illegal goods on a global scale. Over the last year there has been an increase in the number of online blackmail incidents being reported

in Northern Ireland. These types of offences typically involve a victim who has been captured on webcam or who has sent explicit images to the perpetrator who then demands money to prevent the images being circulated.

- Cyber dependent crimes are crimes that can only be committed using computers, computer networks or information communication technology. Cyber dependent crimes are occurring throughout Northern Ireland, affecting individuals and businesses alike. Numerous partnership initiatives are currently ongoing between law enforcement agencies, statutory and non-statutory bodies to raise awareness of cyber crime and provide prevention initiatives to help safeguard individuals and businesses when online. Examples of cyber dependent crimes occurring in Northern Ireland include:
  - **Installation of Malicious Software (Malware):** Malware is intrusive unwanted software that becomes installed on a computer without consent. Malware is usually passed on through online services, for example, concealed within an email attachment, bundled in with a free download or within a website. Malware installations can range from banking trojans to persons being blackmailed through the use of ransomware. The use of ransomware is becoming increasingly noted by the Police Service of Northern Ireland (PSNI).
  - **Email Interceptions:** These include phishing, CEO (Chief Executive Officer) fraud, and "man in the middle attacks". In phishing, malicious attachments may be contained within emails, a victim may be directed to a website which has been set up by criminals and asked to enter login or personal details. CEO fraud typically involves the criminal purporting to be a company director or CEO via email and telling a member of staff to quickly transfer money to a specific bank account for a specific reason. In "man in the middle attacks" criminals will watch communications between two or more parties and will amend details, for example, account details could be changed to ensure payment into a criminal account.
  - **Distributed Denial of Service (DDOS):** DDOS attacks are designed to bring down websites and networks by overloading them with requests. DDOS attacks are becoming more frequently noted in Northern Ireland. As their skills increase, cyber criminals are expected to focus on larger targets, therefore we may



see an increase in more data breaches and DDOS attacks on banks, financial institutions and government agencies. The severity of the financial and business disruption may increase as criminal demands and the level of intrusion escalates.

- **Network Intrusions:** Network Intrusions relate to the unauthorised access of computer networks. One form of these are SQL injections. An SQL (Structured Query Language) injection is a programming language designed for managing data. A cyber attacker can execute malicious SQL statements to control a web application's database server. This allows attackers to manipulate data, for example, change banking details and fake identities.

The use of criminal forums is rapidly expanding, enabling the spread of cyber dependent and cyber enabled tactics with cyber criminals now selling their skills to traditional criminals. This has increased the availability of criminal cyber services and is resulting in a move away from traditional criminal environments into the cyber realm.

## Drugs

PSNI statistics over the last nine years, from the financial year 2007/2008 to the financial year 2015/16, show an upward trend in the number of drug seizure incidents; there was a 9.7% increase in incidents in the financial year 2015/16 when compared to the previous financial year. An increase in drugs arrests was also noted in the financial year 2015/16 with arrests increasing by 4.3% on the previous financial year. PSNI has exceeded the 2015/16 Policing Plan target of increasing the outcome rate for drugs offences by 2% points; in the financial year 2015/16 the PSNI increased the outcome rate by 4.9% points compared to the previous year. The PSNI, along with other law enforcement agencies, continue to conduct a wide range of drugs operations in Northern Ireland. These range from investigations targeting the importation and large scale supply of drugs to street level dealing. Due to its success, a focused street level drugs dealing operation, Operation Torus, now runs twice a year for several weeks at a time.

## Cannabis

The Northern Ireland drugs market remains dominated by cannabis, namely cannabis resin and herbal cannabis. An increase was noted in the amount of cannabis resin seized in the financial year 2015/16, primarily attributed to one unusually large seizure of approximately 165kg in April 2015. To quantify this seizure, the next largest seizure noted in 2015/16 was of approximately 5.8kg. An increase has been noted in both the number of seizure incidents and the amount of herbal cannabis seized compared to the financial year 2014/2015. The financial year 2015/16 recorded a decrease in the number of

cannabis plant seizure incidents and the number of cannabis plants recovered in Northern Ireland; this may be due to the fact that production has moved to outside the jurisdiction as a result of previous police successes. A widespread PSNI campaign highlighting tell-tale signs of cannabis cultivation to members of the public and landlords in late 2014 may have resulted in it becoming more difficult for criminals to find suitable cultivation locations. 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 gangs. An increase has been noted in the importation of the drug, likely to be the result of less local production.

## Heroin

There has been an increase in the number of seizures involving heroin and in the total amount of heroin seized. Incidents of seizures involving heroin have increased from 71 in the 2014/2015 financial year to 110 in the 2015/16 financial year. The increase in the total amount of heroin seized is attributed to one seizure of heroin powder in March 2016 totalling approximately 400grams.



The total amount of heroin powder seized financial year 2015/16 was approximately 598grams; therefore, this suggests that the heroin market within Northern Ireland remains limited. The increase in seizure incidents may be attributable to police enforcement activity which has specifically been focused towards targeting street level dealers in Belfast city centre. Increased media interest in heroin appears to be drawing attention to the drug in Northern Ireland. 2014 figures show a significant decrease in the number of times heroin/morphine<sup>1</sup> was mentioned in death certificates in Northern Ireland (from

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

25 in 2013 to 11 in 2014); figures are not yet available for 2015<sup>2</sup>. There is no evidence to suggest that these deaths were due to variance in the strength of drugs, and are more likely to be attributed to overdosing, poly drug use, and the long term misuse of the substance. But there are 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. Needle bins located in Northern Ireland, and needle exchange programs operating throughout the country serve to protect both the general public and the drug user. These facilities are not solely for heroin users and can be used by anyone injecting drugs, legal or illegal. Initiatives aim to reduce the number of discarded needles and lessen the occurrence of needle re-use. RAPID bins have also been located throughout the province, giving the public the opportunity to safely dispose of any prescription or illegal drugs, thus helping to mitigate potential misuse.

## Cocaine

Cocaine powder continues to be by far the most popular form of cocaine circulated in Northern Ireland. The amount of cocaine powder seized in the financial year 2015/16 has 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.

## New Psychoactive Substances

The number of different types of New Psychoactive



Substances (NPS) and the wide availability of these substances, especially online, makes it extremely difficult to tackle the issue. The rate at which new chemical formations are devised means that regulating the substances under legislation, such as the Misuse of Drugs Act, is very problematic. This also means that the person taking the drugs is unaware of the effect and dangers they could be posing to themselves or those they give the drugs to. The Psychoactive Substances Act received royal assent on 28 January 2016 and commenced 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.

## Ecstasy

Whilst there remains a market for ecstasy within Northern Ireland, it has been on a much lesser scale in the past four years than between 2002-2011. The increase in popularity of NPS is likely to have had an effect on the amount of ecstasy being used in Northern Ireland; however, the risks associated with ecstasy and the possible high content of PMA/PMMA contained within the NPS drugs cannot be ignored. PMA is more poisonous than MDMA (a chemical used in ecstasy), it also takes longer to take effect on the user resulting in some users overdosing, which in turn can be fatal.

## Prescription Drugs

There continues to be a significant amount of prescription medication, namely diazepam, being brought into Northern Ireland on a weekly basis. Ongoing PSNI proactive operations are targeting this issue along with an annual Interpol operation, Operation Pangea, targeting online sales of prescription drugs on a global scale. Prescription drugs<sup>3</sup> 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.

<sup>2</sup> 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".

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

## Armed robbery and Extortion

### Cash-in-Transit (CIT) attacks

CIT attacks in Northern Ireland, 1998-2015

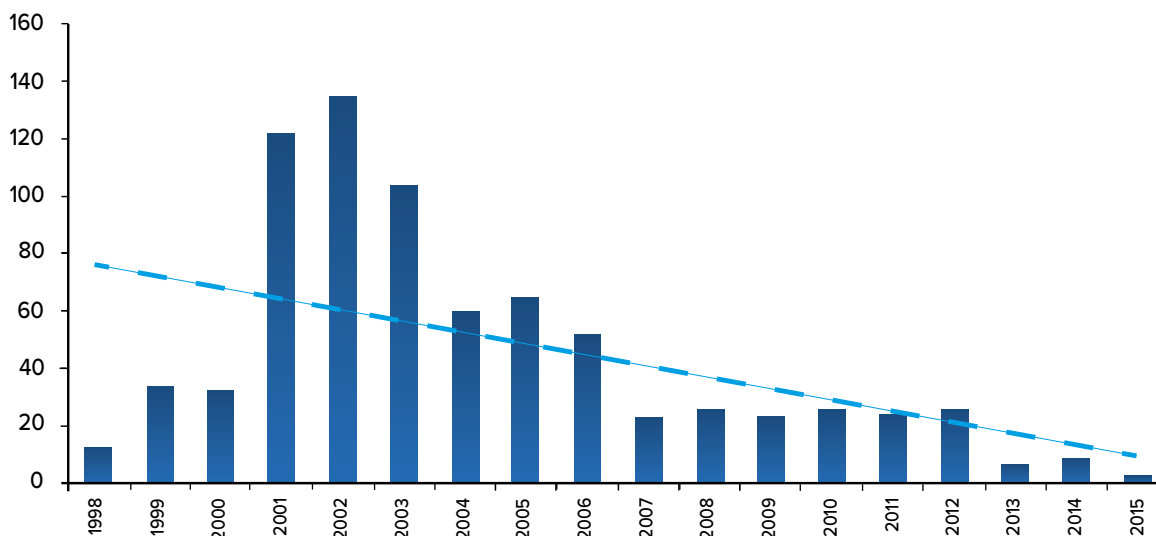


Figure 1: Source PSNI

The highest levels of CIT attacks were noted in 2001 and 2002, when there were 121 and 134 incidents respectively. Since 2007, levels of CIT attacks have remained significantly lower than levels witnessed in previous years with between 22-25 CIT attacks noted each year from 2007 to 2012. Levels reduced to only six attacks in 2013 before slightly increasing in 2014 to eight incidents. The 2015 calendar year represented an unprecedented low for CIT attacks, with only two incidents recorded; in both attacks cash boxes were recovered and offenders were arrested with one already convicted at court and awaiting sentencing. Later in 2015, an attempted attack was thwarted due to the quick actions of the CIT staff.

There are a number of issues which may be assisting in the low levels of CIT attacks noted in Northern Ireland. SaferCash has now been in operation for over a decade. This national network aims to reduce the number of CIT attacks through the sharing of information between law enforcement and industry partners. Prevention, detection and disruption initiatives and methods employed by CIT companies have developed, with advances in, for example, cash boxes, CCTV, trackers and instant threat alerts, all of which make it more difficult for criminals to both plan and carry out an attack successfully. The imprisonment of a number of key individuals has also contributed to the lower levels in recent years. Any future prison releases have the potential to negatively impact on incident levels if the individuals concerned return to active involvement in this particular crime type.

### Physical ATM attacks

There are more than three million ATMs across the world with the total number of cash withdrawals averaging



approximately £6.7 billion per year; in Northern Ireland, around 2300 ATMs pay out approximately £150 million per year<sup>4</sup>. This makes them an attractive target for criminal attacks; however, robust measures have been taken to secure ATM machines located throughout the country preventing criminal access to the cash. In the calendar year 2015 there were nine physical attacks<sup>5</sup> on ATMs in Northern Ireland; of the nine incidents, five occurred in November 2015.

<sup>4</sup> <https://www.european-atm-security.eu/category/news/> - 8.6 billion Euro// Information from NI Banks.

<sup>5</sup> These attacks refer to; the theft of ATM machines, attempts being made to remove a whole ATM machine, the forced opening of or attempt to break open an ATM machine to steal the money contained within it, they do not include incidents of criminal damage or the fitting of skimming devices.

Two attacks involved the use of gas with suspects attempting to fill the ATM with gas to blow the machine open and remove the cash. In one of the incidents a small explosion was noted; however, this was not forceful enough to allow entry to the contents of the machine. 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. Gas attacks continue throughout Ireland, the rest of the UK and indeed across Europe; therefore PSNI remain vigilant and have procedures in place to deal with any future incidents. In November 2015 one ATM machine was stolen as a complete unit (including the cash contained within) using stolen plant equipment. However, the ATM was recovered intact by An Garda Síochána and resulted in the arrest of one person. Plant machinery had also been used five months earlier when an attempt to remove

an ATM machine was unsuccessful. In another incident cash was removed from the ATM using heavy cutting equipment. In two further incidents similar equipment was used; however, attempts to access the machine were unsuccessful. Modus operandi employed in the remaining two incidents were less sophisticated and no entry was gained to buildings housing the ATM or the ATM machine itself; however, it is believed that the aim of the attack was to steal the money contained within the ATM machine.

ATM gas attacks and attacks conducted by the use of plant machinery present serious dangers to the public, the responding emergency services and the criminals themselves. The victims of such attacks are left to deal with the devastating impact upon their businesses and the local community with significant disruption to local services.

