The impact of organised crime in local communities

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Directed by: **Professor Martin Gill** (Perpetuity Research)
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About the authors and organisations

This project was conducted by Ruth Crocker, Dr Sarah Garner, Michael Skidmore and Sarah Webb (authorship is listed in alphabetical order), under the direction of Professor Martin Gill and John Graham.

The Police Foundation

The Police Foundation is the only independent think tank focused entirely on developing knowledge and understanding of policing while challenging the police service and the government to improve policing for the benefit of the public. Founded in 1979 by the late Lord Harris of Greenwich, the Police Foundation has been highly successful in influencing policing policy and practice through research, policy analysis, training and consultancy. **www.police-foundation.org.uk**

Perpetuity Research

Perpetuity Research is a company that undertakes research in areas of policing and crime, including organised crime. Previous work includes research on money laundering, fraud and corruption, retail theft, identity theft and the illicit market. Perpetuity Research aims to bridge the gap between theory and practice and has produced a range of high profile studies as well as toolkits. **www.perpetuityresearch.com**

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Background

Organised crime is changing. Traditional forms of organised crime centred around drug dealing and serious acquisitive crime are being supplemented with 'new' or emerging' crimes, such as modern slavery, child sexual exploitation and cyber fraud. It is now one of the government's main national priorities and new organisations at the national and regional level have been specifically set up to tackle it. However, the public view of organised crime is that while it is seen as a serious problem, it is not seen as a problem locally where they live. Since Police and Crime Commissioners (PCCs) are required to reflect local concerns when deciding how to allocate their force's resources, organised crime therefore tends not to attract the resources it requires.

This study looks at the nature, scale and impact of organised crime on local communities. It focuses on the more hidden aspects of organised crime and how it impacts on vulnerable individuals and communities. It also looks at the *modi operandi* of organised crime groups (OCGs) and the local response to their offending.

The research was undertaken in three cities located in two police force areas, the West Midlands and Avon and Somerset. The fieldwork was based in three neighbourhoods in Wolverhampton and Coventry, and in one city; Bristol. The first strand looked at the local impact of organised crime as a whole, and the second focused on two 'new' crime types: organised sexual exploitation and organised fraud. Both quantitative and qualitative data were explored.

Organised crime in local neighbourhoods

A snapshot of police recorded crime across all three research sites shows that up to 17 per cent is linked to organised crime. Given the low reporting rates associated with organised crime and other factors, this is almost certainly an underestimate.

The most common recorded offences linked to organised crime are drug dealing, fraud and vehicle crime, but police intelligence focuses heavily on drug-related offending while virtually ignoring fraud. This leads to drug-related organised crime being recognised and recorded by the police at the expense of other types of organised crime, particularly fraud, which not only comprises a high proportion of recorded offences (in spite of its relative lack of police attention) but also, alongside drugs and violence, accounts for much of the harm caused by organised crime.

Foreign nationals, often from Eastern Europe, appear to have a substantial involvement in *organised* acquisitive crime (shoplifting and theft from the person), with a significantly higher proportion of these offences connected to organised crime compared with UK nationals. They would appear however to also be disproportionately at risk of exploitation by pimps, rogue employers and landlords, loan sharks and traffickers, knowledge of which rarely reaches the police or other agencies.

The criminal activities of *known* OCGs in the three research sites are primarily drug related and the local drug markets closely resemble those identified by other studies, which vary by the type of drugs supplied and the ethnicity/nationality of those supplying them. Large scale cannabis cultivation, in some cases run by Vietnamese OCGs, present new and potentially very harmful challenges. In contrast, the criminal activities of *unknown* (ie unmapped) OCGs tend to be focused on newer crimes, such as human trafficking, modern slavery and sexual exploitation, although some also engage in more traditional criminal activities such as vehicle crime, tobacco smuggling and the sale of counterfeit goods.

Organised crime can scar neighbourhoods and the people who live in them. High levels of fear, intimidation and violence commonly accompany fierce competition for the control of local drug markets. Certain groups – the young, the elderly, the poor and

recently-arrived foreign nationals – are particularly at risk of exploitation and harm. Powerful OCGs subvert the rule of law by intimidating victims and witnesses or settling disputes 'informally,' and undermine the local economy by running protection rackets, providing cheap labour or undercutting legitimate businesses.

Organised sexual exploitation

The police are often too focused on offenders at the expense of victims, and are frequently preoccupied with drug-related organised crime at the expense of other forms of crime, particularly organised fraud and so-called newer crimes such as child sexual exploitation and modern slavery. This study undertook an in-depth analysis of two such types of organised crime – organised sexual exploitation (of both adults and children) and organised fraud – both of which are rarely mapped and therefore rarely targeted.

The adult sex market

The internet has facilitated a shift in the adult sex trade in recent years from on-street red light districts to off-street brothels. The off-street sex trade is less visible than its on-street counterpart and attracts less public concern. Unlike drug markets, police intelligence on off-street markets is minimal and OCGs involved in exploiting sex workers, often from Eastern Europe and Asia, are rarely mapped. However, this study found evidence that at least half of the brothels in Bristol are linked to OCGs, and that the harms sex workers experience can be considerable, ranging from sexually transmitted diseases and psychological damage to physical assaults and threats to their families. Some are subjected to coercive control by OCGs, some have been trafficked into the country from overseas, and some are constantly being moved to different locations offering new clients. Sex workers may be forced or intimidated into providing sexual services; nearly one in five brothels known to police had employed sex workers who expressed fear or anxiety. Paradoxically, their risk of harm is perceived by the police as relatively low, which given their reluctance to make contact with the police or other authorities makes them difficult to protect.

Child sexual exploitation

In contrast to the organised exploitation linked to the off-street sex trade, child sexual exploitation (CSE) has a much higher political profile and is a top priority for the government and now the police service. In the course of two years, this study identified 310 suspected or actual victims of CSE in the city of Bristol, nearly a third of which were actual victims. Of more than half of the alleged victims (58 percent of 310 confirmed or suspected victims) there had at some point been an indication that exploitation risk was linked to OCGs. The number of OCGs involved in CSE in this same period was found to be 43, involving 192 offenders, however only one in five were mapped. Each OCG was either a threat to, or responsible for sexually exploiting five victims on average during this 24 month period.

Most CSE OCGs comprise loose networks of men with an average age of 30, often from similar ethnic backgrounds. They tend to live in the same neighbourhoods as the children they exploit, but some also move children around to be sexually exploited in other parts of the country. Various grooming techniques are used to recruit victims, including the provision of drugs, alcohol and money, contact through social media and the promise of affection. Victims are often targeted by OCGs at the same 'risky' locations. Some victims were further exploited by being used to recruit their friends or siblings.

The victims of CSE are some of the most vulnerable children in society. With an average age of 15, most come from highly dysfunctional families, half have a criminal record and a third live, or have lived, in care. Some are repeatedly abused by multiple perpetrators over long periods of time. The multiple risks they are exposed to are not dissimilar to those experienced by adult sex workers; they include physical, psychological and emotional trauma, sexually transmitted diseases, educational failure and problematic substance misuse.

Organised fraud

This study estimates, for the first time, the amount of fraud linked to organised crime at the local level and the impact it has. It found 38 distinct types of fraud occurring across the city of Bristol, a relatively affluent

city, and three relatively deprived neighbourhoods in Wolverhampton and Coventry. The types of fraud found in each of these locations were broadly similar with between a third and half of them linked to organised crime. For some types of fraud, such as investment fraud, the proportion was much higher at 70 percent. For others, such as identity fraud, the proportion was lower at around 20 percent. Some kinds of organised fraud were almost exclusively perpetrated by offenders living overseas, others by perpetrators living locally.

The victims of organised fraud span all age groups and both genders. The average age of a victim was 41, although for certain types of fraud, such as fraudulent sales in person, the average age was close to 60. Older victims were more likely to be repeatedly victimised. Importantly, the financial loss from organised fraud, in both actual and relative terms, was significantly higher than from non-organised fraud: individual victims lost, on average, half their annual income compared with a sixth from non-organised frauds. Importantly, no OCGs involved in fraud were mapped specifically for their involvement in organised fraud. Only those who commit fraud in addition to other crimes such as drug dealing or burglary end up being mapped. In general, despite the harm it causes to large numbers of people, fraud is not seen as a local priority.

The local response to organised crime

The main approach to tackling organised crime is the pursuit of known OCGs through traditional investigative procedures, such as overt and covert surveillance, arrest and prosecution and disruption. However efforts to target key OCG nominals (ie those offenders known about) and legitimate businesses involved in facilitating organised crime are rare. The Protect and Prevent [1] strands of the government's Serious and Organised Crime Strategy are under utilised, particularly the monitoring of vulnerable groups and community harm. In diaspora communities and where OCGs are feared or their

activities are condoned, reporting rates are low and gathering community intelligence can be challenging. More could be done to exploit online surveillance/ investigation and pursue victimless prosecutions.

The development of multi-agency, problem-oriented approaches to tackling organised crime is hampered by poor information exchanges within and between agencies and the absence of clear guidance on what to collect, who should collect it and who to share it with. Too many potentially useful partners have little awareness or understanding of organised crime and what their role should be in tackling it. It is not obvious who owns different aspects of the problem, even within police forces. These problems are magnified when OCGs are located outside a police force area or move their activities from one force to another. The breadth and complexity covered by the term 'organised crime' – which can mean specialist skills only available at the national level are required – leaves some areas totally untouched.

The response to the off-street adult sex market (ASM) is notable by its relative absence. Pursuing the trafficking and exploitation of sex workers is complex and difficult, not least because victims are so reluctant to cooperate. Intelligence is poor, safeguarding is virtually non-existent and detection and prosecution rates are low. More could be done to explore websites advertising sexual services or investigate enablers such as hotels, taxis firms and private landlords, but this is not seen by police forces as 'core business'.

The response to CSE is also fraught with difficulties. Reporting rates are similarly low, OCGs involved in CSE are difficult to identify and pursue and victims rarely report these crimes to the police and seek protection. Many victims, and those at risk, are difficult to reach so intelligence is often very weak. Better information sharing arrangements are needed within and across agencies, which currently fail to effectively use what little information they do have. Practitioners are still trying to come to terms with CSE, especially its hidden dimension, with links between victims/those at risk and perpetrators being rarely made. Getting the right balance between investigation and safeguarding is especially problematic with CSE due to its hidden

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[1] The 2013 strategy outlined four strands of response to serious and organised crime: **pursuing** the offenders, **preventing** individuals from offending or becoming offenders, **protecting** communities and victims and reducing the impact of serious and organised crime (**Prepare**).

nature. One option might be to ring-fence resources for specifically exploring hidden problems such as CSE.

Unlike CSE, fraud is not a major priority for the police. No fraud OCGs were mapped (except where fraud was an additional sideline) and what little local response there is tends to be piecemeal and ad hoc. On the whole, local police see fraud as 'beyond their remit', which is concerning given that 35 to 40 per cent of fraud is organised. Assets are rarely recovered and victims are rarely supported or compensated. Much more needs to be done to identify vulnerable/repeat victims and provide targeted fraud prevention advice. The advent of Action Fraud has not yet significantly improved matters on the ground; too many cases result in 'No Further Action'. Even cases that are investigated often collapse.

Fraud, organised or otherwise, is difficult to address. The rapid growth of online fraud and the sheer volume of cases place huge pressures on resources. Trading Standards and other agencies such as Revenue and Benefits and Housing Associations could play a more central role, together with the police, in tackling fraud but in practice their powers and their capacity are too limited to take on the investigation of an OCG. Trading Standards in particular, despite being poorly resourced, often holds good intelligence but this needs to be systematically shared with the police and other agencies. As a result of poor inter-agency collaboration, responsibility for tackling organised fraudsters easily falls between the gaps.

Conclusions and recommendations

To reduce the harm caused by organised crime a more proactive, problem-oriented approach, involving a wide range of agencies working jointly needs to be adopted, that shifts the balance towards a greater emphasis on Protect and Prevent. More needs to be done to identify and tackle the hidden dimension of organised crime and protect the most vulnerable victims. Tackling organised crime needs to become intrinsic to the work of local neighbourhood policing teams and other local agencies with local profiles completed at district and not force level. A step

change is needed in the collection, analysis and sharing of intelligence by all parties.

The absence of a local narrative that raises public awareness and concern, and a clear lead agency for addressing human trafficking at the local level, are major concerns. The relative impunity with which pimps and traffickers operate within the ASM coupled with the exclusion of many off-street sex workers from mainstream services, requires a radical re-think of how the off-street sex market should be policed. The Home Office, together with the National Crime Agency, should issue guidance on how partnerships should target pimps and traffickers and support sex workers.

The victims of CSE are some of the most vulnerable children in society and local partnerships need to adopt a more data-driven approach that improves the identification and safeguarding of children at risk. Front line officers and other front line partners such as youth workers and social workers, need specialist training to help increase their awareness of CSE and how to not just recognise but also record and act upon potential concerns.

The level of response to organised fraud nowhere near matches its prevalence and the harm it causes. The Home Office should commission a full-scale review of how fraud is policed at the local level, what the roles and responsibilities of local agencies should be and how public confidence could be increased. PCCs and chief constables need to rethink the allocation of resources for tackling fraud and how existing resources should be better utilised. As with other areas of organised crime, there needs to be a greater focus on prevention and protection. The police, together with other local agencies (Trading Standards and local authorities) should jointly produce a local fraud strategy that clearly identifies a lead agency.

1. Introduction

Background

Organised crime is changing rapidly. It is one of the priorities set out in the government's National Security Risk Assessment (HM Government, 2015) and one of the most critical issues facing modern day policing. In recent years, a *national* narrative has begun to emerge that identifies 'new' or 'emerging' crimes such as child sexual exploitation (CSE), modern slavery and cybercrime as serious threats to national security. The government's response was encapsulated in 2013 with the publication of its Serious and Organised Crime Strategy and in 2015 it introduced new legislation, the Serious Crime Act 2015 and the Modern Slavery Act 2015.

To strengthen the response to serious and organised crime, the strategy adopts the same framework used in the fight against terrorism:

- **Pursue:** prosecuting and disrupting people engaged in serious and organised crime.
- **Prevent:** preventing people from engaging in serious and organised crime.
- **Protect:** increasing protection against serious and organised crime.
- **Prepare:** reducing the impact of the criminality where it takes place.

One important intention of the new strategy was to encourage more prevention and harm reduction. However the strategy lacks a strong *local* narrative leaving police forces and local agencies uncertain about how to translate this into practice on the ground.[2] This study aims to help address this gap.

Tackling organised crime: national, regional and local

In 2013 the UK government established the National Crime Agency (NCA) to lead and coordinate the government's response to serious and organised crime. As well as hosting the Serious and Organised Crime and Economic Crime Command (which includes fraud and money laundering), the NCA hosts the Child Exploitation and Online Protection (CEOP) agency, the UK Human Trafficking Centre (UKHTC) and the National Cyber Crime Unit (NCCU). It deals with organised crime groups (OCGs) that present the most serious threat nationally and internationally and brings information from all local and national agencies together in order to target those OCGs causing the most harm. As of December 2014 there were over 6,000 active OCGs believed or known to be operating across England and Wales (NCA, 2016).

Recognising the need to provide a bridge between the national and local response, the government established ten Regional Organised Crime Units (ROCUs), which operate across police force boundaries and channel information between these and the NCA. A recent HMIC inspection of ROCUs (HMIC, 2015a) questioned their understanding of 'new' crimes such as CSE, modern slavery and human trafficking, and raised concerns that some local and regional capabilities are insufficient to counter the threat from serious and organised crime. HMIC was also critical of the use made of the Government Agency Intelligence Network (GAIN), the principal means by which ROCUs and forces exchange information with partner agencies.

At the local level, the response to organised crime falls primarily to the police and their local partners. Local councils have a range of powers available for disrupting OCGs, including those exercised by Trading Standards, Licensing Authorities and Safeguarding Hubs. Police forces are now expected (but not required) to produce what are known as Local Profiles, covering the threats from serious and organised crime in their area, and to develop a local action plan based on the four Ps (Pursue, Prevent, Protect and Prepare). Local councils can set up dedicated Serious and Organised Crime Partnerships,

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[2] The Home Office published guidance in November 2014 (Home Office, 2014) to try to address this issue by encouraging (but not requiring) the police and their partners to complete a local profile that describes the impact of organised crime on local communities, but in both of the two forces this study focused on there was uncertainty around implementation and as a result, progress was slow.

but most use existing Community Safety Partnerships to lead and coordinate a multi-agency response to organised crime.

Public perceptions of organised crime

It is now largely accepted that organised crime is perpetrated by different kinds of illicit entrepreneurs and loose networks involving both offending generalists and specialist criminals in a wide range of illicit and licit activities. This stands in contrast to the more traditional public perception of organised crime typically drawn from largely mythical representations in film, television and the press (eg *The Godfather* and *The Sopranos*). In the absence of concrete knowledge or personal experience of organised crime, this results in public perceptions that are both stereotypical and ill informed. The vast majority of the public (84 per cent) believe that organised crime is a problem in the UK, but only one in three think it is a problem in their local area (Gottschalk, 2009). In other words, the majority of the public believe that organised crime is a serious problem that happens, but not where they live. This is partly the result of much organised crime being hidden from public view, but also comes from the absence of a strong local narrative that describes how organised crime impacts on the daily lives of ordinary citizens in the neighbourhoods where they live.

Aware of the importance of effective cross-border collaboration in responding to national threats such as organised crime and terrorism, the government issued guidance known as the Strategic Policing Requirement (SPR) in 2012 (revised in 2015), to ensure that the necessary resources are made available to meet such threats (Home Office, 2012). PCCs (PCCs) are obliged in law to have regard to the SPR, which means they should follow its guidance unless they can show that there are good reasons not to. In relation to organised crime, they therefore need to assure themselves that sufficient capacity and capability are available at the local level (as well as the regional level) to respond to the threat it poses.

Given that the priorities of PCCs as set out in their Police and Crime Plans must reflect public concerns

and that the public would seem to be unaware of (and therefore unconcerned about) organised crime, there is a significant risk that the level of resources required for effectively tackling organised crime are not forthcoming. According to research (conducted, admittedly, some time ago), only six per cent of policing activity is directed against organised crime as a whole (Levi and Maguire, 2004). Given the budget cuts in policing in recent years, this is unlikely to have improved, although there will be variation across different forces.

Without knowing the extent to which all crime and the harm it causes is driven by the activities of OCGs, resources for tackling organised crime in local communities will continue to be scarce. And yet the steep fall in volume crime over the last twenty years offers a window of opportunity to review the allocation of resources between non-organised and organised crime. This however, can only be achieved once a more accurate picture exists of just how much crime is 'organised'. This study will, attempt to address this gap.

What is organised crime?

The concept of 'organised crime' and its official definition have long been debated among academics, policy makers and enforcement agencies alike. As illustrated by the lengthy list of almost 200 different definitions collated from governments, international organisations and academics across the world by von Lampe (2016), opinions differ widely on what constitutes organised crime. As Sergi (2016) argues, the focus of the term and its meaning shifts, depending on who is defining it and for what purpose. This is made feasible in part because organised crime is a disjunctive concept: an aggregate characterised by the presence of either one of several attributes or all of them, where the different attributes share nothing in common. It covers a diversity of offences, ranging from sophisticated VAT frauds to modern slavery, many of which bear little resemblance to one another. Some have even argued that the concept is so meaningless that it should be abandoned altogether. Despite this, it is commonly used, especially by politicians, lawyers and law enforcement professionals, as if everyone knows (more or less) what it means: essentially, *'If it*

looks like a duck, walks like a duck and quacks like a duck, then it probably is a duck'.

Each type of offence varies in the extent to which it is considered to fall within the organised crime remit, largely depending on its level of seriousness, the profile and number of individuals committing the offence and the period of time over which it is committed. Since this could translate to any number of crimes, governments tend to provide lists of the types of crimes they consider to be the preserve of organised crime: trafficking of drugs, people and firearms, organised illegal immigration, large-scale and high-volume fraud and other financial crimes, counterfeit goods, organised acquisitive crime and cybercrime, and so on. Such an approach involves considerable subjectivity and makes organised crime almost impossible to measure, let alone respond to. And yet, for the purposes of this study, it was concluded that some kind of working definition was essential.

From a trawl of the UK literature, it is evident that organised crime in this country usually (but not always) comprises loose networks of people with varied skills and resources, with little stability or hierarchy, that supply markets with illicit goods and services, often wielding sufficient control to intimidate the local community and impede enforcement agencies' effectiveness. However, for practical purposes the Home Office definition was adopted, simply because it provides a consistent and accepted (ie authoritative) starting point for examining how organised crime is understood and targeted by police forces in England and Wales. It reads as follows:

> *'Organised crime is serious crime planned, coordinated and conducted by people working together on a continuing basis. Their motivation is often, but not always, financial gain'* [3]

As well as viewing organised crime through the current enforcement lens, this definition is broad enough to allow the research to focus on the more hidden and newer aspects of organised crime, such as human trafficking and child sex exploitation, as well as those aspects of organised crime that particularly impact on local communities.

Who commits organised crime?

Notwithstanding the fact that there is no homogenous group of offenders that can be simply categorised as 'organised' (Hobbs, 2013; Francis et al., 2013), research – limited though it is – does suggest that those who engage in organised crime tend to be older, commit more serious offences and engage in criminal activities for longer; their offending also tends to increase in severity over time (Jeffery, 2012). According to the NCA's Strategic Assessment, three quarters of OCG nominals are over the age of 26 and a disproportionate number are foreign nationals (NCA, 2015a). Known OCGs operating in the UK do however seem to include offenders from a relatively diverse range of ethnicities compared with other offenders (Francis et al., 2013). Convicted members of OCGs also tend to have more prior convictions and display high levels of offence diversification than other types of offender (see Francis et al., 2013).

Organised Crime Group Mapping database

In the UK, the National Crime Agency, the local police force and other agencies work to a single operational definition for organised crime encapsulated by the Organised Crime Group Mapping (OCGM) database. This database records all known or suspected crime groups that have been submitted by practitioners and passed through the process of ratification to be accepted as OCGs. For each OCG the linked offenders and criminal activities of the group are recorded, and each is assessed broadly on the basis of how much harm they are causing, or have the potential to cause [4]. It provides a consolidated and strategic view of the problem across the UK and is used as a tool for prioritising and managing resources locally to nationally.