## Tiger kidnaps

Number of tiger kidnaps in Northern Ireland, 2005-2015

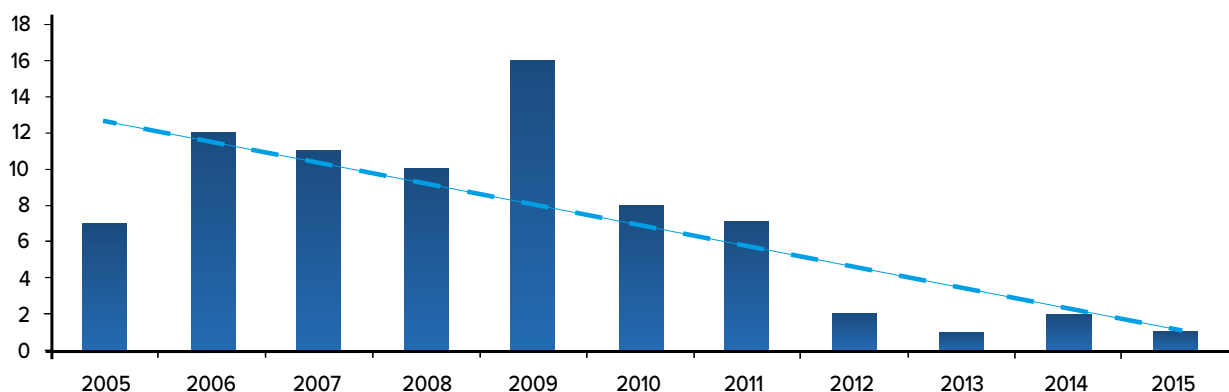


Figure 2: Source PSNI

Given the name “tiger kidnap” due to the predatory nature of the crime, this type of incident is terrifying for victims<sup>6</sup>. The sophisticated, calculated planning and the often violent execution of the attack, lends it to being carried out by the more organised criminal gangs who are targeting the victims for a substantial gain (primarily cash). Thankfully, since 2012 lower levels of tiger kidnaps have been noted in Northern Ireland with only one attack recorded in 2015. Over a ten year period tiger kidnaps peaked in 2009 when 16 incidents were recorded. Historically victims have been linked to a number of financial institutions including banks and post offices, and a wide variety of retail outlets. As well as the more

traditional forms of tiger kidnapping, it is important to be mindful of the possibility of attacks with a cyber-link, named “cyber tigers”. In this type of attack money may be moved by virtual processes rather than physically changing hands.

There is significant continuous activity by the PSNI and the high risk business community to have in place procedures to deter and thwart tiger kidnaps. It is these measures and successful convictions over recent years that have helped maintain the very low numbers of tiger kidnaps in Northern Ireland. Anyone who has access to large amounts of cash is vulnerable to a tiger kidnapping; therefore, it is important for people to assess their protection in terms of both personal and business security. If the risk to criminals outweighs the potential gains, a tiger kidnapping is less likely to occur; therefore business owners should reduce the

<sup>6</sup> Tiger kidnap definition - “A tiger kidnap/situation is the abduction or holding of a hostage (or claim of having done so) with the intention of forcing another person to facilitate the immediate theft of any valuables or concede some other form of ransom from an institution or business organisation.”

level of cash/valuables held in an establishment to the minimum and increase security methods, such as CCTV and staff awareness training. The primary aim in relation to personal security is to keep their families safe by preventing easy access to both the home and the individual.

### Extortion

Traditionally the primary type of extortion affecting Northern Ireland centred on racketeering by local paramilitary groupings, looking for local businesses to pay them “protection money”. The money would be paid to paramilitaries periodically to ensure the safe operation of the business/service within the area. If payment was not made, threats would typically ensue, followed by the damage of property or goods if subsequent reminders failed. Payments could be very costly to a person/business, with some struggling to pay the demands. Loan sharking and illegal money lending is another issue, again primarily conducted by paramilitary groupings. Money owed to paramilitaries can quickly increase as interest is added, resulting in people/businesses being controlled by their creditor and compelled to commit criminality to repay the debt.

Information held by PSNI would suggest that paramilitary groups (both Loyalist and Republican), or individuals claiming to be from these groups, continue to be actively involved in extortion attempts, particularly the racketeering of small businesses and building sites in towns and cities across Northern Ireland. Illegal money lending/loan sharking is also believed to continue; however, it is rarely reported to police. Media coverage of the lucrative loan sharking businesses run by paramilitaries also continues, reporting on people living in fear or in the worst case scenario forced to leave their own homes. The ability of law enforcement to successfully investigate incidents of extortion is severely hindered due to the unwillingness of victims to come forward for fear of reprisal. As a result, it is believed that these incidents are significantly underreported.

Another form of extortion affecting Northern Ireland is “bad on bad” extortions. This type of extortion involves two or more criminals/criminal groupings and is frequently linked to drugs criminality.

The ease with which extortions can be committed is facilitated by the internet. These can range from ransom demands placed on businesses via technical cyber intrusion to an individual being extorted as a result of an activity they have engaged in, for example, via social media, webcam or chat platforms.

## Human Trafficking and Organised immigration crime

### Human Trafficking

Northern Ireland’s most recent anti-slavery legislation, the Human Trafficking and Exploitation (Criminal Justice and Support for Victims) Act (Northern Ireland) 2015 came into effect in early 2015. The purpose of the Act is “to make provision about human trafficking, slavery and other forms of exploitation, including measures to prevent and combat such exploitation and to provide support for victims of such exploitation; and for connected purposes”.

The PSNI Human Trafficking Unit has designed its own screening assessment to safeguard victims through early recognition and subsequent intervention. If deemed to be a potential victim of human trafficking<sup>7</sup> (PvoT) the PSNI will refer the person to the National Referral Mechanism (NRM). 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. Nationalities involved as potential victims of human trafficking in financial year 2015/16 include Syrian, Chinese, Vietnamese, Romanian, Bulgarian, Hungarian and Ugandan.

The main issues for law enforcement continue to centre on labour and sexual exploitation. Thirty four of the 59 victims in 2015/16 have been linked to labour exploitation, 16 of whom were recovered in one investigation involving the agricultural industry. Since their recovery, a reduction has been noted in the number of labour exploitation incidents, suggesting that law enforcement has deterred criminals, and raised awareness amongst businesses around employee vulnerabilities in relation to human trafficking. A number of proactive operations are currently ongoing in relation to the movement of potential victims of trafficking around Europe for sexual exploitation by criminal gangs. Two PSNI sex worker liaison officers have been appointed, providing information from the sex work industry which can alert law enforcement to potential trafficking or exploitation incidents.

The PSNI continues to work in collaboration with national and international law enforcement and other statutory and non-statutory agencies to combat human trafficking and modern slavery in Northern Ireland. A multi-agency approach is ongoing to educate staff and members of the public around the potential signs and indicators of human trafficking in order to identify and protect potential victims at the earliest opportunity.

<sup>7</sup> Within the “Human Trafficking and Exploitation (Etc.) Act (NI) 2015” the offence of human trafficking is defined as the following; “A person (“A”) commits an offence if A arranges or facilitates the travel of another person (“B”) with a view to B being exploited”. “A person is exploited only if one or more of the following subsections apply in relation to the person: slavery, servitude and forced or compulsory labour; sexual exploitation; removal of organs etc.; securing services etc. by force, threats or deception; securing services etc. from children and vulnerable persons.

## Organised Immigration Crime

Immigration Enforcement is responsible for protecting the public by removing immigration offenders, prosecuting the criminals who facilitate immigration crime and driving cross-sector action to increase compliance with immigration law. It conducts enforcement operations against a range of immigration organised crime in Northern Ireland, including facilitation, document fraud, rogue employers and illegal workers. During the past year, convictions and jail sentences for facilitators of immigration crime were secured as were civil penalties for rogue employers running into hundreds of thousands of pounds; businesses facilitating illegal working and fuelling the illicit economy were closed down; and millions of pounds in losses to the Exchequer were uncovered.

Immigration Enforcement, PSNI and Police Scotland work together in Operation Gull to identify and arrest immigration offenders. These are individuals or groups transiting Northern Ireland ports, having attempted to abuse or facilitate abuse of the land border as a clandestine means of entering the UK and Ireland. In the financial year 2015/16, 775 immigration offenders were intercepted by Operation Gull – an increase of 66% on the financial year 2014/15, including 73 convicted criminals who had previously been deported from the UK and 30 foreign nationals with serious criminal convictions in the UK or abroad.

## Criminal Finance

New arrangements to investigate fraud in Northern Ireland have now been in place for one year. All incidents of fraud and related cybercrime should now be reported directly to Action Fraud, unless requesting a call for service<sup>8</sup>. The reports received by Action Fraud are reviewed and assessed by the National Fraud Intelligence Bureau (NFIB), run by the City of London Police. Data matching allows reports from different parts of the country to be linked through analysis, which identifies the criminals behind the scams. The reports are then disseminated to PSNI when deemed relevant to their jurisdiction and according to Home Office Counting Rules. The types of fraud occurring in Northern Ireland are extremely varied, from a counterfeit note being passed in a local shop, to individuals losing tens of thousands of pounds to fraudsters exploiting vulnerabilities, both face to face and online. Not every report results in an investigation, but every report helps to build a clear picture of the issue UK wide. This contributes to making the UK a more hostile place for fraudsters to operate in and helps to keep other potential victims safe.

<sup>8</sup> 'Call for Service' – when a fraud is being committed, or recently occurred (within 24 hours); or, where you know the suspect and they reside in Northern Ireland; or, where the victim is perceived to be vulnerable (this may be through age, or by way of mental, or physical impairment, or in need of care and support); or, finally where you believe that it is important to report the incident to police in order that police can secure and preserve evidence, or prevent loss (i.e. CCTV, recover large amounts of money transferred from bank accounts before the criminal can remove it). <https://www.psnipolice.uk/crime/fraud/Reporting-Fraud/>

## Money Laundering

Law enforcement continues to conduct proactive money laundering investigations to pursue organised criminals who are concealing the proceeds of their criminality through apparently legitimate means. The traditional money laundering techniques continue to be noted in law enforcement investigations. These include the



purchasing of property and/or cash businesses, the use of Money Service Businesses (MSBs), the use of money mules, and movement of money between multiple bank accounts. In addition to this, new opportunities are being exploited by organised criminals. The use of digital currencies, such as Bitcoin, make it easier for criminals to launder money. Due to the anonymity of these transactions it lessens the risk of detection by law enforcement associated with the movement of money by money mules or traditional traceable electronic transfers. Online and alternative currencies exist in many places and are growing in popularity.

## Ticket Fraud

Action Fraud figures reveal that whilst there were only 45 incidents reported in Northern Ireland between November 2014 – October 2015 the amount lost by victims totalled £22,542, suggesting that this is a lucrative market for criminals with potential losses to victims quickly mounting. Disappointed victims have missed seeing their favourite musicians or sporting events due to the fact they have purchased fraudulent tickets. PSNI, Action Fraud and Get Safe Online have released a media campaign alerting the public to this type of fraud and of ways to ensure that tickets purchased are legitimate.

## Advance Fee Fraud

Criminals will attempt to defraud their victims by asking for payment for goods or services in advance. For example, a fraudster (who can pose as a representative from a variety of companies/organisations) may offer to assist their victim in the recovery of money which is allegedly owed to them, however to do so they require an upfront fee in order to begin the recovery process.

## Phishing/Smishing/Vishing

These refer to emails, SMS or phone calls respectively, which are sent to victims in an attempt to gain personal information and/or for use in identity fraud. For example, an email may direct a potential victim to a website which



has been set up by criminals, often purporting to be another business or agency, and ask them to enter login in or personal details. These details will then be used by the criminal to access bank accounts. On many occasions victims may be targeted with a combination of these attacks.

## Dating Fraud

Also known as Romance fraud, this type of fraud is reported to have cost UK victims £27 million from November 2014 - October 2015, according to Action Fraud. Criminals will exploit those looking for companionship and love through a variety of means including, dating websites, social media and direct emails. The aim is to befriend their victims and obtain money from them through deception and lies.

## Holiday Fraud

This type of fraud has noted a dramatic increase within the rest of the UK; Northern Ireland consumers are just as vulnerable to falling victim to this type of fraud and reports are expected to increase in future years. Criminals will target all aspects of people's holidays, from setting up fake booking websites to issuing false airline tickets. Not only can people incur a substantial monetary loss but victims also note a significant negative impact on their health.

## ATM Fraud

Skimming devices and card catching devices continue to be noted at ATM machines in Northern Ireland and this is a global issue for law enforcement. Individuals are encouraged to report any signs of damage or suspicious activity to PSNI and the affiliated bank or machine operator. These crimes can result in substantial financial loss to an individual, and significant gains to the organised criminal gangs who are fitting and monitoring these devices.

## Intellectual Property Crime (IPC)

IPC is also known as "IP crime", "counterfeiting" or "piracy". Counterfeiting can be defined as the manufacture, importation, distribution and sale of products which falsely carry the trade mark of a genuine brand without permission and for gain or loss to another. Piracy can be defined as the unauthorised use or reproduction of another's work.

IPC has the ability to cause significant damage to industries that produce legitimate, high quality goods. People involved in IPC can range from a local homeowner who is unaware they are committing a crime to organised crime groups who could be using the proceeds of their IPC to fund further criminality. Counterfeit goods can range from perfume, alcohol and cigarettes to electrical equipment and vehicle parts. Counterfeit items noted in Northern Ireland in the financial year 2015/16 include: clothing, alcohol, watches, cosmetics, sunglasses, handbags, footwear, DVDs, CDs and car accessories. There are safety issues surrounding the use of counterfeit goods because nothing is known about how the goods were manufactured or what is contained within them. For example, counterfeit perfume may have skin damaging chemicals added, or electrical items are not likely to have been tested under appropriate or indeed any regulations.