The activities of OCGs range from simply exploiting profitable criminal opportunities to sophisticated

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[3] The study distinguishes between OCGs and urban street gangs, which are by no means mutually exclusive; the latter often evolve into organised crime as their activities escalate and become more sophisticated (for example, see Densley, 2011, *The Organisation of London's Street Gangs*).

[4] See http://library.college.police.uk/docs/OCGM-Manual-2010.pdf

attempts to monopolise a given market or geographical territory (Morselli, 2009). Those engaged in organised crime (as opposed to other forms of criminal behaviour) are also more likely to move between licit and illicit activities, particularly within the commercial, legal and financial world. They are often drawn into organised criminal activity through local familial and social ties and become 'nested' within their local community, sometimes drawing support from community members as well as exerting considerable power over them and causing significant harm (Kadushin, 2005).

What do organised crime groups look like?

Contrary to the stereotype of an OCG as a formal, sophisticated and hierarchically structured organisation (eg the Mafia or *The Sopranos*), OCGs are more aptly described as 'volatile resource-sharing ventures' or 'fluid structures of criminal co-participation' (Morselli, 2009). They vary according to their function, their membership, their financial and material resources, their willingness to use violence, their technological competence, their social embeddedness, their mobility and their offending diversity (Morselli et al., 2010). Those with low levels of trust tend to be more volatile and fluid in membership; individuals that have particular expertise or technological skills are more likely to be part of a decentralised network with a less formal structure, and groups confined to small geographical locations are more likely to exhibit a diverse range of offending behaviours (Morselli et al., 2010). Moreover, they are proving effective at exploiting advances in technology (Congram et al., 2013).

The aim of this study

The aim of this study is to contribute to a better empirical understanding of the actual and perceived scale, nature and impact of organised crime on local communities and what the police and their partners are doing to tackle it. This translates into a number of research questions as follows:

- What does organised crime look like at the local level?
- Who are the perpetrators and what types of crime do they commit?

- How do they do it?
- Who is affected and in what way?
- How much of a problem is it?
- How much of it is hidden and unknown?
- What is the response?
- Who is doing what and how effective is it?
- What are some of the barriers to successful enforcement and prevention?

The rationale of this study

In policy terms, the organised crime narrative is largely framed around offence types that are mostly or in part attributable to OCGs. In practice, however, the approach tends to be very offender-focused, leading to blind spots around the more hidden elements of criminality and very little focus on victims and the harms they experience. In reality, organised crime can be viewed through a number of lenses, in particular:

- The activities undertaken by OCGs (not just the offences they commit), including their propensity towards intimidation and their visibility to those living in the community.
- The types and motivations of the actors involved and their *modus operandi*.
- The environment in which they operate and whether they live there or operate from afar.
- The different types of harms caused to victims and the neighbourhoods in which they live, including their duration and their seriousness.

This study therefore focuses not only on the picture of organised crime captured by the traditional approach to mapping known offenders and groups, but also on the hidden facets of organised crime *activity* and how they impact on vulnerable individuals and communities. It aims to identify commonalities and differences between groups, what helps to facilitate criminal activity, and the types of harm experienced by local residents. It also looks at the *modi operandi* of OCGs as well as the methods used to sustain control over illicit markets and avoid detection. Finally, it draws on this greater understanding to help improve the response by the police and other agencies.

The study is based in two police force areas, West Midlands and Avon and Somerset. It examines recorded crime, crime-related incidents, police intelligence and other sources of relevant data. While police intelligence records offer a rich (and in some cases the only) data which provides contextual information on individuals, relationships and suspected criminality, it must be noted that intelligence can vary widely in terms of its source and reliability, and also the degree to which it reflects actual activity or increased attention from practitioners is often uncertain.

Also included is an analysis of 210 stakeholder interviews conducted with enforcement agencies, their partners and community organisations. A list of the interviews undertaken in both sites is presented in Table 1a, with a fuller list containing the names of all stakeholder organisations that provided interviews and where they were based presented in Appendix B. A detailed description of the study's multiple methodologies can be found in Appendix A.

In the West Midlands, three deprived, high crime neighbourhoods [5] across two cities, Wolverhampton and Coventry, were selected in which the primary focus was on the impact of a wide range of organised crime activity on local residents. Given that organised crime encompasses such a breadth of offenders and criminality and that some in particular had received much less attention from local police, it was decided that in the second site the research should focus on two or three specific crime types known to have links with organised crime. Thus in Avon and Somerset, the research focused on the scale and local impact of organised sexual exploitation (which comprises the adult sex market (ASM) and CSE) and organised fraud in the city of Bristol. This approach enabled the research to focus on the less visible aspects of organised crime, allowed comparisons to be made between neighbourhood and city level impacts and ensured the research covered the *offences* and *victims* associated with organised crime as well as *groups of offenders*.

There are other crimes that are typically associated with organised crime, such as drug dealing and

Table 1a – Interviews conducted by type of stakeholder

Type of stakeholder	No. of interviews
Academic sector	6
Business sector	6
Charity sector	32
Community organisations	13
Gangmasters Licensing Authority	2
Home Office	7
Housing	6
Local authority	19
National Crime Agency	6
National Fraud Intelligence Bureau	2
Police Service	99
Police and Crime Commissioners	2
Trading Standards	10
Total	**210**

trafficking, so one might ask why these particular offences were selected. The main reasons for choosing both (organised sexual exploitation and organised fraud) were:

- The suspicion that they were below the radar of the police and their partners despite growing considerably in profile over the last few years (in contrast to drug misuse).

- That both involved the use of the internet, but in very different ways, to conduct their activities.

- Because they both embodied some of the main characteristics of the so-called 'new' or 'emerging' crimes referred to above.

As the review of the literature demonstrated, considerable research has already been undertaken on drug markets, but much less is known about the nature and impact of organised sexual exploitation and organised fraud. Adult and CSE are characterised by very high levels of under-reporting (see, for example, Barnardo's, 2005), and as a result police and other agencies rely on indicators to identify potential victimisation (Clutton and Coles, 2007), and on practitioner insight to generate intelligence. Fraud comprises a large (and increasing) segment of the national picture for organised crime, but this is not

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[5] Coterminous with council wards.

reflected locally where much of its impact is experienced, but rarely acknowledged.

Structure of the report

The report is divided into five chapters including the Introduction. Chapter 2 describes the organised crime landscape in three residential neighbourhoods in two cities in the Midlands: Wolverhampton and Coventry. It describes the kinds of organised crime that are prevalent, the activities of the (OCGs) operating in these neighbourhoods, how their activities impact on the local community and how effectively their offending is being tackled. Chapter 3 looks at the role and impact of OCGs involved in the ASM, especially the off-street market, and in CSE and identifies some of the significant difficulties encountered by the police and other agencies in identifying and responding to what are relatively hidden forms of criminal activity. Chapter 4 attempts to uncover, for the first time, the extent, nature and local impact of the involvement of OCGs in fraud and explores what the police and other agencies might do to better protect victims from the risk of organised fraud. Chapter 5 brings together the main conclusions of the study and makes a number of recommendations for change, including where relevant which agency or organisation should take responsibility for taking them forward. It is however important to bear in mind that these recommendations are based on the findings from two police force areas, which are not necessarily representative of organised crime in other local communities.

2. A neighbourhood perspective of organised crime

Introduction

The manifestation of organised crime at the local level is most commonly associated with a range of illicit markets that provide a range of goods and services, from illegal drugs and stolen goods to illicit tobacco and cheap, often migrant labour. Drugs, illicit tobacco and alcohol, counterfeit goods and even illicit labour all find willing consumers in local communities characterised by high levels of unemployment, deprivation, poverty and household debt (see, for example, Lupton et al., 2002; Kurti et al., 2012). They mirror many of the features of licit businesses and rely on the business skills and networks of organised criminals. However estimating the scale and impact (harms) of these largely hidden illegal markets is challenging and involves establishing not just how many different crimes are being committed, but also the extent to which these markets are run by organised crime groups (OCGs) (Levi and Maguire, 2004). In addition to low levels of reporting and gaps in intelligence, local customers are sometimes themselves complicit in their operation and success.

Previous research

Drug markets

Most research on illicit markets has focused on local retail drug markets. In a study of retail drug markets in eight deprived neighbourhoods, Lupton et al. (2002) identified two broad types of market:

- Those operating in inner city areas with mixed housing type and tenure, transient populations and mixed ethnicity that are long established and often attracted buyers from outside the area. They are often characterised by open as well as closed dealing and are vulnerable to local competition, prompting violence on occasion.

- Those operating in outer city areas, characterised by family housing and council tenure and stable

almost exclusively white and culturally homogenous populations. They serve mainly local buyers and are predominantly closed markets with established buyer/seller arrangements. Family ties, social networks and norms have been established over several generations, with the majority of those involved in dealing at street level connected with established criminal networks and the illegal economy as well as the drug trade.

These two market types are not, however, mutually exclusive and elements of each can be found in most localities.

The types of problems associated with local drug markets often fluctuate, with similar levels of intervention activity impacting differently in different places, according to:

- The physical layout of the area (eg enclosed versus open neighbourhoods).

- Variations in the drug using population.

- Methods of buying and selling.

- Whether dealers and users are principally local people (see Lupton, 2002).

The local impact of drug markets also varies according to the type of market (UKDPC, 2009). In the communities examined by Lupton et al. (2002), while drug markets ranked among the highest concerns of residents in these neighbourhoods, they were not necessarily their greatest concern, as the neighbourhoods commonly experienced a wide range of physical, social and economic problems. However, where markets had become well established, they tended to generate considerable criminal and antisocial behaviour, including burglaries and thefts from local shops, thereby damaging community confidence, undermining the reputation of the area and rendering community regeneration more difficult. Threats and intimidation often prevented local citizens

from providing valuable intelligence or reporting matters to the police and their local partners, all of whom were found to be ill informed and unprepared.

The same study showed that markets for non-recreational drugs, principally heroin and crack, were largely separate from markets for recreational drugs associated with the club scene (powder cocaine, amphetamines and ecstasy) and from the tranquilliser market. While the use of cannabis, tranquillisers and stimulants was found to be widespread, neighbourhood problems were mainly associated with markets for heroin and crack, which were concentrated in smaller pockets within neighbourhoods, and were often displaced around the neighbourhood by enforcement activity or by the arrival or departure of different dealers.

Vulnerable adults and young people may be exploited by drug dealers, who use them to facilitate the supply of drugs, particularly in areas where legitimate employment opportunities are scarce and high profile, successful dealers provide alternative aspirational role models. Hales and Hobbs (2010) found in their case study of a London borough that established criminals actively sought local youths (including encouraging gang membership) to conduct retail-level drug dealing activities, in some cases using intimidation to enlist them.

Drug markets are often associated with violence, or the threat of violence, including the use of firearms. It is most often deployed to enforce payment of drug debts, resolve competition between dealers and to sanction informants (Lupton et al., 2002). Where enforcement action to disrupt local drug markets is heavy-handed, it can trigger violent episodes as well as adversely affect an area's reputation. While significant levels of violence might render residents reluctant to engage with authorities, it can also provide a tipping point for community action (see Lupton et al., 2002).

Drug markets can also be linked to corruption and prostitution (Harocopos and Hough, 2005) and May et al. (1999) have observed how sex markets can play a significant role in the development of drug markets and vice versa. In such circumstances, the threats posed to public order, public health and to vulnerable

individuals – especially minors – from rape, assault and robbery may be considerable. The findings of previous research on sex markets are summarised in Chapter 3.

Markets for counterfeit, stolen and contraband goods

Illicit markets for counterfeit, stolen and contraband goods are also a common feature of many local communities, particularly in areas of deprivation where the market for cheap goods and services is facilitated by low incomes. Despite its links to drugs, weapons, human trafficking and terrorism (Turenen and Laaksonen, 2011), the social acceptance of counterfeiting is high (TNS Opinion and Social, 2011), particularly for those living in the poorest, most deprived communities, where it may be the only affordable source of consumer goods. Shelley (2012) identifies two main categories of counterfeits: those that infringe intellectual property in the form of copyright such as fashion items and accessories, watches and jewellery, and those that can be harmful, for example counterfeit pharmaceuticals, cosmetics and electrical goods. In practice, there is a continuum from legal to counterfeit that operates in what is commonly referred to as the grey market (see Staake and Fleisch, 2008).

According to the United Nations Office on Drugs and Crime (2013b), counterfeiting is linked to five major threats:

- Dangerous goods for sale with poor quality or no quality control.
- Exploitative working conditions.
- Links to other forms of organised criminality such as prostitution, money laundering and human trafficking.
- Lost government revenues.
- The facilitation of corruption.

As with any retail business, the goods and services offered for sale are produced and distributed from sources outside the local community that involve an element of organisation. It is therefore reasonable to assume the involvement of organised crime networks somewhere along the supply chain (Gill, 2004).

Markets for contraband, specifically illicit tobacco and alcohol, are thriving, again particularly in deprived neighbourhoods (Frone, 2013). According to HMRC (2015), the majority of illicit cigarettes sold in the UK are manufactured outside the EU and produced specifically for the UK market. Approximately 10 percent of all cigarettes and 38 percent of hand rolled tobacco consumed in the UK were estimated to be illicit in 2013/14.

There are relatively few studies which detail the operation and impact of illicit tobacco markets at the local level, although a survey of 1,700 smokers in six south London boroughs by Power (2013) estimated that more than 114 million illicit cigarettes with a street value of over £22 million were sold each year in the six boroughs, with as much as 30 percent of all tobacco consumed in some areas found to be illicit. Trading Standards reported similar findings in their study of the South West (Trading Standards, 2011).

Government efforts to incentivise smokers to quit by raising taxes are undermined by the widespread sale of cheap smuggled tobacco, which sells at about half the usual retail price. It also increases health inequalities with people in poorer communities smoking, on average, two extra cigarettes a day (North of England Illicit Tobacco Study, 2011).

In 2011, HMRC reported that organised crime was closely associated with counterfeit and smuggled cigarettes and according to one study based in South London, 80 per cent of the smokers who bought illicit tobacco were known to or introduced to the seller, supporting the idea of covert organised networks. HMRC claims that illicit tobacco markets inflict damage well beyond the impact of the tobacco itself and any associated loss of revenue as they support other criminal activities, such as the supply of controlled drugs, weapons and human trafficking (HMRC, 2011).

Illicit alcohol involves goods on which no duty has been paid and goods that have been illegally manufactured. Non-duty paid alcohol undermines public finances and the legitimate retail sector, while illegally manufactured alcohol can carry considerable health risks by including harmful substances such as anti-freeze or industrial solvents. Non duty alcohol is, according to a survey

of local councils in England and Wales commissioned by the Local Government Association (LGA, 2014), an issue in three in five (61 per cent) of local areas while counterfeit alcohol is considered an issue in just under half (46 per cent) of local areas.

As with cigarettes and tobacco, the sale of non-duty alcohol is influenced by low incomes and rising levels of duty, with the UK reputedly losing more revenue from the cross-border movement of alcohol than any other EU state. In 2012, HMRC estimated that duty was not paid on at least one in every 10 cans or bottles of beer sold in the UK in 2009/10. There are also growing reports of counterfeit spirits being sold by licit and illicit retailers. HMRC seized almost ten million litres of non-duty paid alcohol in 2010/11, a rise of 30 percent over two years (Snowdon, 2012). But despite wide-scale concern, little is known about how local illicit alcohol markets are structured and even less about the involvement of organised crime within them. Numerous reports refer to the links to organised crime without providing any supportive empirical evidence.

Markets for illicit labour

Illicit labour markets (encompassing forced labour, modern slavery, and human trafficking) are often synonymous with exploitation [6] and the harms generated can be considerable. They are most commonly found in communities with high numbers of people in low-skilled, low-paid, manual jobs and high rates of flexible, temporary employment and unemployment (Scott et al., 2012). Studies that have examined labour exploitation have generally focused on the labour market structures that support exploitation and the difficulties of regulation as well as the harms experienced by victims (eg Turner-Moss et al., 2013). Much less is known about how 'markets' operate at the local level and how organised crime is involved, particularly beyond any initial trafficking offences. [7] The Modern Slavery Bill (now Modern

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[6] The term 'exploitation' lacks a legal definition though the term has been enshrined as an element that constitutes trafficking in persons in the United Nations and European Conventions (Sembacher, 2005). These conventions do not define exploitation, but provide examples, such as forced labour, servitude and slavery, with an open-ended approach that allows the addition of other activities.

[7] Trafficking, slavery, servitude and forced or compulsory labour are all criminal offences in domestic law, which is enforced by a number of national agencies, including the Gangmasters Licensing Authority (GLA), HM Revenue and Customs, the Employment Agency Standards Inspectorate, and the Health and Safety Executive.

Slavery Act 2015) asserts that a large number of active OCGs are involved in modern slavery, but no empirical evidence is provided in support of this.

The government's Modern Slavery Strategy includes the first official estimate of the scale of modern slavery in the UK of between 10,000 to 13,000 potential victims (Home Office, 2014a), but as this was extrapolated from reported levels of victimisation and reporting rates are so low this is likely to be a considerable underestimate. A year earlier a Home Office study concluded that there was in fact insufficient data available to assess the scale of human trafficking for the purposes of labour exploitation (Mills et al., 2013).

The impact of labour exploitation on communities is unknown, but there is research that illustrates how it affects individual victims. Scott et al. (2012) have identified a range of exploitative practices, from debt bondage, underpayment and overwork to threats, bullying and assault. Victims may also suffer poor health and exposure to dangerous working conditions, the most serious example of which is the Morecambe Bay disaster, where 23 migrant Chinese cockle pickers drowned while working in appalling conditions (Pieke, 2010). A small scale study by Turner-Moss et al. (2013) found 40 per cent of their caseload of just 35 victims reported experiencing physical violence while they were trafficked; 81 per cent reported one or more physical health symptoms and 57 per cent reported one or more post-traumatic stress symptoms, but the number of cases is small.

Victims may also be forced to commit crimes, such as pick pocketing, benefit fraud, shoplifting, cannabis cultivation and drug trafficking. According to the NCA (2014a), around one-third of potential victims of criminal exploitation report being forced to commit benefit or financial fraud, while around one-fifth report being forced to work on cannabis farms. The latter, through their involvement in the illegal production and supply of cannabis, or the provision of premises for such production, are then at risk of criminal convictions for what are quite serious offences. The conditions inside cannabis factories are often hazardous, for example the illegal rewiring of the electricity needed to run the factories can cause fires and electrocution and prolonged exposure to cannabis fumes can constitute a serious health hazard.

Formal criminal justice proceedings seem to play little part in tackling labour exploitation with very few cases of forced labour or even human trafficking reaching the courts. Since the introduction in 2009 of a standalone criminal offence of forced labour, only 20 prosecutions have been successfully brought. In 2013/14, the Crown Prosecution Service flagged only 226 prosecutions involving human trafficking, although this was more than double the number in 2010/11 (103 cases) (Home Office, 2014). The low number of successful prosecutions for forced labour, trafficked or not, is due to a number of reasons, including failures to identify it, a greater emphasis on identifying illegal working rather than exploitation and displacement from industries which are regulated to ones which are less so (Skrivankova, 2014). Andrees and Besler (2009) argue that using the criminal law to tackle modern slavery is unlikely to be effective unless combined with improvements in labour force inspections, enforcement of the minimum wage legislation and better regulation of recruitment agencies.

Markets for organised acquisitive crime

Other illegal activities commonly associated with local OCGs include distraction burglary, commercial robbery, vehicle crime and metal theft (for example, Mills et al, 2013), but as with other areas of organised crime, there is little empirical research on the scale, nature and harm associated with organised acquisitive crime, let alone its impact locally. There have however been one or two studies of specific offences (see, Wright, 2006). Commercial robbery, for example, is highlighted by the NCA (2016) as an ongoing concern, often involving the threat or use of serious violence. It includes the targeting of ATMs, banks, cash in transit and businesses, particularly those that deal in valuable products such as jewellery or high value fashion items, or where there is cash (Gill, 2000; Matthews, 2002).

Distraction burglary is a growing concern, particularly where it targets vulnerable and elderly victims (Europol, 2013). The vast majority of distraction burglaries are believed to be committed by highly

mobile organised groups, who frequently move from force to force to evade detection (Mills et al., 2013). The cost of organised distraction burglary has been estimated at approximately £35 million per year, but if physical and emotional harms to victims and wider societal harms are included, the total costs increase to approximately £91 million (Mills et al., 2013).

Despite the high levels of organisation evidently required to commission these types of offences, they tend not to be a focus of police attention and resources in comparison to other areas of organised crime. Common barriers to targeting these groups include a distinct lack of intelligence and prioritisation, the difficulties of coordinating operations across police force boundaries and getting commercial victims (ie businesses) to report incidents for fear of reputational damage (see, Harfield, 2008).

The current study

Previous research on the impact of organised crime on local communities rarely extends beyond the role of drug markets and is virtually silent on the extent to which local victimisation is linked to organised crime and the harm this causes. To achieve a better understanding of how organised criminality manifests at the local level, the organised crime landscape was explored in three different neighbourhoods within two cities in the West Midlands police force area: Coventry and Wolverhampton. The primary aim was to see which forms of organised crime were present, how OCGs operated, how their activities impacted on the local community and how effectively they were being tackled. As part of the initial scoping exercise, interviews with police officers and local agencies across each Basic Command Unit (BCU) identified those neighbourhoods where organised crime was prevalent and the types of criminality that were evident or suspected. From these, the research team selected the neighbourhoods that, between them, provided a broad spectrum of organised criminal activity and related impact based on the factors listed below:

- Different types of OCGs (established and emerging, type of offending, structure).

- Different kinds of environments.

- Different populations (ethnicity, nationality, transience).

- Different kinds of victims (residents, businesses, vulnerable individuals and groups).

- Visible and hidden harms.

- Evidence of cross border activity and impact.