The issue of Internet Protocol Television (IPTV) continues to be prevalent in Northern Ireland with homeowners purchasing various forms of "boxes" to stream digital TV channels, box sets and films, instead of entering into a contract and paying a monthly subscription to a registered broadcaster. Whilst individuals believe that they are not causing harm in streaming and downloading for personal use, it is taking revenue away from local businesses, which on a sustained basis could result in the closure of local businesses and ensuing loss of jobs.

The scale and distribution of IPC has the ability to escalate rapidly through the use of the internet. Indeed a shift has already been noted in Northern Ireland from the sale of counterfeit goods at local markets to online sales and advertisements via social media, auction sites, and online classifieds (for example, on Gumtree).

## Public Sector Fraud – Excise and Tax

Towards the end of 2015 the National Audit Office reported that Her Majesty's Customs and Revenue (HMRC) loses £16 billion a year to tax fraud<sup>9</sup>; £5.1 billion of this total figure is as a result of criminal attacks. Criminal attacks have been classified as attacks that typically involve coordinated and systematic actions by criminal gangs, with varying levels of sophistication and organisation. The main issues for law enforcement in Northern Ireland, in relation to organised excise and tax fraud, are highlighted in the following text.

<sup>9</sup> <https://www.nao.org.uk/report/tackling-tax-fraud-how-hmrc-responds-to-tax-evasion-the-hidden-economy-and-criminal-attacks/>

## Fuel Fraud

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 2002-03 when the illicit diesel market share was estimated at 26%.

HMRC is committed to tackling fraud and works closely with partners across 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.

HMRC continues to monitor the impact of the new fuel marker and will publish a further report on the first 12 months as soon as the data is available. 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.

Over the last year, HMRC has 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.

## Alcohol and Tobacco

Evasion of tax through the importation of contraband tobacco and alcohol remains an issue within Northern Ireland.



Tobacco and alcohol fraud includes buying products from overseas and smuggling them into the UK without paying duty (illicit goods), shipping UK products into another country without paying the duty and smuggling them back into the UK, and the making of fake or inferior products. Such incidents can range from an individual returning from holiday with more alcohol and/or tobacco than they are allowed, to the organised criminal who strategically plans the acquirement, movement and distribution of these types of goods on a large scale. These organised criminals are essentially profiting in money that the normal law abiding citizen has to pay.





**ORGANISED  
CRIME**  
TASK FORCE

# CHAPTER 3

## OCTF RESULTS IN 2015/16

### CONFRONTING THE THREAT

# THREAT ASSESSMENT 2016

This chapter outlines the combined activities of OCTF partner agencies against criminal groups throughout the 2015/16 period. It highlights the significant results of partner agencies in tackling organised crime. Key successes include:

- 28 organised crime groups dismantled and 96 frustrated or disrupted;
- 5597 drugs seizures;
- 366,535 litres of fuel seized and 12 fuel laundering plants dismantled;
- 59 potential victims of human trafficking recovered; and
- £1.6 million of criminal assets recovered.

The results in more detail are presented in the following sections, with case studies showing some of the law enforcement activity that led to the overall successes.

## Drugs

In 2015/16 there were 5,597 drug seizure incidents in Northern Ireland, an increase of from 493 from 2014/15. The largest number of seizure incidents occurred in Belfast City policing district with 1,592 incidents recorded.

Cannabis was the most commonly seized drug, with 4,445 seizures, an increase of 13.2% on the previous year. 52 of these incidents involved cannabis farms, as defined by the National Police Chiefs Council. Benzodiazepine and cocaine seizures accounted for the second and third largest number of seizure incidents respectively. There were 614 benzodiazepine seizures, 590 of which were diazepam. There were 566 incidents involving the seizure of cocaine, an increase of 54 on 2014/15.

The number of drug seizure incidents has increased year on year since 2006/07 to reach a ten year high. During 2015/16 2,953 persons were arrested and processed through police custody for drug offences.

**Appendix 2** provides more information on Drug Seizures by Type and Quantity in Northern Ireland in 2015/16.

Financial year	Persons Arrested
2005/06	1,440
2006/07	1,726
2007/08	1,896
2008/09	2,014
2009/10	2,250
2010/11	2,435
2011/12	2,543
2012/13	2,784
2013/14	2,867
2014/15	2,831
2015/16	2,953

Figure 3: Source PSNI

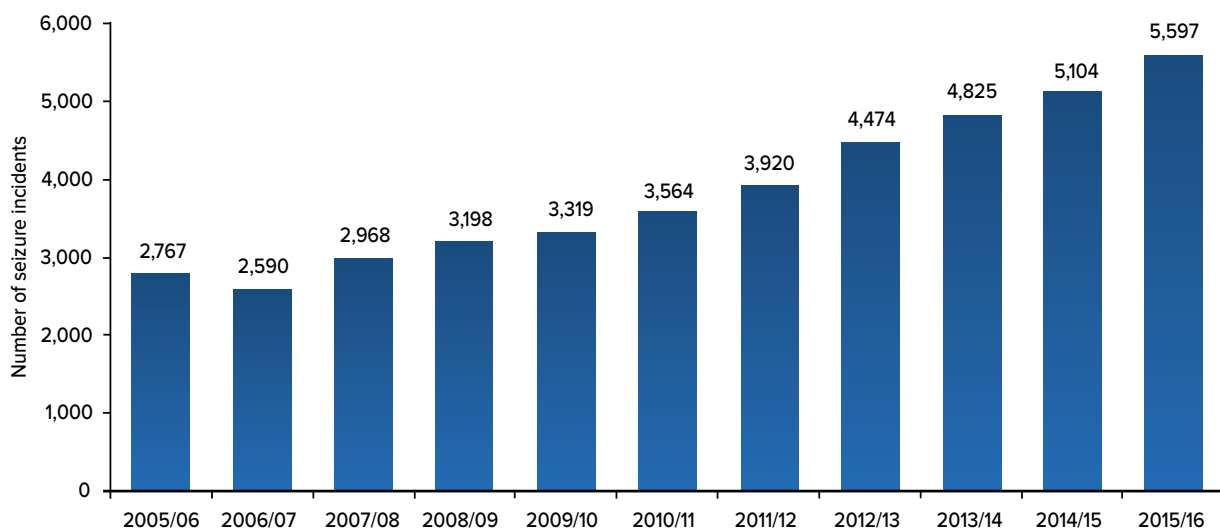


Figure 3: Source PSNI

**Case Study**

In January 2016 police stopped a car on Dromore Road Hillsborough. The male driver and female passenger were arrested after a search of the vehicle uncovered a brown coloured paper bag under seating which appeared to contain a block of white substance (total estimated value £200,000). A field test was conducted by a drugs expert witness on the white powder, which indicated a positive result for high purity cocaine. During follow up searches in Belfast and Lisburn 3 kilos of bulking agent and £1,700 in cash were also seized. After interviews both were charged with possession and possession with intent to supply a class A controlled drug.

**Case Study**

During March 2016 police intercepted a postal package intended for an address in Belfast. It contained approximately 1.4kg of herbal cannabis with a potential street value ranging from £14,000 to £28,000. It is believed the package had been sent via Southampton, England and the cannabis contained within was skilfully packaged with coffee granules secreted around both the outer and inner packaging in an attempt to avoid potential detection. The delivery address was searched the following day and one person arrested and later charged with attempted possession of a Class B controlled drug and attempted possession of a Class B controlled drug with intent to supply. After interview and investigation two further persons were arrested.

**Case Study**

In 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**

On 21 January 2016 detectives from PSNI Reactive and Organised Crime Branch uncovered a cannabis factory following a search of a property in the Deramore Heights area of Magherafelt, recovering cannabis plants with an estimated street value of £115,000.

Detective Inspector Trevor Stevenson said: “I would like to thank the local community for their support which resulted in this factory being discovered and dismantled. No arrests have been made as yet, however police remain at the scene carrying out a detailed forensic analysis of the premises and investigations are ongoing.

“The electricity supply at the property had been tampered with and it was full of electric fans and heaters, which, combined with water, is an obvious fire risk. Put all of these ingredients together and you have a recipe for disaster. You have a great potential for destruction of property, serious injury, even death.

“As this incident illustrates, when the community works alongside police, successes can be made against the drugs gangs.”





**Case Study**

In December 2015, NCA secured a two year conviction at Leeds Crown Court against a man for assisting the importation of Class B drugs into the United Kingdom. This flowed from the seizure of over 45kg of various class B drugs and precursor chemicals that were capable of producing £10m worth of amphetamine sulphate. Some of these drugs were destined for Northern Ireland. NCA received support in this investigation from PSNI, HMRC, An Garda Síochána and other European partners.



**Case Study**

In September 2015, a Northern Ireland based man pleaded guilty to the importation of 24kg of class B controlled drug mephedrone, following an NCA investigation. He was sentenced to five years imprisonment by her Honour Judge Smyth at Laganside Crown Court, who in delivering her judgement stated that:

“this was a sophisticated and carefully planned importation in which you played a leading role.”

“ these were highly dangerous drugs which cause serious harm, especially to young people.”

“you directed and organised the importation of drugs on a commercial scale using your business as a cover.”

“this was the largest haul of this type of drug into Northern Ireland to date.”

“this was a clear and strong prosecution case”.

In addition to the prison sentence, the Court made a £19,000 confiscation order.

Mephedrone – Methylethylcathinone is a synthetic drug that has come to prominence in Northern Ireland over the past few years and is often sold as a cheaper alternative to established drugs such as cocaine, MDMA and amphetamine. Methylethylcathinone is normally a white powder or crystal substance and is snorted or swallowed by users. This drug is typically sold on the street in quantities of 1 gram upwards, with 1 gram having a street value of up to £30. The seizure of 24 kilos of Methylethylcathinone is therefore equivalent to 24,000 street deals with a street value of up to £720,000 and is believed to be the largest seizure of this type of drug in Northern Ireland.



**Intellectual Property Crime**

Counterfeit goods are not developed to recognised standards and this can pose a danger to buyers who cannot be sure of the origin, make up and effect of counterfeit goods.

A wide range of organisations work together to respond to intellectual property crime. This includes PSNI, the Department for the Economy, HMRC, Border Force and Trading Standards Service (TSS). TSS has reported a continued increase in online sales on social media sites of counterfeit goods and Internet Protocol television (IPTV) packages which bypass the encryption of programmes by major broadcasters. TSS has concentrated on tackling this problem area through enforcement, identification of the sites and offenders and the removal of these sites.

In the last year TSS has seized quantities of:

- Vodka
- Designer clothing merchandise
- Watches
- Make-up
- Perfume
- Jewellery
- Fashion Accessories

TSS has an effective work relationship with other law enforcement agencies and its OCTF partners, where the sharing of intelligence and joint working ensures that the most effective action is being taken to bring to justice those who offend in this area of crime.

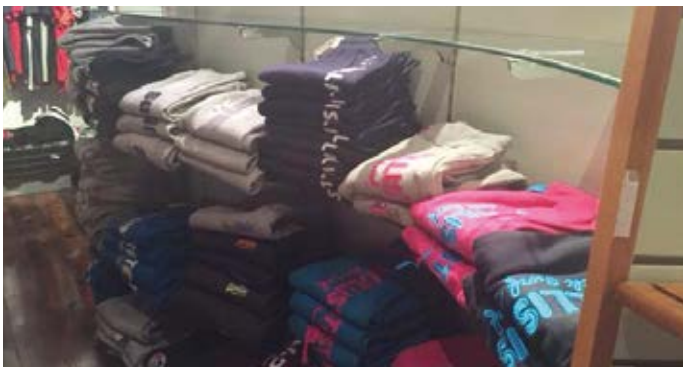


*Items seized at Blaney Road, Crossmaglen*



**Case Study**

Police in South Armagh, supported by Tactical Support Group officers, arrested two people for counterfeit offences following planned searches in Crossmaglen. Officers conducted searches in Blaney Road on Friday, 9 October, and recovered a large quantity of suspected counterfeit goods. Two rooms of the property were arranged as viewing areas while a third room was used as a storeroom. Goods recovered included clothing with brand names Barbour, Ralph Lauren, Hollister, Michael Kors and Chanel as well as make-up, perfume, jewellery, watches and footwear. A small quantity of fireworks and bottles of potcheen were also recovered. A 39 year old female and 44 year old male were arrested for making or supplying articles for use in connection with fraud, possessing criminal property and possession of articles for use in fraud. They were released on bail pending further enquiries.



*Items seized at Blaney Road, Crossmaglen*

**Organised immigration crime and human exploitation**

**Organised Immigration and Border Crime**

Various OCTF partners work to disrupt organised crime involving the movement of people, goods and money in and out of Northern Ireland.

**Immigration Enforcement** is responsible for protecting the public by removing immigration offenders, prosecuting the criminals who facilitate immigration crime and driving cross-sector action to increase compliance with immigration law. It conducts enforcement operations against a range of immigration crime in Northern Ireland, including facilitation, document fraud, sham marriages, rogue employers and illegal workers.

During 2015/16 enforcement activities with OCTF partners PSNI, HMRC and the National Crime Agency (NCA) has strengthened Northern Ireland's capacity to tackle immigration crime and, in doing so, has disrupted and dismantled the organised criminals behind it. Convictions and jail sentences were secured as were civil penalties running into hundreds of thousands of pounds; rogue businesses fuelling the illicit economy were closed down; and millions of pounds in losses to the exchequer were uncovered.

In Northern Ireland, Immigration Enforcement also has an important role to play in protecting our borders and working in partnership to strengthen the Common Travel Area (CTA) which is open to exploitation by illegal migrants. Immigration Enforcement, the PSNI and Police Scotland work together under the heading of Operation Gull.

Operation Gull focuses on domestic United Kingdom flights and ferries into and out of Northern Ireland in order to identify and arrest illegal immigrants going to and coming from the Republic of Ireland by way of the land border. In 2015/16, 775 immigration offenders were intercepted attempting to abuse, or facilitate abuse, of Northern Ireland ports as a means of illegal transit across the United Kingdom – an increase of 66% on 2014/15, including 73 criminals who had previously been deported from the UK and 30 foreign nationals with serious criminal convictions in the UK or abroad. More than 100 false documents were seized and 40 individuals involved in immigration crime were prosecuted.

Immigration Enforcement will seek to fully exploit all the measures in the Immigration Act 2014 and Immigration Act 2016 to challenge non-compliance from every direction (whether it be rogue employers, landlords or criminal groups) to deliver the biggest impact on immigration abuse including: using the appeals and



**Case Study**

In June 2015 immigration officers arrested and prosecuted an imposter travelling on a stolen passport in which the rightful owner's photograph had been substituted. He received a 4 months prison sentence.



**Case Study**

Operation Gull intercepted two illegal immigrants travelling on false European ID cards while attempting to travel by ferry to Scotland in August 2015. Each was sentenced to 4 months in prison and deported from the UK.



**Case Study**

In August 2015, in a joint operation with HM Revenue and Customs (HMRC), a restaurant owner was reported to the Public Prosecution Service for employing illegal immigrants. Cash assets of around £14,000 were seized and shared between the Home Office and HMRC.



**Case Study**

November and December 2015: Operation Gull intercepted eight high harm foreign criminals who had re-entered the United Kingdom across the land border. Between them, they had served prison sentences totalling more than 30 years for a range of offences including rape, drugs, robbery, facilitation and fraud. Five were deported from the United Kingdom and three are detained for deportation.



**Case Study**

December 2015: investigations into the facilitation of illegal immigrants resulted in an organised crime member being sentenced to six months in prison. A second foreign national involved in the facilitation was sentenced to three months in prison. Both will be deported from the United Kingdom.



**Case Study**

January 2016: following investigations into illegal working with HM Revenue and Customs (HMRC), 8 illegal workers were arrested and two of the organised crime members behind the business received 3-year suspended sentences for facilitating the employment of bogus foreign students. Unpaid revenue of around £5million is being pursued by HMRC.

removal provisions to deport more criminals quickly; rolling out the landlords scheme to make it difficult for people here unlawfully to access privately rented accommodation; working with partners to revoke driving licences and prevent people from opening bank accounts where appropriate; and tackling those seeking to abuse the immigration system through sham marriages.



In the coming year, increased partnership working combined with legislative and technological advances will provide many opportunities for Immigration Enforcement to extend its reach, making it increasingly difficult for people to live or stay in Northern Ireland illegally and for criminals to support immigration related crime.

Immigration Enforcement will continue to intervene upstream through its overseas networks to disrupt organised criminals abroad and provide intelligence to the visa issuing process to prevent inadmissible passengers from travelling to the United Kingdom. This will include building on the work that it conducts with immigration officials in Ireland to ensure that individuals who would not be admissible to either jurisdiction are unable to travel to the CTA.

Immigration Enforcement will build on its work with Northern Ireland's OCTF partners and Ireland's law enforcement agencies to target foreign national offenders and organised immigration crime. Immigration Enforcement will play a full part in the cross border organised crime structures under the Fresh Start Agreement and continue its work with An Garda Síochána and Border Force in conducting intensification campaigns to tackle cross border and wider immigration crime.

**Border Force** is responsible for securing the United Kingdom border and controlling migration at maritime ports and airports. Border Force strategic objectives are to deter and prevent individuals and goods that would harm the national interest from entering the United Kingdom; to facilitate the legitimate movement of individuals and trade to and from the United Kingdom and to protect and collect customs revenues from trade crossing the border. Border Force are responsible for: checking the immigration status of people arriving in and departing the United Kingdom, searching baggage, vehicles and cargo for illicit goods or illegal immigrants, patrolling the United Kingdom coastline and searching vessels, gathering intelligence and alerting the police and security services to people of interest.



### Case Study

In June 2015 a mother and son were challenged by Border Force Officers at Belfast International Airport on their arrival from Bourgas in Bulgaria. A search of their baggage revealed five knuckledusters, two stun devices to look like an Apple I phone, a stun device to look like a torch, an extendable baton and a nunchuck (this is a offensive weapon predominately used in martial arts). Both were sentenced to three months imprisonment suspended for three years and £100 fine. Legal Aid was withdrawn by the district judge for both parties. Last year 124 offensive weapons and four stun gun devices concealed as mobile phones/ torches have been seized by Border Force at Belfast International Airport. Border Force continues to work with the NCA who have adopted seizures for prosecution. We continue to work with the NCA who have adopted seizures for prosecution.

## Human Trafficking

PSNI formed a dedicated Human Trafficking Unit (HTU) on 1st April 2015, which referred 59 potential victims of human trafficking to the National Referral Mechanism (NRM) during 2015/16. The recovered potential victims included 35 males and 24 females. 11 of the 59 referrals were children. The majority of these were rescued from forced and compulsory labour exploitation (34 victims) with the remaining rescued from sexual exploitation and securing services exploitation. A breakdown of the nationalities of these victims includes 17 Bulgarian, eight Romanian, five Hungarian, five Chinese, five British (Northern Ireland), four Lithuanian, two Albanian, two Ugandan, two Vietnamese and two from Iran. Other nationalities include Pakistani, Malaysian, Nigerian, Somalian, South African, Algerian and Syrian.

Since the Human Trafficking and Exploitation (Criminal Justice and Support for Victims) Act (Northern Ireland) 2015 commenced the Human Trafficking Unit has made 20 arrests. 12 of those arrests were for human trafficking offences. The remaining eight arrests included offences of brothel keeping, firearms possession and drugs possession which were detected during Human Trafficking investigations. A total of 41 searches were conducted during the 2015/16 financial year by the HTU. Six persons have been charged with a variety of offences, two of which were human trafficking and four persons were reported to the PPS for human trafficking offences.



### Case Study

Border Force officers at Belfast International Airport intercepted a Lithuanian national arriving from Alicante in Spain. A search of baggage revealed 5.5kg of vacuum packaged herbal cannabis. The passenger was arrested and charged with importation of a controlled drug. The case was adopted by the NCA for prosecution and the Lithuanian national is currently on remand awaiting trial.

Section 15 (paying for sexual services of a person) of the Act was enacted on 1 June 2015. At the time of print two individuals have been dealt with by way of discretionary disposal in relation to paying for sexual services.

Some of the ongoing proactive operations have involved PSNI HTU working in partnership with HMRC (Fraud Investigation Services, Labour Providers, National Minimum Wage Unit, Criminal Tax Unit, Road Fuel Tax Unit), Health and Safety Executive, the Department of Agriculture, Environment and Rural Affairs (DAERA), Gangmasters Licensing Authority (GLA), Border Force, UK Visa and Immigration (UKVI), Department for Communities' Organised Fraud Unit, the National Crime Agency (NCA) and An Garda Síochána (AGS).



### Case Study

**Operation Burgrave:** In January 2016, PSNI HTU successfully extradited two Romanian nationals from Sweden to stand trial in Belfast for their part in a two year human trafficking investigation for sexual exploitation. This was a joint investigation between PSNI and Swedish Law enforcement through Europol and Eurojust. Both suspects remain in custody and the trial is expected to commence in September 2016.



### Case Study

**Operation Artimed:** This is a proactive operation investigating alleged human trafficking for forced labour/securing services in the Belfast area. Five potential victims of human trafficking were rescued in July 2015. A full prosecution file has been submitted to the PPS for direction. Two suspects were arrested and charged with human trafficking offences and remain on court bail.



### Case Study

**Operation Cateau:** This is a multi-agency investigation into potential human trafficking for labour exploitation at a business in the agricultural industry in the south Armagh area. This investigation is led by PSNI HTU and involves GLA, HMRC, DAERA and the H&S Executive. 16 potential victims of human trafficking were rescued in July 2015, seven searches took place, one suspect has been arrested and charged with a Gangmaster offence. The investigation is ongoing.



### Case Study

**Operation Outrun:** During the 2015/16 financial year the PSNI HTU took part in two joint proactive operations with Border Force during September 2015 and March 2016 at Belfast International Airport. 41 persons were identified and voluntarily interviewed to establish if they were a potential victim of Human Trafficking. All potential victims were provided with sufficient information should they need to contact the PSNI Human Trafficking Unit in the future. The objective was to intensify activity and collect information in relation to the trafficking of people through Belfast International Airport for the purposes of exploitation. Activity aimed solely at identifying potential victims on arrival into Northern Ireland is limited in its effectiveness as victims are often unaware that they are being trafficked at this stage.



### Case Study

**Operation Dylton:** PSNI HTU led a joint operation with colleagues from Immigration Enforcement. Information received led to a commercial premises search in Enniskillen on 17 December 2015. Three men were interviewed by HTU but no evidence of human trafficking was found. The three men were subsequently arrested by Immigration Enforcement on immigration offences. A 27 year old man and a 34 year old woman were interviewed on suspicion of employing illegal immigrants and will be reported to the PPS in due course.

The Department of Justice produced its first annual Human Trafficking and Exploitation Strategy, covering the period 2015/16, in line with section 12 of the Human Trafficking and Exploitation (Criminal Justice and Support for Victims) Act (Northern Ireland) 2016. The strategy built on annual action plans published by DOJ since 2013 and has the overarching aim of **equipping Northern Ireland to eradicate human trafficking and modern slavery whilst protecting and supporting victims.**





This is underpinned by four strategic priorities:

- **Pursue** (effective detection, disruption, investigation and prosecution of offenders);
- **Protect** and support (improved identification and the provision of effective protection and support);
- **Prevent** (prevent and reduce risk of human trafficking and modern slavery offences in Northern Ireland); and
- **Partnership** (effective, collaborative and joined-up partnership response).

Work has continued on a multi-agency basis. Key achievements include:

- extension of the scope of the NRM to all victims of modern slavery, including where the victim has not been trafficked;
- ongoing partnership work with the Independent Anti-slavery Commissioner, including the introduction on 1 April 2016 of a statutory duty on specified public authorities to co-operate with the Commissioner;
- the introduction of the Slavery and Trafficking Prevention Order (STPO) regime, also on 1 April 2016;
- delivery of a targeted programme of awareness and training to front line professionals and other relevant sectors; and
- the development of effective partnerships, including the establishment of a Sex Worker Liaison Group to help tackle human trafficking where it occurs in the sex industry.

## Armed Robbery

The OCTF continues to focus on the involvement of organised crime groups within the category of armed robbery. During the 2015 calendar year four cash-in-transit (CIT) attacks, one attempted tiger kidnap and 11 physical ATM attacks were recorded in Northern Ireland.

### Cash in Transit (CIT) attacks

During the 2015 calendar year just two CIT attacks were recorded in Northern Ireland. This compares to eight attacks in 2014 and maintains the unprecedented low attack figures since 2013 when there were six attacks.



### Case Study

The CIT attack that occurred in June 2015 and has already resulted in the conviction of the offender demonstrates some of the factors that have contributed to the sustained reduction in attacks. Although the courier was assaulted the personal protective measures worn meant the injury was a minor one and the courier was able to quickly raise the alarm, provide a detailed description of the incident, the offender and the offenders escape route. Prompt attendance by police and a police dog resulted in the recovery of the cash box that had been hidden nearby. Due to the high level of security measures the cash box remained intact. A prompt and professional police investigation resulted in the seizure of crucial evidence and the identification of the offender who was arrested several days later.



## Physical ATM attacks

The number of physical ATM attacks in Northern Ireland remains low, with physical attacks very unlikely to succeed. ATM gas attacks continue in Great Britain and Ireland but An Garda Síochána report only one successful ATM gas attack up to April 2016. The ATM providers are constantly improving measures to prevent and thwart gas attacks.

ATM physical attacks include gas attacks, the use of heavy plant machinery, ‘ram raids’ utilising four wheel drive vehicles and burglary with the use of industrial cutting equipment. Of the 9 attacks during the 2015 calendar year, only two were successful: one that occurred in Limavady in April resulted in a substantial cash loss; the second attack occurred in the Camlough Road Newry in November and resulted in significant damage to the business premises, the stolen plant equipment and the ATM machine.

## Tiger Kidnaps

The devastating impact upon the victims of a “Tiger Kidnap” should not be underestimated with the trauma remaining with them for the rest of their lives.

*A Tiger Kidnap is the abduction of or holding of a hostage (or the claim of having done so) with the intention of forcing another person to facilitate the immediate theft of any valuables or concede some other form of ransom from an institution or business organisation.*

The term “Tiger Kidnap” reflects the nature of the crime in that the criminals have stalked their victims prior to the actual abduction. It is assessed that there are only a few Organised Crime Gangs in Northern Ireland who would have the intent and capability to carry out a Tiger Kidnap.

There was one unsuccessful attempted Tiger Kidnap for the 2015 calendar year in Northern Ireland. This occurred in June and resulted in the abduction of a staff member and a very young child. There was no lasting physical injury to the staff member or young child and no financial loss to the business.

## Extortion

Organised Crime Groups (OCGs), Republican and Loyalist paramilitary groups continue to be assessed as being implicated in taking money from individuals and businesses in Northern Ireland by means of threats.