The analysis that follows is based on a number of different data sets and methodologies, which are discussed in further detail in Appendix A. In short, measurements of overall scale are based on an assessment of all recorded crimes (an 'all crime' data sample), leading to an estimate of the proportion of crime that can be reasonably believed to be 'organised'. More in-depth assessments of the nature of organised crime in the respective communities were based on extracts of all 'organised crime' related police-recorded offences and intelligence, based on relevant Home Office codes and keywords. Assessments of harm were calculated using the Lancaster Seriousness Index, in which the incidence of each crime type was multiplied by its relevant harm score based on this index. Estimates of the proportion of shoplifting and theft offences linked to organised crime, using custody (arrest) data, were calculated by examining the links between offenders based on their address or telephone number. Finally, the analyses were supported by a series of interviews carried out with a wide range of representatives from police, partner agencies, voluntary groups and community members as set out in Appendix B.

The two cities

Coventry has a population of 329,800 residents. Following a period of industrial decline, the city has benefited from growth in manufacturing and higher education provision. Levels of deprivation are however above the national average. Nearly a quarter (23.3 per cent) of children live in relative poverty, 16.3 per cent of households experience fuel poverty and 18.3 per cent of residents live in the bottom 10 per cent of deprived neighbourhoods nationally. Compared with the national average, the unemployment rate is higher (8.1 per cent vs. 7.1 per cent) and annual incomes are lower (£13,747 vs. £17,559). Job Seekers Allowance (JSA) claimants (3.1 per cent vs. 2.3 per cent) and total

out-of-work benefits claimants (12.3 per cent vs. 10.5 per cent) are also above the national average.

Coventry has a diverse ethnic makeup, with 66.6 per cent of residents identifying as White British, 16.3 per cent as Asian/Asian British, 5.6 per cent as Black/African/Caribbean/Black British, and the remainder identifying as White Other, Mixed or Other. The majority of residents were born in the UK or Ireland (80.6 per cent), of the remaining population, 4.6 per cent were born in the EU and 14.7 per cent were born in other countries. In the last two years, Coventry has seen a large spike in the arrival of migrant workers [8], at a rate well above the national average (7,820 in Coventry vs. 1,798 average for other areas in 2014) and the overall national trend. During the last year, this has mainly consisted of migrants from the EU2 [9] (31 per cent) and EU8 [10] (25 per cent) areas.

Despite relatively high levels of deprivation and inward migration, Coventry does not experience disproportionately high levels of crime. In the year ending June 2015, the crime rate in Coventry was lower than average compared to the rest of the force area and to similar cities across the UK. However, within the priority policing areas (many of which fall within our study neighbourhoods), the annual police-recorded crime rate is 124 per capita compared to 58 per capita in other parts of the city. The city's priority areas contain around 16 per cent of the population, yet are responsible for approximately 30 per cent of the city's recorded crime.

Wolverhampton is a slightly smaller city, with a population of 249,852. It has higher overall levels of deprivation and was described by one police representative as a city, *'with no middle class'*. Over the years, Wolverhampton has experienced significant industrial decline but is now subject to some large-scale regeneration. The city prides itself on its harmonious community relations and its ability to absorb new communities. The population is ethnically diverse, with 64.5 per cent identifying as White British,

18 per cent as Asian/Asian British, 6.9 per cent as Black/African/Caribbean/Black British and the remainder identifying as White Other, Mixed, or Other. The majority of residents were born in the UK or Ireland (84.1 per cent), of the remaining population 2.9 per cent were born in the EU and 13 per cent were born in other countries. Over the last two years Wolverhampton has seen a rise in the arrival of migrant workers that is in line with the national trend, but is still higher than the national average (3,536 vs. 1,798 in 2014). During the last year, this has mainly consisted of migrants from the EU2 (41 per cent) and EU8 (23 per cent) areas.

The recession has caused a significant increase in the number of people receiving out-of-work benefits in Wolverhampton, which peaked at 20.2 per cent in 2009. Although by 2015 this had fallen to 14.7 per cent, it is still above the national average of 10.5 per cent. The unemployment rate (8.0 per cent vs. 7.1 per cent) and average annual income (£13,257 vs. £17,559) reflect the economic difficulties the city faces. The latest indices of multiple deprivation (2015) show that Wolverhampton is the 21st most deprived local authority overall; the 12th most deprived in relation to the proportion of the population living in income deprived households (23.8 per cent) and the 10th in relation to the proportion of working age adults in employment deprivation (18.7 per cent). Unsurprisingly, Wolverhampton also has a high level of children living in poverty, with nearly a third (31.3 per cent) living in income deprived households.

Despite high levels of deprivation and serious industrial decline, the crime rate citywide, while higher than the force average, is still lower than average compared to similar cities across the UK. According to the police, Wolverhampton is located along an established drug line, running from the south coast to Aberdeen, however it is not particularly known as a hotbed of organised crime.

The three neighbourhoods

The three neighbourhoods, which were selected in consultation with BCU officers and other agencies, all experience high levels of deprivation. Sixty five to 80 per cent of households are classified as deprived and

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[8] Based on National Insurance Numbers (NiNo) allocated to adult overseas nationals entering the UK. A NiNo is generally required by any overseas national looking to work or claim benefits/tax credits in the UK, including the self-employed or students working part time.

[9] Romania and Bulgaria.

[10] Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia.

Table 2a – Socio-demographic profile of the three neighbourhoods

	Neighbourhood A	Neighbourhood B	Neighbourhood C
Population	18,000	20,000	24,000
'Deprived' households	66%	80%	66%
Child poverty	33% above city average	45-50% above city average	35% above city average
Ethnicity	78% White, 10% Black, 8% Asian, 4% Mixed/Other	31% White, 50% Asian, 11% Black, 8% Mixed/Other	48% White, 31% Asian, 11% Black, 10% Mixed/Other
Place of birth: UK/born overseas	82% UK born, 18% born overseas	56% UK born, 44% born overseas	67% UK born, 33% born overseas
Households where all residents speak English as main language	89%	50%	70%
Households where no residents speak English as main language	6%	25%	15%
Social housing	33% (50% higher than city average)	25% (33% higher than city average)	27% (higher than city average)
Privately owned housing	50%	40%	43%
Privately rented housing	15%	33%	28%
Unemployment rate	7% (higher than city average)	10% (highest level in the city)	9% (higher than city average)
Percentage claiming JSA	6%	8%	10%
Average household income	£29k (lower than city average)	£25k (lowest in the city)	£26k (lower than city average)

all are designated as policing priority areas, with specific concerns around organised crime in two of them. The three residential areas differed in terms of their population, ethnic mix, housing stock and tenure and their commercial/business/retail facilities. A more detailed overview of the three neighbourhoods is set out in Table 2a above.

As Table 2a illustrates, all three residential neighbourhoods suffer from high levels of deprivation, child poverty, unemployment and benefit dependency and low levels of household income. In terms of demographics, all three neighbourhoods are characterised by a high proportion of black and minority ethnic (BAME) residents, with two out of the three also containing a disproportionately high number of residents born overseas. All three areas are also

characterised by high numbers of residents living in social housing and neighbourhood B and C have relatively high numbers of people living in privately rented accommodation. However, Table 2a fails to fully capture some of the more detailed (but important) characteristics of the three neighbourhoods, which are reviewed in turn below.

Neighbourhood A is located in a suburban area comprising two distinct communities. The first is based in and around a low density, post-war housing estate which is listed as one of the ten most deprived estates in the country. Most of the community is white with some families having occupied the estate for three or four generations. There are few facilities on the estate apart from a parade of shops. Pubs in the area are gradually closing down and the area is currently the

recipient of 'New Deal for Communities' (NDC) money. The latter has resulted in the building of a new leisure centre and school, and some of the original housing has been demolished and replaced with new housing, much of which is privately owned. This is altering the makeup of the community with many of the new houses being occupied by families from newer migrant communities. The rest of Neighbourhood A comprises a greater mix of residential property including Victorian terraced housing, tower blocks and lower density (mostly) privately owned housing stock. This part of the neighbourhood is also served by a rundown shopping centre, which is commonly plagued by antisocial behaviour, drug dealing and petty crime. As with other neighbourhoods in the city, the impact of austerity has led to fewer public services and undermined community engagement.

Neighbourhood B is a run-down, inner-city area with a very ethnically diverse population. It is often the first point of entry for new arrivals to the city, including those from overseas and therefore also contains a number of diaspora communities from, in particular, China, Sri Lanka, Afghanistan and Eastern Europe. The BAME community is well established, with many residents being second and even third generation, and the area is characterised by an array of religious buildings that reflect the multicultural make up. It has a relatively thriving local economy, with many small to medium sized shops and businesses, often run by and serving the different ethnic communities in the area. In contrast to neighbourhood A, its population is more transient and its housing stock – predominantly Victorian terraced properties – has the highest proportion of privately rented housing of all three neighbourhoods.

Neighbourhood C is the largest in geographic terms, covering two police neighbourhoods, but houses a similar sized population to neighbourhoods A and B. Like neighbourhood B, it is also highly ethnically diverse, with over half of the population identifying as BAME, and is home to relatively large numbers of new entrants, particularly from Eastern Europe. Its housing stock is also similar, although there is more social housing, and its economy, although reasonably healthy, is less buoyant.

Organised crime in the three neighbourhoods

This section describes the nature, scale and impact of organised crime in the three neighbourhoods and looks also at how the police and other agencies are responding to it. It is based on an interrogation of crime and intelligence data held by the local police, arrest data, police custody records of convicted offenders, interviews with local stakeholders and an approach to measuring harm that uses sentencing as a proxy measure for harm.

As a first step, it was important to try and separate out organised crime from what might loosely be termed non-organised crime. Given the difficulties of accurately defining what is meant by organised crime (see above) and the considerable shortcomings of existing sources of data, this analysis can only be viewed as an approximation of the proportion of all crime that constitutes 'organised' crime. This is, however, the first time that such an attempt has been made and is crucial to understanding and assessing the local impact of organised crime.

Based on a sample of police recorded crime for two separate months (June and November 2014), which provided relatively detailed descriptions of the offence, the offender and other elements of the incident, lower and upper estimates of the proportion of all crime in the four neighbourhoods linked to organised crime were calculated. The information used to inform these estimates included:

- The involvement of more than one offender.
- The perpetration of more than one incident.
- The involvement of a known OCG nominal.[11]
- An offence type commonly associated with organised crime (eg money laundering or human trafficking).
- Whether the offence was 'complex' or 'planned'.
- The involvement of others, such as young/vulnerable people, in the commission of the offence.

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11 This was not restricted to offenders who had been formally recognised by police as linked to organised crime but also included offenders identified from intelligence or by officers during interviews.

Table 2b – Proportion of all police recorded crime linked to organised crime in the three neighbourhoods

Neighbourhood	Likely	Possible	No	Total	Percentage Organised	
					Lower Estimate	Upper Estimate
A	14	48	332	394	4%	16%
B	21	42	243	306	7%	21%
C	12	26	212	250	5%	15%
Total	**47**	**116**	**787**	**950**	**5%**	**17%**

- The involvement of an illicit market that would require a high level of 'organisation', such as the manufacturing or distribution of illicit drugs, alcohol or tobacco.

The table above summarises the results for each of the three neighbourhoods.

Although these percentages may appear small, they are still comparable to crime types that have traditionally received significant police attention: shoplifting constitutes 10 per cent of local crime across all three neighbourhoods, as does actual bodily harm, while burglary in a dwelling, criminal damage to a vehicle and theft of a motor vehicle all constitute seven per cent each.

Where the perpetrator is unknown, it is difficult to classify the offence as linked to organised crime, and since the perpetrators of organised crime are often 'unknown' the chances are that some of these will almost certainly be linked to organised crime. OCGs are known for using 'associates' drawn from family and social networks from within their neighbourhood to commit offences on their behalf, such as delivering drugs or hiding firearms. OCG nominals may also be more adept at avoiding detection, partly through the use of threats and intimidation. Intelligence reports refer to coercion/inducement from OCGs to 'persuade' others to take responsibility for offences and are often accompanied by a noticeable lack of witness corroboration. Finally, the 'No' column contains offences where there was no *evidence* of any involvement of organised crime, but this does not mean that none of these crimes were committed by an OCG; it just means that there was no *evidence* to say that

they were. It is not known to what extent the absence of such evidence would alter these percentages, but since all those with no evidence were classified as 'No' it can be safely assumed that the percentage of offences involving organised crime are underestimates. In addition, the most important reason why these figures are likely to be considerable under-estimates of the real prevalence of organised crime is because they are based on recorded crime data.

The reporting rates for organised crime are likely to be lower than for non-organised crime, simply because some local residents are more likely to live in fear of retaliation if they report such offences to the police. Also, the police are just one agency among many who record victimisation related to organised crime. The UK Human Trafficking Centre (UKHTC), for example, is responsible for monitoring the number of trafficking victims and Trading Standards record incidents of counterfeiting and fraud. The full extent of this underestimate is unknown and on the basis of current information sources, is unknowable, nevertheless, Table 2c provides a detailed breakdown of the proportion of recorded crimes linked to organised crime by offence type.

Table 2c indicates which offences are more likely to be linked to organised crime than others. Thus most incidents of drug dealing (89 per cent) and fraud (77 per cent) are estimated to have been linked to organised crime, but most violent crimes (89 per cent) and acquisitive offences (81 per cent) are not. Interestingly, approximately a quarter of all vehicle crime appears to be linked to organised crime, which reflects comments made in some of the interviews. To quote one practitioner, *'They* [an OCG] *are involved in*

Table 2c – Estimated number and proportion of recorded offences linked to organised crime in all three neighbourhoods

Category of offences	Likely	Possible	No	Grand total	Total likely & possible	% Likely & possible
Money laundering	1	–	–	1	1	100%
Drug supply	7	1	1	9	8	89%
Fraud	3	7	3	13	10	77%
Robbery	5	5	15	25	10	40%
Vehicle crime	2	28	76	106	30	28%
Burglary other	4	5	34	43	9	21%
Burglary	3	11	58	72	14	19%
Acquisitive	6	32	159	197	38	19%
Drug possession	3	2	29	34	5	15%
Violence	7	17	199	223	24	11%
Criminal damage	3	7	140	150	10	7%
Behavioural [12]	2	1	50	53	3	6%
Sexual offences	1	–	21	22	1	5%
Other	–	–	2	2	0	0%
Grand total	**47**	**116**	**787**	**950**	**163**	**17%**

car key burglaries, car jackings, armed robberies and commercial burglaries. They use empty garages in the local area to store stolen vehicles, which they use to commit crimes. On one occasion they smashed into the wall of a bank with a stolen vehicle to steal cash'.

Anecdotal evidence from the interviews concerning intimidation, retaliation and threats suggest that more of the offences of violence, antisocial behaviour and criminal damage may be attributable to organised crime than the data in Table 2c suggests. Police intelligence certainly provided a rather different picture. Table 2d [13] illustrates the difference between the volume of recorded crime and intelligence relating to the different types of organised crime within the three neighbourhoods.

Table 2d clearly illustrates the extent to which the police focus their intelligence efforts around drugs. In part, this reflects the frequency and visibility of drug offences, however it is also a reflection of the self-fulfilling nature of the police focus on drug enforcement, that is, the more focus there is on a crime, the more intelligence will be created. Equally striking is the difference between the number of exploitation and money laundering related offences and the number of intelligence reports during the same time period. While it is problematic to make direct comparisons between crime reports and intelligence [14], this disparity hints at a degree of unrecorded organised crime activity within the three neighbourhoods, and supports the perception that while these activities are suspected, they are problematic to investigate or convert to arrest and

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12 For the purposes of this study, behavioural offences linked to organised crime are deemed to be those that reflect intimidation, coercion and conflict/threats.

13 The data in Table 2d is based on a different methodology than for earlier tables. In order to extract as large a sample of organised crime related data as possible, this methodology focused on Home Office crime codes and intelligence keywords related to organised crime activity only. See Appendix C for full methodology.

14 Where possible, we removed all duplicates reports from our intelligence sample, in order to make our comparisons more accurate. For full details refer to the full methodology.

Table 2d – Estimated number of recorded crimes presented against intelligence reports linked to organised crime in all three neighbourhoods

Category	Recorded crimes			Intelligence reports		
	Likely	Possible	Total	Likely	Possible	Total
Drugs	176	2	178	508	22	530
Violence	87	44	131	110	10	120
Exploitation	7	2	9	44	15	59
Behavioural	20	4	24	41	5	46
Serious acquisitive crime	24	55	79	32	12	44
Fraud [15]	85	37	122	27	10	37
Acquisitive	0	3	3	25	3	28
Money laundering	1	1	2	25	1	26
CSE	15	24	39	4	5	9
Environmental	2	3	5	1	1	2
Total	**417**	**175**	**592**	**817**	**84**	**901**

charges against offenders. Likewise with behavioural offences such as intimidation or threatening behaviour, the gap between intelligence reports and recorded crime indicates an element of under reporting, as corroborated by interviews with practitioners, police and local residents living in these communities.

Across all three neighbourhoods, the majority of recorded crimes related to organised crime, involved drugs, violence and fraud. While it is not surprising that drugs and the associated violence feature highly here, fraud appears to contribute a significant portion of offences to the total given its relative lack of police attention. There is also a notable lack of intelligence relating to fraud in comparison to the number of offences recorded, virtually the precise opposite of the situation relating to drugs. This is likely to reflect in part, many types of fraud that directly impact on local communities from outside of the police force area, and therefore offenders who are out of reach of local practitioners.

While the majority of organised crime-related intelligence was found to be linked to mapped

offenders, the opposite was found to be the case for recorded crime, with only four per cent of organised crime-related recorded crime linked to offenders on the Organised Crime Group Mapping (OCGM) database. This is probably at least in part a reflection of the inability of the OCGM to provide a comprehensive picture of organised crime activity impacting at a local level, but it probably also reflects the extent to which OCG nominals are able to avoid detection.

The harm caused by organised crime

Before reporting in more detail on organised crime in the three neighbourhoods, the following analysis provides a breakdown of the types of recorded crimes presumed to have been committed by OCGs that are likely to cause the most harm. By allocating seriousness scores to each offence type,[16] it can be seen that drug dealing, violence and fraud account for approximately three quarters of the known harms experienced by local communities, as Table 2e illustrates.

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15 Based on National Fraud Intelligence Bureau data.

16 The analysis drew on research undertaken by a team at Lancaster University (Francis et al, 2005), which ranked offence-types by their level of seriousness derived from an analysis of 70,000 recorded sanctions. Matching offences to recorded crime in the two cities relied in some cases on finding the best fit.

Table 2e – The proportion of harm inflicted by different kinds of organised crime across the three neighbourhoods [17]

Category	A	B	C	Total
Drugs	206 (23%)	282 (29%)	269 (38%)	757 (29%)
Violence	138 (15%)	313 (32%)	184 (26%)	635 (24%)
Fraud	236 (26%)	169 (17%)	208 (29%)	613 (24%)
Serious acquisitive crime	273 (30%)	134 (14%)	6 (1%)	413 (16%)
Acquisitive	4 (0%)	4 (0%)	6 (1%)	14 (1%)
Behavioural	24 (3%)	50 (5%)	17 (2%)	91 (4%)
CSE	22 (2%)	12 (1%)	9 (1%)	43 (2%)
Exploitation	0	5 (1%)	6 (1%)	11 (0%)
Environmental	8 (1%)	8 (1%)	5 (1%)	21 (1%)
Money laundering	0	0	0	0 (0%)

Perhaps unsurprisingly, drugs and violence are responsible for over half of the known harms experienced by local communities and captured in recorded crime. Just over a quarter of the harm inflicted by organised crime locally comes in the form of violence, whether in the form of actual physical assaults or various forms of coercion and intimidation. The use of firearms is not uncommon. But the harm caused by fraud, particularly given the relatively low priority afforded to it by the police, is highly significant given that it accounts for nearly a quarter of the harm attributable to organised crime in the three neighbourhoods; in one, neighbourhood A, it even accounts for more harm than either drugs or violence. And yet not one of the OCGs that are mapped in either of the two cities is primarily engaged in organised fraud; whether this is because OCGs linked to fraud are going unidentified or simply do not reside locally is unclear. This illustrates the limitations of relying on organised crime group mapping to identify the main threat posed by organised crime and the potential folly of allocating resources purely on the basis of whether an OCG is mapped rather than on the basis of who (or which groups) are causing the most harm.

As mentioned above, some crime types are not well represented in police data. Since many victims (and witnesses) of organised crime do not report victimisation to the police, these crime types tend to be less visible and the harm they cause is sometimes overlooked or ignored. The next section shows in more detail how organised crime manifests itself in local communities and identifies some key themes from interviews with local stakeholders.

How organised crime manifests itself in local neighbourhoods

This section describes how organised crime manifests itself, who is involved, how much of a problem it is, who is most affected and in what way.

Known organised crime groups

The police rely on OCGM database to identify the OCGs that pose the greatest threat, risk and harm to local communities. Based on police intelligence, it is used to prioritise which groups merit the most attention and resources based on the seriousness of their offending, the geographic scope of their activity and other capabilities such as links to corruption or ability to infiltrate organisations. Once mapped, resources are then allocated towards tackling it.

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[17] Full details relating to harm score calculations can be found in the methodology in Appendix A.

Table 2f – Mapped OCGs linked to the three residential neighbourhoods

Neighbourhood	Principal offending	Ethnicity/nationality	Community impact [18]
A	Serious acquisitive crime/drugs	White British	High
A	SAC/drugs	Predominantly white British, but some BAME	Low/medium
A	Drugs	Black British	Low/medium
A	Drugs/SAC	Predominantly white British/European	High
A	Drugs	White British	Medium
B	Drugs	British Pakistani	Medium
B	Drugs	Predominantly British Bengali/Bangladeshi	Medium
B	CSE	Multi ethnic (Black, Asian and mixed heritage)	Low
C	Drugs	Predominantly white British	Medium/high
C	Drugs	British Asian	Low/medium
C	Labour exploitation	Multi-ethnic (Afghan, Eastern European)	Low

One of the limitations of OCGM is that it focuses on perpetrators and inferred harm (based on the type of crime they are involved in) rather than victims and actual harm. It follows, therefore, that its emphasis is on 'pursuing' offenders rather than mitigating harm or protecting communities, and the intelligence on which its outputs are based tends to reflect this (ie focuses on individual suspects and evidence that may help to incriminate them). The following table provides a breakdown of the OCGs that have been mapped as operating in at least one of the three residential neighbourhoods for at least some of the two-year duration of this study.