Definition:

### **BLACKMAIL Theft Act (NI) 1969 - Section 20**

*A person is guilty of blackmail if, with a view to gain for themselves or another, or with intent to cause loss to another, they make an unwarranted demand with menaces and for this purpose a demand with menaces is unwarranted unless the person making it does so in the belief:*

*a) that they have reasonable grounds for making the demand; and*

*b) that the use of the menaces is a proper means of reinforcing the demand.*

OCGs based overseas continue to specialise in web based blackmail and are totally heartless in their pursuit of money from their victims. The victims are tricked into compromising themselves and can very quickly find themselves in a seemingly desperate situation. Victims who do come forward to the PSNI will receive immediate advice, support and measures can be put in place very quickly to mitigate the threats and commence an investigation.

Local businesses in Northern Ireland are still facing the ‘protection racket’ blackmail offences. The owner/ employee/family is threatened with violence or damage to property if money is not paid on a regular basis. More often than not the criminals indicate that they are linked to either Loyalist or Republican paramilitaries and may try to excuse their activity as ‘fund raising’. How much of the money taken is for personal gain or used for terrorist financing is not clear.

It is assessed that the local leadership of these paramilitary groups are aware of, or ‘turn a blind eye’, to the extortions; it remains unclear as to the knowledge of senior leaders regarding the extortions. The construction industry remains a prime victim for ‘protection racket’ offences. Damage is often caused to the building site or equipment and then an individual will attend at the site and offer their services to help make the problem go away.

‘Bad on Bad’ extortions continue. It is assessed that Loyalist and Republican paramilitary groupings will ‘tax’ drug dealers and therefore ‘permit’ them to pedal drugs in their local communities.

## Criminal Finance

The term ‘criminal finance’ covers a variety of organised crime activities, including money laundering and fraud.

**Money laundering** is the process by which criminals try to hide ownership and control of the proceeds of crime, by making the assets appear as if they are from a


**Case Study**

A construction company in Belfast was approached by a number of individuals who indicated that they were representing a Loyalist paramilitary grouping and demanded money in return for protection. A PSNI investigation commenced and resulted in two individuals pleading guilty to blackmail and professing to be members of a Proscribed Organisation.

legitimate source. Money is laundered in various ways, such as cash-based money laundering which involves the physical movement of currency over national borders, as well as the use of companies with high cash throughput as a cover, with payments being broken down into smaller amounts to avoid detection. Globally it is estimated that the amount of money laundering is equivalent to some 2.7% of global GDP or US\$1.6 trillion in 2009<sup>10</sup>.

**Fraud** can take many forms. **Identity fraud** is the use of a stolen identity to obtain goods or services by deception. Fraudsters can use your identity details to open bank accounts and obtain credit cards, loans and state benefits. **Internet scams** occur when, for example, a fraudster tries to obtain details such as usernames and passwords to bypass security on existing accounts and take them over, described as “phishing”. Other forms of fraud are perpetrated through door to door scams and card scams involving the use of stolen or counterfeit cards to make purchases or withdraw cash.

The Proceeds of Crime Act 2002 (“POCA”) is used by law enforcement agencies to recover criminal assets. Confiscation occurs after a conviction has taken place. Other means of recovering the proceeds of crime which do not require a conviction are provided for in the Act, namely civil recovery, cash seizure and taxation powers. The aim of the asset recovery schemes in POCA is to deny criminals the use of their assets, recover the proceeds of crime and disrupt and deter criminality. In Northern Ireland, the total value of criminal assets recovery receipts during 2015/16 was approximately £1.6million. 50% was split between the law enforcement agencies and the rest distributed through the Assets Recover Community Scheme. Further details on assets recovery, including funding for projects to reduce crime and to support communities affected by crime, is provided in Chapter 4.

The Public Prosecution Service of Northern Ireland (PPS) is responsible for applying to the Court for restraint and confiscation orders. Over the 2015/16 financial year, 93 restraint orders were made whilst confiscation orders made over that period are broken down as follows:

**Confiscation Orders:**

PSNI	16 cases with a total value of £635,370.19.
Northern Ireland Environmental Agency	5 cases with a total value of £315,413.66
Social Security Agency	14 cases with a total value of £223,362.53

Cash seizures and forfeitures are outlined below:

**Cash Seizures:**

PSNI	99 seizures with a total value £982,964.
HMRC	2 seizures: £145,000 & €79,000

**Forfeitures:**

PSNI	98 forfeitures with a total value £744,704.58
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**Case Study**

In April 2015 police on duty at Belfast Sea Port stopped and questioned an Albanian man prior to boarding the Liverpool ferry. When asked he stated that he was in possession of £5,000 but during a search of his accompanying son a further £30,000 and €7,000 was also seized on suspicion of money laundering after the subject refused to be interviewed.

<sup>10</sup> Source: National Crime Agency: <http://www.nationalcrimeagency.gov.uk/crime-threats/money-laundering>



### Case Study

Police stopped a black Saab car in Caledon in May 2015. During a search of the vehicle a rucksack containing a large sum of money (£51,000) was recovered from behind the driver's seat. A subsequent home search in Dungannon recovered cocaine with an estimated street value of £31,000.



### Case Study

During a search of a Newtownabbey address in February 2015 in relation to indecent images of children, two amounts of cash were found in a bedroom safe and at the rear of a wardrobe when drawers were removed during searching. A total of £35,460 in cash was seized.



### Case Study

An offender was prosecuted for 16 counts of money laundering. He defrauded a number of people in the Kilkeel area out of £125,000.00 during 2009-10 by claiming he would invest their money for them. These monies were not invested by him. A confiscation investigation was initiated with a confiscation order successfully granted in November 2015 for £94,290.00.



### Case Study

An individual was investigated for illegal gambling and allowing his bookmaker premises to trade on a Sunday. He was fined and a confiscation investigation initiated with a confiscation order successfully granted in December 2015 for £100,000.00.

## Social Security Benefit Fraud

Counter fraud activities within the Social Security Agency (SSA) remain a high priority. During 2015-16 the SSA's Single Investigation Service (SIS) carried out 5,945 benefit fraud investigations. During the same period there were 272 convictions for benefit fraud and 659 Administrative Penalties (similar to a fine) imposed.

The SIS Organised Fraud Unit (OFU) investigates any incidence of potential organised criminality against the benefit system. During 2015-16 the OFU completed investigations on 154 serious and complex fraud allegations and raised overpayments totalling £258,350.

The focus for OFU is likely to shift towards organised and identity fraud. The OFU continues to undertake various assurance exercises in order to assess any potential risk associated with hi-jacked identities. During 2015-16 these exercises involved:

- a review of the National Insurance Evidence of Identity Interview process to ensure the systems involved were secure and robust thus safeguarding the National Insurance Number (NINO) Gateway
- examination of false employment documents provided as evidence to support claims to Social Security Benefits either as proof of low income for Housing Benefit and Tax Credits or to satisfy the Habitual Residence Test
- issuing alerts to Northern Ireland Housing Executive (NIHE) and Agency colleagues

These exercises have in turn assisted an on-going operation suspected to involve organised criminal activity. This operation has led to closer working with PSNI, HMRC, GLA, NIHE, Home Office Immigration, NINO teams, National Identity Unit (NIU) and the wider Department of Work and Pensions (DWP) community.

The OFU maintains a close working relationship with colleagues from both the Department of Work and Pensions (DWP) and the Department of Social Protection in the Republic of Ireland with regard to possible cross border benefit frauds. In one operation a number of Republic of Ireland benefit customers were identified who had failed to declare that they either commenced employment or started receiving a pension from the Republic of Ireland whilst also claiming a means tested benefit in Northern Ireland. This exercise is ongoing at time of publication.

Following on from the Northern Ireland Audit Office (NIAO) report "Tackling Social Housing Tenancy Fraud in Northern Ireland, a key recommendation of the Public Accounts Committee was that government urgently drive forward efforts to establish an evidence based baseline figure for the level of tenancy fraud in social housing in Northern Ireland. OFU are participating in this

exercise which is being conducted by the Department for Communities' Housing Division and Housing Associations.

The Agency continues to work with DWP colleagues in order to utilise HMRC information in respect of earnings and non state pension income to enhance its fraud and error prevention and detection capability. Information received from Real Time Information (RTI) data enhances investigations allowing for quicker outcomes helping to reduce the loss to the public purse.

During 2015/16 Single Investigation Service referred 201 cases to the SSA's Financial Investigation Unit (FIU) for consideration. The FIU secured 14 Confiscation Orders to the value of £223,362.53; one Compensation Order at £2,191.02; and eight voluntary payments totalling £78,065.39. This gives a total recovery of £303,618.94. Details of how incentivisation funds were used are provided in Chapter 4.



### Case Study

The Social Security Agency Financial Investigation Unit obtained a Confiscation Order against a man who was claiming social security benefits whilst owning a property portfolio. The benefit fraud came to light during a financial investigation of his partner with whom he jointly owned property and against whom the Agency had previously got a Confiscation Order. The couple sold their home and between them paid over £54,000 to the court this year in respect of their Confiscation Orders.



### Case Study

The Social Security Agency Financial Investigation Unit obtained a Confiscation Order for £20,000 against a man who was trading on e-Bay. An analysis of his Pay-Pal account and bank accounts identified substantial hidden assets. The agreed available amount included stock in hand for his online business. The Confiscation Order was fully satisfied within six months.



### Case Study

The OFU received an allegation of possible fraudulent activity on a number of Jobseeker Allowance applications from colleagues in the Jobs and Benefits Office, Decision Making Team. SIS identified eight applications, all from foreign nationals who appeared to be supplying false documentation, including false employment documents and bank statements, to enable them to pass the Habitual Residence Test which would in turn allow them to claim benefits. PSNI were consulted on whether arrest packages should be considered but it was decided that the best course of action was to suspend all claims and request further information from each applicant. The applicants failed to make any further contact with the Department and on the recommendation of SIS, all eight cases were disallowed for failing the evidence requirement for claiming Jobseekers Allowance. These cases attract a nominal saving of £11,590 each, giving a total Monetary Value Adjustment of £92,720.

## Cyber crime

We all now have a presence in the cyber environment and this means that cyber crime continues to evolve at an increasing rate. Cyber dependent crime continues to affect business and industry and the impact of cyber attacks can be catastrophic to organisations and it is the data held by organisations that has become the new criminal commodity.

The "Darknet" is now the new community that requires policing and joint operations involving law enforcement partners have resulted in the seizure of criminal commodities; the dismantling of the hidden websites supplying these goods; and the identification of suspects in the Northern Ireland community involved in the acquisition and supply of criminal goods and services.

Preventing cyber crime through awareness and education is increasing with a partnership with Get Safe Online and this sees to provide the latest information to the public in Northern Ireland. Preventing young people becoming involved in cyber crime is a key aspect of the prevention strategy and this has been developed with targeted workshops to highlight the issues with young people in a safe environment.

The Northern Ireland node of the Cyber Information Sharing Partnership (CISP) helps protect business and industry through information and threat information sharing. Membership continues to grow. CISP, and partnership working with the Cyber Essentials Programme and the PSNI Cyber Reporting Portal, are strengthening the resilience of business and industry to defend and respond to the increasing cyber attacks.



### Case Study

A coordinated operation involving NCA, Regional Organised Crime Units and PSNI identified a number of Northern Ireland suspects involved in the distribution and supply of online tools used to commit DDOS attacks against business and industry. The suspects were trading in the tools and services on the 'darknet' hidden platforms.



### Case Study

A PSNI investigation into the Talk Talk network intrusion and data loss incident resulted in the identification of a suspect who was subsequently arrested. The investigation, with law enforcement partners, further identified and dismantled a crime group involved in a wide array of cybercrime activity.



## Public Sector Fraud – Excise and Tax

In Northern Ireland, HMRC is responsible for investigating crime relating to oils fraud, tobacco fraud and tax evasion. In the 12 month period ending 31 March 2016 HMRC Fraud Investigation Service (NI) achieved 51 positive charging decisions from cases submitted to the PPS and 44 convictions at Court.

### Fuel Fraud

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 2002-03 when the illicit diesel market share was estimated at 26%.

### Fuel Marker

HMRC is committed to tackling fraud and works closely with partners across United Kingdom and Irish law enforcement agencies to tackle fuel related criminality. The United Kingdom 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.

HMRC continues to monitor the impact of the new fuel marker and will publish a further report on the first 12 months as soon as the data is available. 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.

### Oils Threat

Over the last year HMRC has 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

On the 11 March at Newry Crown Court a 26 year old male pleaded guilty to being knowingly concerned in the fraudulent evasion of excise duty in respect of Hydrocarbon Oil. He received a one year custodial sentence suspended for two years.

The conviction was based on forensic evidence following the discovery of the following laundering plants in the South Armagh area:-

- December 2012 a functioning fuel laundering plant was discovered and dismantled by HMRC contractors along with 20,500 litres of laundered/rebated fuel, bleaching earth, 17,000 litres of waste and other equipment including gloves, a Wellington boot and masks which when tested, contained DNA which matched that of the suspect.
- May 2013 HMRC Officers found a laundering plant at Concession Rd, Newry along with 18,100 litres of laundered/rebated fuel, bleaching clay, 700 litres of waste, tanks and pumping equipment. Items of property uplifted from the scene were forensically analysed and DNA found again matched that of the same suspect.
- June 2013, the suspect was arrested whilst driving a vehicle carrying equipment for use in fuel laundering. The vehicle when tested was found to be running on red diesel and was seized together with a pump found in it.
- On 12 August 2014 HMRC Officers discovered a fuel laundering plant at the same premises detected on the 30th May 2013. The plant was dismantled along with 20,000 litres of laundered/rebated fuel, two road fuel tankers, static tanks, generators and pumping equipment. The same suspect's DNA was again recovered from items at the scene.

On the 28 January 2016 at Newry Crown Court the suspect pleaded guilty to offences arising in relation to the plants found on the 7 December 2012, 30 May 2013 and 28 June 2013. On 11 March 2016 he pleaded guilty to offences arising in relation to the plant found on 12 August 2014.

## Tobacco

Tobacco smuggling costs over £2 billion in lost revenue each year. It undermines legitimate business and is dominated by internationally organised criminal groups often involved in other crimes such as drug smuggling and people trafficking.

The Government continues to take action to reduce smoking and the harm it causes. High duty rates, making tobacco less affordable, have helped reduce smoking prevalence in the United Kingdom from 26% to 19% over the last 15 years. Tobacco smuggling undermines this, offering a cheaper way for those who might otherwise be deterred by cost from continuing.

In 2000, the illicit market share for cigarettes was 22% and 61% for hand-rolling tobacco (HRT), HMRC introduced a strategy to tackle this problem. The problem remains significant. In 2013–14, the illicit market shares were 10% for cigarettes and 39% for HRT.

HMRC Fraud Investigation Service (NI) secured four successful prosecutions in the year to 31 March 2016.

Seizures - Cigarettes 5.5 million, HRT 588KG



## Case Study

In May 2015, a container was identified en route from Malaysia, destined for Dublin Port via Southampton. This container, manifested as containing rubber mats in fact held several million cigarettes. It was believed to be under the control of a Northern Ireland based Organised Crime Group.

HMRC worked closely with Border Force, PSNI and Revenue Commissioners to effect a controlled delivery. As a result when the container reached its final destination, a rural premises in mid Ulster, in the early hours of 28 May 2015, five members of the OCG were arrested whilst in the process of transferring the contents onto a second 40 foot trailer.

4 million Gold Classic cigarettes were seized preventing a loss of revenue worth £1,174,533.33.

A file is being prepared for the Public Prosecution Service.



**Case Study**

On 4 September 2015, HMRC Officers with the support of PSNI conducted searches at two premises in Armagh as part of a £5.5 million fraud and money laundering investigation linked to the export of vehicles from the UK to the Republic of Ireland. Three arrests were made, one in Northern Ireland and two in the Birmingham area.

During the search of an Armagh premises HMRC Officers uncovered almost one million American Legend cigarettes. The cigarettes, produced by Imperial Tobacco for the Nigerian market were seized by HMRC.



**Case Study**

During April 2015, two packages containing loose tobacco were seized at a courier company by Border Force Officers. Both packages were manifested as a weight of 30 KG and were addressed to two females based at different addresses in Cookstown. The contents were described in Polish as art work and clothes. Both consignments originated in Poland.

Within weeks a further two packages containing a total of 60 kg of loose tobacco were again seized at a courier company. Both consignments originated in Poland and were again destined to two addresses in Cookstown. Border Force referred the matter to HMRC who, with PSNI support carried out searches at both addresses, which were found to be occupied by members of the same Lithuanian family.

These searches lead to the seizure of a further 125kg of tobacco and 20,000 cigarettes. Two individuals were arrested.

In early May 2015 four additional packages of loose tobacco also weighing approximately 30 kg each, were seized by Border Force again destined for the same addresses in Cookstown.

Total seizures: 365Kgs and 20,000 cigarettes resulting in a duty loss of approximately £92,000. HMRC are proceeding with a prosecution of two individuals in connection with these importations.

In June 2015 HMRC Officers searched eight retail outlets in Londonderry using statutory powers. The outlets visited included one operated by this same Lithuanian family. A quantity of illicit beer, wine, spirits and cigarettes were seized.



## Tax & VAT Fraud

Tax evasion is illegal activity, where registered individuals or businesses deliberately omit, conceal or misrepresent information in order to reduce their tax liabilities.

Undeclared economic activity that involves what we call 'ghosts', whose entire income is unknown to HMRC, and 'moonlighters' who are known to HMRC in relation to part of their income, but have other sources of income that HMRC does not know about. There is a difference between the hidden economy and tax evasion:

- Hidden economy: where an entire source of income is not declared;
- Tax evasion: where a declared source of income is deliberately understated.

Combined these represent an estimated annual loss of approximately £10 billion or 2% of the United Kingdom tax liability. HMRC Fraud Investigation Service conducts criminal investigations into a wide range of direct and indirect tax fraud and evasion. In the year to 31 March 2016 the HMRC Fraud Investigation Service based in Northern Ireland achieved a total of 23 convictions relating to income tax and VAT matters.

### Other Seizures:

Cash – £145,000 & €79000

Alcohol - Wine 9500 litres, spirits 650 litres, beer 570 litres.



### Case Study

A partially retired medical consultant was investigated by HMRC on suspicion that he had repeatedly under declared his earnings on his income tax returns. During interview this individual accepted that the amounts declared on his tax returns were incorrect, he admitted to requesting that cheques be uncrossed in order to cash them at his bank and also to obtaining cheques which he subsequently lodged into relatives bank accounts. He claimed that the suppression of his income was due to his poor administration. The investigation concluded that this male had failed to pay tax and VAT to the tune of £736,542 over a four year period an amount which he subsequently paid in full.

On 23 April 2015, at Laganside Crown Court, he was sentenced to two years imprisonment, suspended for three years for each count of cheating the public revenue, to run concurrently. He was also fined a total of £230,000 and ordered to pay court costs of £5800.



### Case Study

On 24 August 2015 an accountant pleaded guilty to a total of 19 charges including fraud, theft, VAT fraud, counterfeiting & money laundering. This accountant based in Londonderry was subject to a HMRC criminal investigation in respect to both his personal income tax affairs and in relation to accounts and VAT returns submitted by him to HMRC on behalf of clients. This investigation subsequently uncovered evidence that the accountant had falsified VAT returns in order to retain approximately £55,000 which his client had paid in lieu of VAT.

The accountant amended the payee details on cheques provided by his client and made payable to HMRC, falsified the VAT returns reducing the amounts due and pocketed the difference. Although he had received cheques from his client amounting to £64,426, he paid a total of only £8,686 to HMRC. The balance of £55,740 was used to purchase property. HMRC Investigators uncovered fraudulent mortgage applications submitted by using the names of relatives.

The investigation identified that he had also fraudulently claimed over £14,000 in tax credits, he was also registered with HMRC as a 'handyman' declaring earnings below £5000 per year and claiming income tax repayments. He had not, however, declared any income as an accountant.

On 28 October 2015 he was sentenced to a one year jail term for each charge to run concurrently. The Judge ordered that he serve six months in jail and six months on licence reiterating the words of Lord Chief Justice Declan Morgan that those who choose to defraud the tax system would inevitably have to expect a jail term. In determining the sentence in the case, Judge Fowler said that aggravating factors included the breach of trust on two levels, his professional capacity as an accountant and his personal friendship with his clients, the degree of premeditation involved and the fact that he had involved his children.

**Case Study**

HMRC systems highlighted VAT repayments claims submitted on behalf of a Northern Ireland based general construction firm for closer inspection. Following an initial visit one of the directors contacted the company accountant advising him that a number of the supplier invoices used to reclaim VAT had been falsified.

HMRC began a criminal investigation during which it was established that the company directors had created a minimum of 750 false invoices in order to reclaim VAT of £300,000 over a five year period which they were not entitled to. Analysis of the personal bank accounts showed that both directors had used the money to fund their lifestyles and gambling habits rather than to prop up a failing business and provide employment as suggested during interview.

On 23 June 2015 both individuals were sentenced to 18 months imprisonment followed by 2 years probation. The Judge stated that this type of crime was too prevalent and that people who committed it were stealing money from the community, hospitals and schools.

**Environmental Crime**

Illegal disposal of waste can pollute the environment and cause harm to health. This type of activity also has an economic impact on legitimate businesses involved in waste disposal. These companies are unable to compete effectively in the waste industry because they are undercut by criminals. Huge clean up costs are often involved.

Criminals involved in waste management can receive heavy fines of up to £50,000 and be sentenced to six months imprisonment per charge. At Crown Court level, the fines are unlimited and criminals can be sentenced to up to five years imprisonment per charge and be required to pay back the profits they have made.

**Northern Ireland Environment Agency (NIEA) Environmental Crime Unit – enforcement**

The Environmental Crime Unit (ECU) was established with the specific aim of tackling serious and organised criminality in Northern Ireland's waste industry (both licensed and unlicensed). The most serious offenders can make considerable sums of money by avoiding taxes, fees and charges. In addition, legal and/or health and safety requirements placed upon legitimate companies are often evaded.

This year has involved preparation for the change which will see the formation of the new Department – the Department of Agriculture, Environment and Rural Affairs (DAERA). While a noteworthy change, this has not detracted from operational focus and February 2016 saw the formal appointment of a new Head of Unit, Derek Williamson. He brings to the post a wealth of experience in dealing with major crime. He heads up a team of criminal and financial investigators who conduct complex investigations into the most serious kinds of environmental offending, ranging from unauthorised landfilling, misclassification of waste and the dumping of fuel laundering waste, through to vehicle breaker yards operating without the correct authorisations.

The criminal element of ECU's investigations focuses on establishing the extent of offending in terms of contravention of environmental legislation, while financial investigators focus on seeking to remove illicit assets and, secondly, to deprive criminals of the means of offending in future.

The NIEA's Assessment Unit have helped drive our intelligence-led approach and direct our precious resources. This year, they have dealt with 879 incident and intelligence reports.

During 2015-16, ECU investigators helped oversee 27

successful convictions for waste crime (and one custodial sentence of 6 months plus 6 months on licence - after appeal), which in turn generated £43,725 in fines. In the same time period, under the Proceeds of Crime Act 2002, confiscation orders were secured to a value of £304,913.66. The Agency is entitled to 22.5% of these monies and details of how this was spent during 2015-16 is provided in Chapter 4.

ECU leads for the Agency in NIEA’s strategic partnership with the PSNI, which is now in its fourth year. PSNI assistance during the past year has, once again, proved invaluable and the partnership continues to evolve and improve.

The Unit has seen some notable firsts this year. Collaboration with the Agency’s Marine Environment Division saw the first prosecution in Northern Ireland for marine offences. On 18 November 2015, men from Limavady and Ballymena were given two year suspended sentences for the unauthorised use of approximately 20,000 tyres as sea defences on the former’s land at Bellarena. Left in situ, the tyres, which were either buried or resting adjacent to the shoreline of Lough Foyle (on a site without the appropriate licence), would have interfered with the natural sea processes in the Lough and, as a result, threatened neighbouring land with erosion.

In addition, ECU, seeking to be proactive in its investigations and gather valuable community information, carried out its first operational mail drop. As part of “Operation Teak”, 1,200 leaflets explaining the environmental offending that had been taking place, and appealing for public help, were delivered to households and businesses in the vicinity of four sites in South and East Tyrone. This is an area where around 20,000 tonnes of waste had been discovered by ECU officers in Autumn 2015.



## Case Study

In November 2015, a 34 year old man from Ballynahinch was sentenced to 18 months imprisonment (later reduced to 12 months on appeal), half of which is to be served on licence, for illegal waste activity. This was the first custodial sentence imposed for waste crime in eight years, and the longest to date in Northern Ireland for such offences.

The individual had previously been made the subject of a £108,350 confiscation order under the Proceeds of Crime Act 2002 for depositing and keeping waste on his land, in contravention of the Waste and Contaminated Land (Northern Ireland) Order 1997.

No waste management licence existed for this site, on which investigating officers from the Northern Ireland Environment Agency (NIEA) found around 2,000 tonnes of mixed waste. The waste included construction and demolition wastes, plastics, timber, metals, carpet and textiles. A substantial amount of waste burning is also believed to have taken place on the site.

The offender was ordered to pay the confiscation order within three months, or else face a further two years imprisonment.

At that time, an NIEA spokesman said: “Today’s court result underlines the seriousness of waste offending. We hope that it also represents both a suitable deterrent to anyone who may be contemplating such activity and a demonstration to the public of our intention to actively pursue anyone who seeks to profit from the destruction of our environment”.



## Cases referred to the Public Prosecution Service (PPS)

The PPS has a statutory function to take prosecution decisions and conduct criminal proceedings which are instituted in Northern Ireland in relation to matters investigated by the police in Northern Ireland. The PPS also takes decisions and conducts prosecutions in respect of files submitted by a range of other bodies such as the SSA, the Health and Safety Executive, HMRC and the NIEA.

The PPS receives investigation files and determines if the Test for Prosecution is met. Where this is the case, criminal proceedings will be brought by the PPS either in the Magistrates Court (summary prosecution) or the Crown Court (indictable prosecution). Statistics on key offence group cases before the PPS over the 2015/16 period are provided below.