Table 2f shows, that with only two exceptions, the mapped OCGs are all involved in drug dealing, mostly as their main activity. This is an area of organised criminal activity that the police (and other agencies) are familiar with and have targeted for many years. The descriptions of organised crime offered by many of those who were interviewed for this study tended to mirror this. Thus in neighbourhood A, interviewees referred to one particular family-based OCG's dominance of the local drug market, the (white, British) members of which resided locally and had done so for many years. Their activity (predominantly through open-market dealing) and their impact (particularly associated offending and antisocial behaviour) matched the descriptions of drug markets identified by other research (see, for example, Lupton et al., 2002).

The dominance of the local drug market by any one OCG can quickly change if key members are imprisoned or another group successfully challenges the group. Similarly, competition for buyers or 'turf' often brings with it serious violent incidents, the use of firearms and even the occasional murder. Although interviewees stated that these incidents rarely spill over into the community itself – they tend to be conducted between rival OCGs – but they also described how they can foster a climate of fear and seriously undermine the community's confidence and economic and social well-being.

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18 As assessed by researchers.

The main differences between the drug markets across the three neighbourhoods were the type of drugs most commonly supplied and the types of other criminal activities that OCGs engaged in. To a large extent, the types of drugs supplied tend to vary according to the ethnicity/nationality of the OCGs providing them. Thus in neighbourhood A, the dominant OCG (white, British) supplied primarily cocaine and cannabis, whereas in neighbourhoods B and C, the dominant OCGs were Asian and the drug of choice was heroin (again supplemented with cannabis), the supply of which was reported to be facilitated by good connections with familiar overseas producer countries such as Afghanistan and Pakistan. In one neighbourhood, the price of heroin was so low that customers came into the area from neighbouring counties to purchase their supply.

The study confirmed the relatively recent spread of commercial cannabis cultivation, which according to the NCA increasingly involves the trafficking of migrants (NCA, 2015a). Growing cannabis locally, sometimes on an industrial scale, negates the need to import cannabis from elsewhere (including abroad) and by cutting out the middleman, increases profits. In one neighbourhood cannabis production facilities were being run by Vietnamese immigrants, often victims of trafficking working under extreme forms of coercion, while in another, properties were being rented through letting agencies specifically for the purposes of cannabis cultivation. 'Clean skins' (persons with no previous convictions) are used to tend the 'farms', which are also high-risk targets for robberies, a not uncommon practice according to the police. Interviewees described the potential harm these production sites can cause to those managing them as potentially very serious, with the fumes alone constituting a serious health hazard. Although not all of the cannabis market is linked to organised crime (see Trautmann et al., 2013), this issue merits further research.

Table 2f also shows that three of the five OCGs mapped in neighbourhood A are involved in serious acquisitive crime, two of them as their primary offence, while table 2e shows that serious acquisitive crime accounts for more harm (30 per cent) in this neighbourhood than any other form of organised

crime. The offending of these OCGs ranges from small scale shoplifting to well-orchestrated bank and other commercial robberies. Thefts of vehicles involving carjacking and car key burglaries and the provision of safe houses for drugs, cash and stolen goods are commonplace and their illicit gains are laundered through a variety of retail outlets, such as car sales companies, valeting businesses or restaurants. Their offending is not confined to their local neighbourhood but to other areas of the city and even other police force areas. The paucity of effective intelligence sharing across police force boundaries that was described by interviewees merely helps to reduce their risk of being caught.

Unknown organised crime groups

In all three neighbourhoods, the OCGs that are known about (ie mapped) are mostly characterised by strong family ties, with members living as well as offending locally, but also in some cases offending in neighbouring communities and even city-wide. The police and other agencies are generally aware of their presence and the risks they pose. However, there are also groups involved in often quite serious offending that are not mapped and lie below the radar. In neighbourhood A, interviewees referred to a family-based OCG involved in vehicle crime and a loan shark who uses enforcers, both of which are not currently mapped. In the same neighbourhood, interviews with the local police and other practitioners revealed that a particular local shopping centre was regularly used as an early morning collection point for casual labour, but little was known about where the labourers came from or where they were taken, which interviewees thought may be evidence of organised labour exploitation.

A similar picture is evident in the other two neighbourhoods. Thus in neighbourhood B, intelligence reports and information from local police, partner agencies and community organisations suggest a complex array of organised crime activity pertaining to groups that are often embedded within local diaspora communities. They are allegedly involved in newer and emerging forms of organised criminality, including human trafficking for the purposes

of sexual and labour exploitation, but remain mostly hidden and little understood. At least one unmapped group involved in metal theft is known to reside and operate locally, but because their offending is nationwide their illicit activity seems to be of less interest to the local police (it is not known if they had been mapped by another enforcement agency or police force). There is also police intelligence relating to a local, supposedly 'lone' offender, who has links to firearms, drug dealing and CSE and associates with foreign national offender groups, but is not 'mapped.'

In neighbourhood C, the drug market has merged with the sex market to present very different challenges (eg the protection of highly vulnerable sex workers from violence and exploitation by pimps and punters alike). The police are aware of a number of brothels based in small terraced houses where foreign nationals, often from Eastern Europe, are employed as sex workers, and although neighbourhood C has been highlighted by local practitioners as an area of concern for human trafficking and labour and sexual and criminal exploitation of foreign nationals, particularly from Eastern Europe, there are in fact very few official records (eg recorded crime or intelligence) of any OCG activity in relation to the off-street sex trade or the so-called 'new' or 'emerging' crimes of child sexual exploitation (CSE) and human trafficking. Charity and community representatives described how Eastern Europeans, living in poor quality, overcrowded accommodation, were exploited by rogue landlords and gangmasters. Cottage industries for providing false documents and certification to foreign nationals to help them secure jobs, housing and other services were reported. Organised immigration crime was stated to be common practice for staffing small businesses such as food and retail outlets. So while it is acknowledged that foreign nationals are being exploited by OCGs, they appear to receive little protection.

According to officers that were interviewed from Trading Standards, there is a substantial problem with the sale of illicit tobacco and alcohol, and counterfeit goods in the three neighbourhoods. Much of this activity is only evident at the retail end of an illicit market with little known about the groups behind the

supply chain. Trading Standards know that some of the local businesses import unsafe electrical goods and cosmetics, that much of the smuggled tobacco originates from Eastern Europe and that there are approximately 40 shops selling these goods across Coventry, so it is highly likely to involve a degree of planning and organisation. However, Trading Standards do not map OCGs and their intelligence doesn't seem to be effectively shared with the police and is therefore not fed into the OCGM process.

Despite accounting for nearly a quarter of the harm inflicted by organised crime across the three neighbourhoods (see Table 2e), fraud doesn't feature in any of the mapped OCGs. There is wide variation in the type of fraud recorded, including some high value fraud (eg advance fee, bogus seller, sale of counterfeit set-top boxes, cheque fraud, phishing and rental fraud (among others) and there are some indications of links to Eastern European groups, sometimes suggesting a high degree of professionalisation and technical skill. But recorded fraud offences involving counterfeit goods, falsified documents, false number plates, scams, distraction fraud and ATM skimming, most of which are likely to be linked to OCGs, are rarely prosecuted.

Small retail outlets (eg mobile phone shops) were identified by interviewees as recipients of stolen goods or providers of phones that were used for offending, and protection and extortion targeting local businesses were also hinted at, but such intelligence is rarely actioned. The interviews suggested that the police were more or less unaware of organised immigration crime within the Chinese community, involvement of foreign nationals in credit card offences (mostly skimming and purse dipping), or simply the use of the same addresses by significant numbers of foreign national offenders. So in sum, the evidence provided by interviewees suggests that while OCGM is at least moderately effective in capturing OCGs involved in the local drug trade, it fails to capture other forms of organised crime, particularly various forms of fraud and 'new' or 'emerging' forms of criminality such as CSE [19] and human trafficking or much of the organised crime involving foreign nationals.

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[19] The police accept that getting good intelligence on the involvement of organised crime in CSE is very challenging.

Uncovering organised theft

While certain areas of criminality, such as drugs or firearms, represent the more overt areas of organised crime, there are others that lie hidden within crime statistics. Organised shoplifting and theft from individuals are two such examples, causing a tangible local impact in towns and cities across the UK, but there is very little insight into the scale and nature of such crimes.

Organised shoplifting and theft are typically demarcated by the involvement of large quantities of goods or sophisticated levels of coordination and planning. Examples include groups of individuals shoplifting, pick-pocketing or purse-dipping, committing distraction thefts such as jewellery hugging [20], or stealing mobile phones on behalf of a larger network (for example, see NCA 2014b). Despite high levels of organisation, these crimes tend not to be a focus of police attention. Common barriers to targeting these groups include a distinct lack of intelligence, low levels of reporting (particularly by businesses) and the difficulties associated with tackling highly mobile, often quite sophisticated groups operating across police force boundaries.

The absence of empirical evidence is partly due to the absence of good data. Victims (whether individuals or businesses) rarely provide information that can help to distinguish an organised from a non-organised offence and even when an offender is identified, a shoplifting offence involving a member of a larger organised group is unlikely to be recorded any differently than that committed by a non-organised offender. However, during interviews with police and partners, references to offending by groups of foreign nationals, particularly acquisitive crimes such as shoplifting and theft from the person, were not uncommon. These groups, often identified as Eastern European in origin, were described as fluid and transient, offending both in and out of the force area.

To test these essentially anecdotal allegations, an exploratory analysis of arrest data relating to acquisitive offending by foreign nationals was conducted in the city of Coventry. A proxy measure for scale and an

investigative tool for uncovering organised networks operating within a local area were created, drawing on police custody records and local intelligence over a two year period (see Appendix A for a full description of the methodology). By complementing this analysis with insights from interviews and a number of case studies, the overlap between organised acquisitive crime and organised exploitation, particularly of Romanian nationals, is also highlighted.

Organised theft by nationality

A total of 2,657 arrest records for a period of just over two and a half years [21] were extracted from the police custody database, relating to a total of 2,797 crimes [22]. A number of records did not contain useable address or telephone information (n=359) and were therefore removed from the sample. The remaining addresses were checked against a list of local hotels, hostels and care homes, and these records (n=224) were also removed under the assumption that those in these types of residence are less likely to involve an OCG. This left a total of 2,239 crimes for analysis. Two thirds (67 per cent) of these offences were shoplifting, seven per cent were handling stolen goods and the remainder were mostly various kinds of theft offences.

Offenders were classified as being organised when they met at least one of two criteria; at the time of the arrest for the theft-related offence they were arrested with a co-offender, or a link was identified between three or more offenders on the basis of providing the same address or telephone number when in custody. Table 2g opposite shows the breakdown of organised and non-organised offences by nationality.

UK nationals were found to be responsible for the majority (75 per cent) of all such crimes. However, the most significant aspect of the data presented in Table 2g is that whereas about a quarter (24 per cent) of the offences committed by UK nationals are connected with organised crime, more than half (58 per cent) of those committed by Romanian nationals are organised. While numbers are small, the

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[20] Where an offender steals or swaps a victim's jewellery whilst distracting them, often by hugging them or by pretending to clean the victim's clothing of a dirty mark.

[21] The sample covers 1 December 2012 to 6 July 2015.