### Files received between 01/04/2015 and 31/03/2016 with a complaint to the Relevant Offence Groups

Offence Group	Number of Cases	Number of Suspects
Money Laundering	152	251
Controlling Prostitution	4	4
Child Prostitution	1	3
Drugs (including simple possession offences)	4,290	4,977
Drugs (excluding simple possession offences)	990	1,311
Human Trafficking	4	7

### Decisions issued between 01/04/2015 and 31/03/2016 on offences relating to the Relevant Offence Groups

Offence Group	Indictable Prosecution	Summary Prosecution	Diversion	No prosecution	Total
Money Laundering	86	36	2	47	<b>171</b>
Controlling Prostitution	2	0	0	3	<b>5</b>
Child Prostitution	1	0	0	3	<b>4</b>
Drugs (including simple possession offences)	355	2,578	1,239	596	<b>4,768</b>
Drugs (excluding simple possession)	284	327	33	289	<b>933</b>
Human Trafficking	4	0	0	2	<b>6</b>

### Files received from NIEA or HMRC (between 01/04/2015 and 31/03/2016)

File Source	Number of Cases	Number of Suspects
NIEA	87	130
HMRC	33	66

### Decisions issued on Files from NIEA or HRMC (Based on Most Serious Decision Issued between 01/04/2015 and 31/03/2016)

File Source	Indictable Prosecution	Summary Prosecution	Diversion	No prosecution	Total
NIEA	12	74	0	20	<b>106</b>
HMRC	29	14	0	10	<b>53</b>

## National Crime Agency

The NCA has been fully operational in NI since 20 May 2015 following the NI Assembly's agreement to the making of the Crime and Courts Act 2013 (National Crime Agency and Proceeds of Crime) (Northern Ireland) Order 2015. The Order reflects a package of measures to ensure PSNI primacy and provides for further oversight arrangements for the NCA operating in Northern Ireland. The Order extends the role of the NCA in Northern Ireland, enabling appropriately trained officers to hold constabulary powers and the ability to recover criminal assets, including assets held overseas.

Throughout the last 12 months, NCA officers working in Northern Ireland have provided operational support to 12 PSNI investigations. These have included cannabis and cocaine importations, trafficking of females for sexual exploitation and the supply of drugs on the internet. These operations have been carried out across the UK and internationally, working with partner agencies in countries including Romania, Spain, Lithuania and the Netherlands.

## Child Sexual Exploitation

Since May 2015, the NCA in Northern Ireland has been working jointly with the PSNI to investigate the accessing and sharing of indecent images of children (IIOC) by individuals in Northern Ireland.

Operation Jarra, a significant joint PSNI/NCA investigation into the accessing and sharing of indecent images of children (IIOC) by individuals within Northern Ireland, commenced in May 2015. To date the joint operation has resulted in 33 searches, 25 arrests, 11 charged and made first appearances at Court, and 32 children safeguarded. One defendant has so far been sentenced; he was released on three years' probation, subject to his participation in the Sexual Offenders Programme. A Sexual Offenders Prevention Order was also granted which prohibits him from being around children: he must provide all overnight addresses and have no access to a computer or any device capable of accessing the internet without prior notification of his risk manager, for a period of seven years. He was placed on a Sexual Offenders register for five years. Further charges are expected. Many of the investigations are ongoing and the prosecutions are being led by the NCA. Both PSNI and NCA's CEOP Command's Child Protection Advisers (CPAs) have been providing assistance around child safeguarding matters.

A second joint investigation by the NCA and the PSNI commenced in February 2016. Searches were undertaken in Northern Ireland to deal with offenders possessing, making and distributing indecent images of children. The child protection command of the NCA (CEOP – child exploitation and online protection command)

specialist Child Protection Advisors (CPAs) supported the operation. The enforcement activity resulted in 10 arrests and 16 children safeguarded. Forensic examination of seized computer devices is on-going.

## Development and joint working

Law enforcement agencies are able to draw on the NCA's specific expertise:

- **National Cyber Crime Unit (NCCU)** – The NCCU is assisting the Metropolitan Police Cyber Crime Unit (MPCCU) with the investigation into the Talk Talk Network Intrusion and data exfiltration. This operation is being assisted by PSNI.
- **The NCA Specialist Operations Centre (SOC)** and Crime Operational Support (COS) provided support and advice to PSNI on 18 instances in the review period, including cases of murder, sexual assault and child rape with support including access to the Behavioural Investigative Adviser and an expert from the National Injuries database.

The NCA is also participating in the new cross jurisdictional Joint Agency Taskforce, which will build on existing policing efforts in Northern Ireland, introduced as a result of 'A Fresh Start: The Stormont Agreement and Implementation Plan', which was agreed by the Northern Ireland Executive and the British and Irish governments in November 2015. Further details on the Agreement are available in Chapter 6.



**ORGANISED  
CRIME**  
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## CHAPTER 4

### ASSETS RECOVERY

#### ASSETS RECOVERY INCENTIVISATION SCHEME

# ASSETS RECOVERY

Half of the criminal assets confiscated in Northern Ireland under the Proceeds of Crime Act 2002 are shared between the law enforcement agencies bringing prosecutions, the Northern Ireland Court Service and the PPS under the Assets Recovery Incentivisation Scheme (ARIS). The remaining funds are distributed through the Assets Recovery Community Scheme (ARCS). During 2015/16 the total value of criminal recovery receipts in Northern Ireland was approximately £1.6million.

## Assets Recovery Community Scheme

The ARCS scheme seeks to invest in innovative projects to reduce crime and the fear of crime, and to support communities affected by crime. Bids for the year's funding were invited from community groups through Policing and Community Safety Partnerships (PCSPs) and the Department of Justice agencies. Bids were assessed by an evaluation panel comprising representatives of the OCTF, DOJ Community Safety Division and the business community with recommendations made to the Justice Minister.

A total of £539k was allocated to 28 projects both through PCSPs and government.

Projects aimed to address a wide range of topics including helping older people feel safe, drug and alcohol awareness, CCTV provision and restorative interventions. A full list of the projects funded this year can be found on the DOJ website:

<https://www.justice-ni.gov.uk/publications/asset-recovery-community-schemes>

## Examples of projects funded by ARCS in 2015/16

### CyberSafe

Cyberbullying and online criminal offences such as grooming are a growing problem within our communities. To address this, the CyberSafe project delivered age-appropriate, interactive e-safety drama-based workshops to approximately 1,800 children in 60 primary schools at Key Stage 2 age. The children were able to explore and understand the importance of internet safety, appropriate online behaviour, cyber bullying, and the criminal consequences of dangerous online activity, all in a safe and secure environment.



### Fear of Crime

This project was aimed at addressing the fear of crime by allowing people assessed as being at risk to feel safe and secure in their own home. It provided a layered security solution to a number of vulnerable people, installing different systems which are interconnected. The client, through the installed systems, is given the ability and option to seek immediate help and assistance from either the emergency services or from an identified contact / family member through the use of their own individualised personal care plan.

### Safer Spaces

This project consisted of a series of individual programmes with young (16 to 24 year olds) and older people (25 to 50 year olds), educating participants on the various risks of drug and alcohol misuse. They also hosted a series of workshops focusing on civic leadership and responsibility, antisocial behaviour and the negative impact it can have on individuals and the wider community.



## Assets Recovery Incentivisation Scheme

Figure 5 sets out the value returned to each law enforcement agency and the PPS and Courts Service under the ARIS scheme in 2015/16:

During 2015/16 the total value of criminal recovery receipts in Northern Ireland was approximately £1.6 million.

Agency	ARIS Payments 2015/16
Police Service of Northern Ireland	£137,126
HM Revenue & Customs	£19,687
Northern Ireland Environment Agency	£133,076
Social Security Agency	£87,413
National Crime Agency	£9,456
Public Prosecution Service	£364,258
Northern Ireland Courts and Tribunal Service	£80,946
<b>Total Paid</b>	<b>£831,962</b>

*Figure 5*

During 2015/16 the agencies used incentivisation money for a number of purposes including:

### NIEA

NIEA spent approximately £108k incentivisation monies on skills training courses for investigative staff; the purchase of detection equipment for use in operational intrusive surveys; Intelligence database software support and maintenance costs for intelligence database software; the letting of a forensic accountancy contract to assist with a major case investigation; the covering of costs for Judge-ordered consultants' reports in a major Crown Court case, and professional registration fees.

### SSA

SSA continued to use their incentivisation to fund a Financial Intelligence Officer at EO11 grade and 1 Administrative Officer to undertake ongoing employer data cleansing exercises. Incentivisation was also used to fund 4 benefit staff for a period of 2 months to raise overpayments and facilitate referral of cases for consideration for prosecution by the Public Prosecution Service for Northern Ireland.

### PSNI

PSNI allocates monies to a discretionary fund which contributes to the annual funding of civilian financial investigators. 75% of funds received are allocated to a mandatory fund and distributed to districts and departments, based on their POCA successes and used to finance projects.

### PPS

PPS directed ARIS receipts towards capital works on the headquarters building, Belfast Chambers, to expand accommodation capacity. This was during an exceptional year of restructuring that needed the receipts to be used in this way to prepare the organisation for future challenges.



**ORGANISED  
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TASK FORCE

# CHAPTER 5

## PUBLIC AWARENESS

IMPROVING UNDERSTANDING OF ORGANISED CRIME

# PUBLIC AWARENESS

The OCTF is committed to informing the public about the effects of organised crime. This is intended to prevent people and businesses falling victim to these crimes. It is also aimed at challenging misconceptions that organised crime has little or no effect on society. Members of the public are encouraged to think about the harmful consequences of, for example, buying illicit fuel or counterfeit goods: these activities impact on legitimate businesses; carry health and safety risks; and fund gangs in other criminal enterprises. They also result in a loss of public revenue which otherwise could contribute to the financing of public services such as hospitals and schools. A number of events have been held over the past year to highlight this message and to seek the public's help in identifying and reporting organised crime. Communicating the successes of the law enforcement in disrupting criminals is another feature of these events. Focussed events for law enforcement agencies are also held to inform understanding of specific areas.

## “See beyond the price tag” event

OCTF members came together at Parliament Buildings in February 2016 to speak to MLAs and Assembly staff about the prevalence of fake goods and products being sold across Northern Ireland. Attendees were invited to learn about the real cost of fake goods from law enforcement and brand holders. A large number and variety of illegal products seized across the province were on display.



## Financial Investigation Conference

Approximately 120 financial investigators attended a Financial Investigation conference launched by the OCTF at the Hilton Hotel, Belfast, on 17 February 2016. The event took place in partnership with NIEA who sponsored the conference using recycled environmental criminal assets. John Larkin QC, Attorney General for Northern Ireland provided an opening address. Speakers were drawn from a range of organisations such as Europol, Interpol, Eurojust, NCA, PSNI, HMRC,

a Visiting Professor of Law at Queen Mary University, London and PricewaterhouseCoopers, Technology Team. Delegates were briefed on a range of topics, including developments in confiscation law - policy and practice; enforcement and recovery options; and an overview of the NCA Economic Crime Command. This event was the third such conference taking place in Belfast over the past six years and afforded an ideal networking opportunity for OCTF partners involved in asset recovery.

## Psychoactive Drugs Seminar

Ahead of the commencement of the Psychoactive Substances Act 2016, the Department of Justice organised an event to raise awareness of the new laws for tackling so called “legal highs”. The event took place in Belfast City Hall, with the Home Office providing an overview of the new legislation and Superintendent Tony Howard from An Garda Síochána sharing experience from the Republic of Ireland. Attendees also heard about health initiatives and had the opportunity to take part in a question and answer session.

## In the Long Run event in March 2015

The Department of Justice supported the “In the Long Run” Project (ITLR) to raise awareness of modern slavery. ITLR completed a series of 10k awareness runs across Ireland on seven consecutive days to help raise awareness of and campaign against human trafficking. The runners reached Stormont at lunchtime on 24 March, marking the rough half-way stage in project. Welcoming the runners at the gates of Stormont estate Dame Mary Peters CH DBE blew the starting whistle to set the runners on their way up the mile to Parliament Buildings. The run was followed by a modern slavery event in Parliament Buildings. Guest speakers included the United Kingdom’s Independent Anti-Slavery Commissioner Mr Kevin Hyland OBE, then Justice Minister David Ford MLA, Stephen Smith from Freedom Acts and Phil Lane from Oasis Belgium.



## **Launch of the OCTF Annual Report and Threat Assessment 2015**

The OCTF Annual Report and Threat Assessment 2015 was launched in Parliament Buildings on 25 June. The then Justice Minister David Ford spoke about the increasing complexity and globalisation of human trafficking, noting recent positive developments in Northern Ireland such as the operation of the NCA and the introduction of a new fuel marker. The Chief Constable George Hamilton highlighted the challenges posed by cyber crime and the PSNI response. He noted that there were 826 reported cyber crimes in 2014/2015 including attacks on local businesses. A new Cyber Crime Centre to deal with the growing demand for cyber investigations as well as a Cyber Security Information Sharing Partnership, a collaborative initiative between industry, government and law enforcement to share cyber threat and vulnerability information, had been established. Guest speaker, United Kingdom Independent Anti Slavery Commissioner Kevin Hyland, spoke about the links between human trafficking and organised crime. He welcomed the multi-agency approach practised by OCTF and encouraged law enforcement to continue building networks across borders and sectors to tackle modern slavery.

## **Balmoral Show**

The OCTF maintained its annual presence at the Balmoral Show from 11 – 13 May 2016 in the Eikon Exhibition Centre. OCTF partners were on hand to advise about the work of law enforcement agencies in combating organised crime. Members of the public were also informed about measures they could take to help protect themselves from fraud, including banking and door to door scams. Illegal fuel and counterfeit goods were on display.



**ORGANISED  
CRIME**  
TASK FORCE

# CHAPTER 6

## SETTING PRIORITIES AND ASSESSING IMPACT

### THE NORTHERN IRELAND ORGANISED CRIME STRATEGY

# SETTING PRIORITIES AND ASSESSING IMPACT

The work of the OCTF is underpinned by the Organised Crime Strategy. Whilst OCTF partners have different roles, responsibilities, priorities and accountability structures, the Strategy sets out targets for all agencies to work towards. Key strategic aims are grouped under three headings:

- **Action – To make Northern Ireland a hostile environment for organised criminals:**
  - » Reduce the harm caused by organised crime.
  - » Enhance the response to organised crime.
  - » Improve the effectiveness of removing assets from criminals and confiscating their profits.
  - » Improve the effectiveness of organised crime legislation.
  - » Target specific organised crime threat areas.
  - » Organised Crime Strategy.
- **Analysis – To understand the threats and emerging organised crime trends to predict actions required and facilitate proactive responses**
  - » To understand the threats and emerging organised crime trends in order to predict actions required and facilitate proactive responses.
  - » Understand organised crime threats and emerging trends.
- **Awareness – To inform the public about organised crime trends and impacts and the work of OCTF.**
  - » Raise public awareness of organised crime and prevent people engaging in organised crime.

The Strategy Group reviews progress against targets on a quarterly basis. Members are provided with an update on organised crime threats and statistics by the OCTF analyst, so that a strategic response to any emerging threats can be developed. Over the last year the Strategy Group has, for example, overseen the revision of Northern Ireland related Codes of Practice under the Proceeds of Crime Act 2002; monitored the effectiveness of the fuel marker on an ongoing basis; and shared information and learning about multi operational activity. During the year members also visited the Scottish Crime Campus, which brings together a number of law enforcement agencies into a single campus, to learn more about the Scottish authorities approach to tackling organised crime.

The Strategy was updated in April 2016 and the latest version can be found at:

<http://www.octf.gov.uk/Publications/N-I-Organised-Crime-Strategy/The-Northern-Ireland-Organised-Crime-Strategy-2016>

## The Fresh Start Agreement

The revised OCTF strategy, published in April 2016, has identified priorities and set the agreed strategic direction for the OCTF. In addition, the Fresh Start Agreement was published in November 2015, following talks between the Northern Ireland Executive and the United Kingdom and Irish Governments. Amongst other work strands, the Agreement committed to tackling organised crime and criminality, including that linked to paramilitarism.

A cross jurisdictional Joint Agency Task Force, led by PSNI and An Garda Síochána has been established to help achieve this aim. Other membership of the Task Force includes the National Crime Agency, Home Office Immigration Enforcement, Her Majesty's Revenue and Customs and Irish Revenue Commissioners. A Strategic Oversight group has been established, along with an Operations Co-ordination Group to co-ordinate joint operations and direct resources. The Task Force has identified six priority crime areas that are providing its focus for the period 4 April to 4 October 2016. These are rural crime, child sexual exploitation, human trafficking, illicit drugs, excise fraud and financial fraud. The Strategic Oversight Group will provide a report on the work of the task force to the six-monthly Ministerial meetings under the Inter-Governmental Agreement on co-operation on criminal justice. The work of this operational Joint Agency Task Force will complement and reinforce the work of the OCTF.

A three-person panel was also established under the Fresh Start Agreement and was appointed by the Northern Ireland Executive to make recommendations for a strategy to disband paramilitary groups. The panel published its report on 7 June, making a number of recommendations to government and law enforcement agencies about organised crime. These recommendations include:

- The strategies and activity of the PSNI and other law enforcement agencies should be updated to reflect a shift in focus from ‘paramilitary activity’ to criminality;
- The Department of Justice should urgently review the legislation relating to serious and organised crime in Northern Ireland to make sure that it is as effective as possible, with a view to introducing draft legislation to the Assembly in the current mandate;
- The PSNI should prioritise investment in its investigative capacity for tackling criminality linked to paramilitary groups and work with the NCA and other agencies to tackle all organised crime linked to paramilitary groups in Northern Ireland; and
- The UK Government, the Executive and law enforcement agencies, working with their partners in Ireland, should ensure that tackling organised criminal activity is an integral part of their efforts to deal with Northern Ireland related terrorism.

The Department of Justice, together with OCTF partners will need to consider the detail of the recommendations and how best they can be incorporated into an Executive action plan for dealing with this issue, as well looking at how best to integrate them into the Northern Ireland Organised Crime Strategy.

The Fresh Start Agreement and the panel report can be found at:

<https://www.gov.uk/government/news/a-fresh-start-for-northern-ireland>

<https://www.northernireland.gov.uk/publications/fresh-start-panel-report-disbandment-paramilitary-groups-northern-ireland>

# Appendix 1

## OCTF Partner Organisations

- Allied Irish Bank
  - An Garda Síochána
  - Anti-Counterfeiting Group
  - Association for UK Interactive Entertainment
  - Bank of Ireland
  - Belfast City Council
  - Border Force
  - Brinks
  - British Phonographic Industry
  - British Security Industry Association
  - BskyB
  - Centre for Secure Information Technologies, QUB
  - Citigroup
  - Confederation of British Industry
  - Criminal Assets Bureau
  - Crown Solicitors Office
  - Danske Bank
  - Department for the Economy
  - Department of Agriculture, Environment and Rural Affairs (NI Environment Agency)
  - Department of Finance
  - Department of Health
  - Department of Justice
  - Department of Justice & Equality
  - DIAGEO
  - Eli Lilly
  - Federation Against Copyright Theft
  - Federation of Small Businesses
  - First Trust Bank
  - Foods Standards Agency
  - Forensic Science Agency NI
  - Gangmasters Licensing Authority
  - Group 4 Security
  - Health and Safety Executive
  - Health and Social Care Board
  - HM Revenue and Customs
  - Home Office Immigration Enforcement
  - H.S.B.C
  - Intellectual Property Office
  - Japan Tobacco International
  - Lloyds Bank
  - Mandiant (Cyberrisk International)
  - Migrant Help
  - National Crime Agency
  - National Cyber Crime Unit
  - National Trading Standard Intel Team
  - NI Courts and Tribunal Service
  - NI Housing Executive
  - NI Policing Board
  - NI Chamber of Commerce
  - NI Federation of Small Businesses
  - Philip Morris International
  - Police Service of Northern Ireland
  - Post Office Limited
  - PriceWaterhouse Coopers
  - Public Prosecution Service NI
  - Queen's University Belfast
  - Revenue Commissioners
  - RMS Cash Management
  - Royal Bank of Scotland
  - Royal Mail
  - Safer Cash
  - Santander
  - Social Security Agency (NI)
  - Tobacco Manufacturers Association
  - UK Human Trafficking Centre
  - UK Interactive Entertainment Association
  - Ulster Bank
  - Women's Aid
- (contacts with others not listed when appropriate)



# Appendix 2

Drug seizure incidents by type and format in the 12 months to 31 March 2016 compared with the previous 12 months.

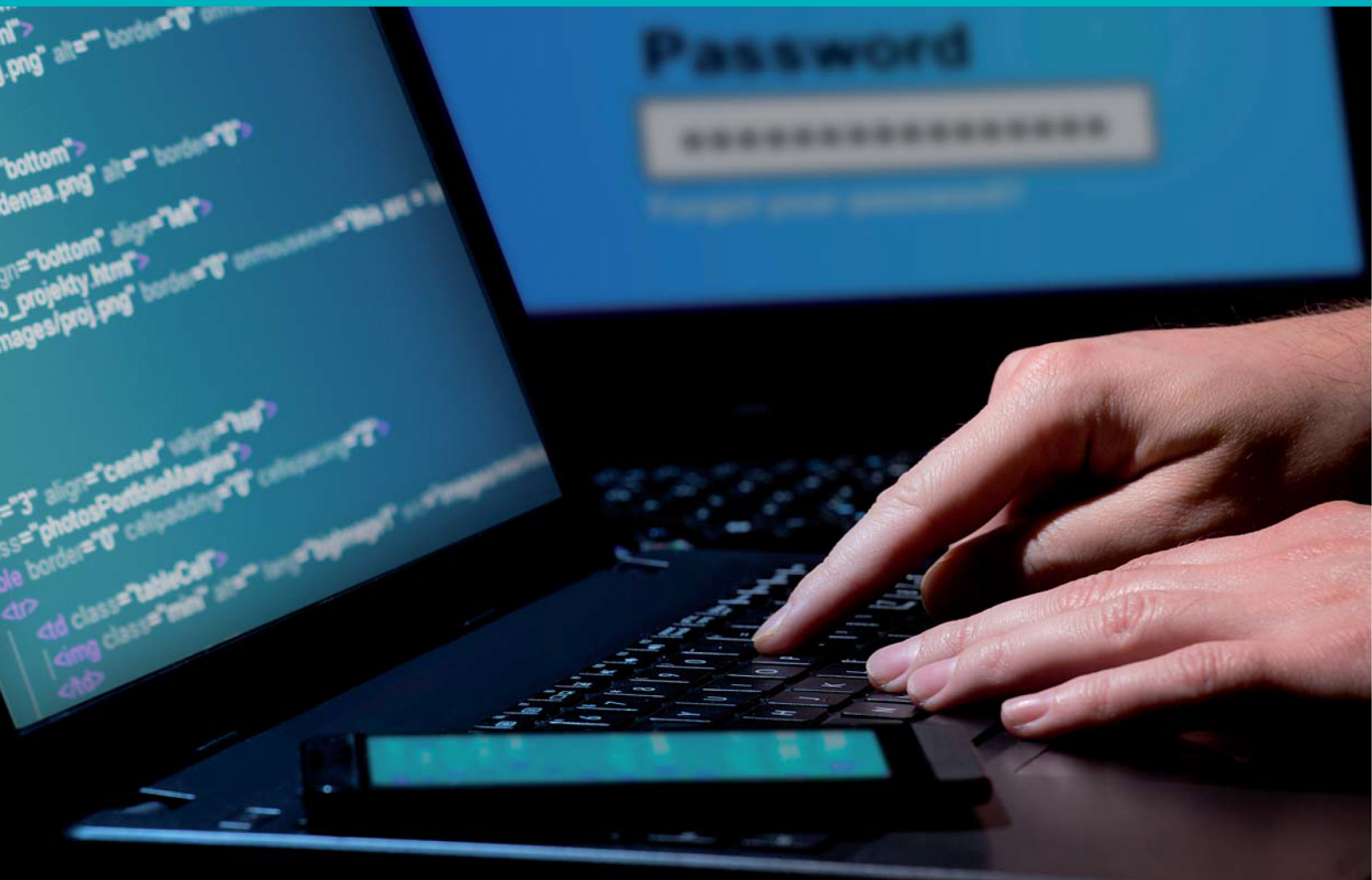
Drugs Seized <sup>11</sup> – Number of Incidents <sup>13</sup>		12 months to 31 March 2015 (FY 2014/15)	12 months to 31 March 2016 (FY 2015/16)	Change
Cocaine (Class A)	Powder	498	532	34
	Wraps	22	42	20
Ecstasy (Class A)	Powder	22	40	18
	Tablets	89	93	4
	Wraps	0	1	1
LSD (Class A)	Microdots	3	7	4
	Powder	2	0	-2
	Tablets	5	5	0
Opiates (Class A)	Ampoules	1	0	-1
	Millilitres	14	17	3
	Patches	1	2	1
	Powder	41	53	12
	Tablets	5	7	2
	Twists	5	7	2
	Wraps	35	59	24
Amphetamine (Class B)	Powder	77	73	-4
	Tablets	1	8	7
	Wraps	3	6	3
Cannabis (Class B)	Herbal	3,292	3,723	431
	Joints	386	474	88
	Oil	1	1	0
	Plants	222	155	-67
	Resin	417	535	118
Psychoactive Stimulants (Class B)	Millilitres	0	2	2
	Powder	126	87	-39
	Tablets	0	2	2
	Wraps	2	1	-1
Benzodiazepines (Class C)	Powder	2	7	5
	Tablets	661	623	-38
Other Drugs <sup>12</sup>	Ampoules	15	21	6
	Crystals	1	0	-1
	Herbal	0	3	3
	Microdots	2	1	-1
	Millilitres	9	2	-7
	Patches	0	1	1
	Powder	72	78	6
	Psilocin	2	4	2
	Tablets	110	165	55
	Wraps	2	3	1

<sup>11</sup> Not all drug seizures are subject to forensic testing to officially confirm the drug type seized. When testing is not applied, the PSNI's drug seizure statistics are classified in accordance with the investigating officer's assessment of the drug type seized based on their experience and knowledge of the illegal drug trade in Northern Ireland.

<sup>12</sup> Other drugs include anabolic steroids, GHB, ketamine, khat, piperazines and magic mushrooms.

<sup>13</sup> As each seizure incident can involve more than one drug type, seizure figures for individual drugs cannot be added together to produce totals.

# Get Safe Online in Northern Ireland



## OCTF and Get Safe Online – joining forces to lead the way in online safety awareness



With our in-depth expertise in combating cybercrime, and long-standing partnership with Get Safe Online, PSNI remains one of the UK's most innovative police forces in helping people to protect themselves, their families, their finances and their workplace online.



Keeping People Safe

Our joint activities have included:

- Seminars for small businesses
- Pop-up shops to advise the general public
- Training
- High profile radio, outdoor and press advertising
- Media campaigns
- Social media



[www.getsafeonline.org](http://www.getsafeonline.org)

Get Safe Online: working together with...