[22] The count of crimes is higher than that of arrests, as an offender can be arrested for multiple crimes at the same time. Likewise, the final count of crimes remaining for analysis after data cleansing does not tally, and this is because multiple offenders (with different addresses) can be arrested for the same crime.

Table 2g – Organised and non organised offences by offender nationality [23]

Nationality [24]	Organised	Not organised	Total
UK	403 (24%)	1282 (76%)	1685
Romania	170 (58%)	125 (42%)	295
Poland	3 (5%)	52 (95%)	55
Latvia	17 (43%)	23 (58%)	40
Lithuania	6 (32%)	13 (68%)	19
Somalia	5 (38%)	8 (62%)	13
India	0	13 (100%)	13
Total	**605 (27%)**	**1634 (73%)**	**2239**

Table 2h – Number and percentage of offences involving multiple offenders and their network sizes, broken down by nationality

Nationality	Network size*								Total
	3	4	5	6	7	8	9	12	
UK	127 (38%)	88 (27%)	38 (11%)	27 (8%)	27 (8%)	22 (7%)	2 (1%)	1 (0%)	332
Romania	46 (31%)	9 (6%)	37 (25%)	8 (5%)	22 (15%)	0	9 (6%)	18 (12%)	149
Latvia	12 (92%)	0	1 (8%)	0	0	0	0	0	13
Somalia	4 (100%)	0	0	0	0	0	0	0	4
Lithuania	1 (33%)	2 (67%)	0	0	0	0	0	0	3
Poland	1 (100%)	0	0	0	0	0	0	0	1

*Those with no identified links to other acquisitive offenders (ie included on the sole basis of committing an offence with a co-offender) were excluded from this analysis.

proportion of offences committed by three other nationalities – Latvians, Lithuanians and Somalians – are also above the UK figure at 43 per cent, 32 per cent and 38 per cent respectively.

The disproportionate number of theft offences linked to foreign nationals attributed to organised crime is also illustrated by the degree to which certain nationalities, in particular Romanians were more likely to have links with larger groups of offenders (see Table 2h above).

The demographic makeup of Coventry does little to explain these differences, with Romanians making up only 0.3 per cent of the city's official population (ie based on the 2011 census). However, the city experienced a spike in the arrival of migrant workers [25] in 2014 and 2015 at a rate well above the national average (ie 7,820 vs. an average of 1,798 in 2014, and 9,237 vs. 2,032 in 2015). This spike has predominantly consisted of migrants from the EU2 [26] and EU8 [27] areas, representing 33 per cent and 23 per cent respectively (of all migrants) during 2015. Although it is difficult to calculate an accurate estimate, based on these figures and interviews with a local charity who quoted the number of Roma

23 Some crimes involved multiple offenders of different nationalities and were therefore counted under both nationalities. The nationality breakdowns therefore represent a count of offences in which at least one offender belonged to the nationality in question.

24 Nationalities with fewer than 10 offences each are excluded from the table but are included within the total.

25 Based on National Insurance Numbers (NiNo) allocated to adult overseas nationals entering the UK. A NiNo is generally required by any overseas national looking to work or claim benefits/tax credits in the UK, including the self-employed or students working part time.

26 Romania and Bulgaria.

27 Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia.

residents alone to be closer to 7,000, the population of Romanian nationals in the city during 2014-2015 is likely to be over two per cent, making it one of the largest foreign national populations in the area.[28] However, even taking this into account, Romanian nationals remain disproportionately involved in organised shoplifting and other theft offences.

Foreign nationals as victims

While it is clear that Romanian offenders would appear to be disproportionately involved in organised shoplifting and theft offences, they would also seem to be disproportionately at risk of exploitation, whether by pimps, employers, landlords, loan sharks or traffickers, at least according to anecdotal evidence. A representative of the Gangmasters Licensing Authority (GLA), for example, referred to certain neighbourhoods as *'magnets'* for low-paid, often illegal work and cheap, sub-standard and often overcrowded accommodation provided by unscrupulous landlords. Romanian nationals were highlighted as representing the majority of those exploited, given their poor grasp of English (in comparison to Russian or Polish nationals), their relatively low levels of education and their subsequent susceptibility to being easily trafficked and controlled.

Once victims are ensconced in a controlled property, they are allegedly often *"abused from every angle"*, with bank accounts, loans, benefits and mobile phones all applied for in their names. One 'highly organised' group was described as being in control of 300 to 400 properties spread across different towns and cities across the country. Families back home may be threatened, weekly wages are withheld to pay for bogus expenses and personal documentation may be confiscated to prevent applications for benefits and maintain control. Sometimes, interviewees described foreign nationals being coerced into committing criminal offences, particularly shoplifting and pick-pocketing, to pay back 'debts' or simply to survive. The latter was described as a consequence of a discriminatory benefits and/or social housing

system where securing access to welfare support is, in practice, virtually impossible.

Much of this exploitation of foreign nationals takes place below the radar of the police and other local agencies. According to interviewees, any notions of contacting the police are countered by claims that the police don't care, are in cahoots with the group leaders or will beat them up. Since these are often common experiences in victims' home countries, these warnings are easily believed.

It is important to note that while the above findings pertain primarily to Romanian nationals other cities will be different, most likely depending on the specific demographic profile of each location, and the findings cannot be extrapolated nationwide. The methodology used to identify the involvement of foreign nationals in organised crime is also subject to a number of limitations and caveats. It is not possible, for example, to be certain that an offence is organised simply because more than two offenders have provided the same address. Since this is based on arrest data, it is also theoretically possible that these findings reflect the disproportionate targeting of foreign nationals by the police. The line between offender and victim is often a blurred one and no more so than here. Nevertheless the data presented above does provide the first estimate of the scale and nature of a problem about which virtually nothing is known.

The impact of organised crime

Having described in some detail the activities of both formally recorded, as well as other OCGs across the three neighbourhoods, including those involving foreign nationals, this section attempts to document some of the impact these groups have on the communities in which they operate (and often reside) and on the people who live there. It is based primarily on interviews with practitioners, but also draws on recorded crime and police intelligence reports.

Much of the criminal activity of OCGs is no different in terms of its impact than similar offences committed by lone or non-organised offenders. From the victim's point of view, the effects of a burglary will, in most cases, be the same, whether the perpetrator is a

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[28] It is important to note that in our research location, the majority of Roma residents happened to be Romanian. This is not necessarily the case in other areas, as the Roma community originates from a variety of different countries.

member of an organised crime group (OCG) or not. In many cases they won't even know who the offender was. Well-planned and organised criminal activity is not inevitably more harmful than unplanned, spontaneous, even chaotic criminal behaviour. Indeed there are some residents who would argue that OCGs provide them with access to products such as tobacco, alcohol and counterfeit goods that they would otherwise be unable to afford. In one neighbourhood, residents submitted a petition to the local council challenging their decision to remove the alcohol and tobacco licence from a local shop caught selling illicit goods. However, the very nature of organised crime means that there can be quite significant harmful impacts that derive not just from the kinds of crimes OCGs commit, but from the additional harms associated with the control they exercise, the forms of power they use and the collateral damage they cause.

Organised crime can scar neighbourhoods and the people who live in them. Interviewees offered many examples of how the behaviour of OCGs, particularly that which accompanies the supply of illicit substances, damaged the local environment. As well as blatant drug dealing in public places, drug markets are commonly associated with discarded needles and other drug-taking paraphernalia, incidents of violent public disorder or antisocial behaviour, including arson, and even the occasional discharge of a firearm or a drive-by shooting. There were also examples of burnt out cars left in the street, CCTV cameras torn down, large numbers of men congregating outside houses or other public venues and other forms of intimidating or antisocial behaviour. These are just some of the overt signs of what is suspected to be linked to organised criminal activity, most of which are known to the police and other authorities and to which they try to respond. But there are other, less overt signs, which can be more insidious and are often harder to tackle. Interviewees regularly referred to some of the more covert effects of OCGs, such as the pervasive atmosphere of fear and menace, the verbal and physical threats suffered by individual residents and their families and the use of blackmail and extortion by OCGs to enforce their will.

Neighbourhoods with high levels of deprivation and low levels of income present a heightened risk in terms of housing individuals vulnerable to exploitation. Given the poor employment prospects in deprived areas and limited horizons which may result, interviewees stressed that young people in all three neighbourhoods were particularly at risk of being exploited or coerced into drug dealing, delivery or storage and other high-risk criminal activities. Persuaded by the prospect of easy money, manipulated into debt, or lured by gestures of generosity with drugs, loans of vehicles or money, young people are considered easy prey. Interviewees described how, searching for a sense of identity, status and meaning and afraid of the consequences of non-cooperation – ridicule, isolation, even castigation – young people's choices are often severely restricted and directed towards offending. For some, particularly the young friends or relatives of family-run OCGs, there are effectively no choices at all.

In all three neighbourhoods OCGs were reported to be undermining the rule of law by threatening and intimidating victims and witnesses to prevent them reporting incidents to the police or giving evidence in court, or by settling local disputes 'informally', thereby circumventing the local police and imposing their own brand of social control. OCGs undermined the local economy by providing cut-price illicit goods and services, running protection rackets and providing cheap labour. In one neighbourhood, there was evidence to suggest that the most prominent OCG used their (considerable) resources to influence the demographic make-up of the community, driving unwanted residents out (including, allegedly, on racial grounds) and purchasing properties to facilitate the storage of illicit/stolen goods controlling the rental market, placing the perpetrators beyond the regulatory controls of local authority housing departments/housing associations. In another, the exploitation of recent migrants from Eastern Europe seeking employment and a place to live had resulted in overcrowding and associated problems, such as high levels of rubbish and discarded furniture, rat infestations and other forms of environmental deterioration.

Identifying the impact of areas of organised crime that are less reported and more hidden (such as human trafficking or modern slavery), is quite a challenge. Although interviewees did refer to the victims of human trafficking in terms of working long hours for little pay while often living in poor, overcrowded conditions, much of the impact remains unknown. Despite strong intimations that there are unidentified victims of exploitation, there is no sense of scale. Members of local diaspora communities are often especially reluctant or unable to engage with local agencies (including the police) and those who have come from war torn countries, such as Afghanistan, evidently display relatively high levels of tolerance and resilience. The absence of reliable intelligence concerning these issues, as with many of the aspects of OCG activity, makes responding effectively to the threat they present a complex matter. The following section reviews how the police and their partners have responded to the threat of OCGs in their areas.

The local response to organised crime

Previous research on tackling local organised crime

Most research on the effectiveness of tackling organised crime at the local level has been undertaken in relation to drug markets, particularly open drug markets, where Harocopos and Hough (2005) suggest the following as measures of effectiveness:

- Reduced visibility of drug-related activity in public places.

- Reduced calls for service related to drug dealing and using.

- Reduced calls for service related to crime and disorder.

- Diminishing arrest rates for drug selling or drug possession with similar levels of enforcement.

- Increased price of drugs or increased search time to purchase drugs.

- Increased feeling of community safety (this may entail conducting a survey of local residents).

- Renewed legitimate use of public spaces such as parks or recreation areas.

- Reduced vehicle traffic and loitering.

- Reduced evidence of drug-related paraphernalia.

- Reduced levels of crimes in the vicinity of the drug market that are plausibly related to drug dealing (eg thefts, burglaries, robberies).

They go on to identify four main approaches:

- The standard model – non-specific geographic law enforcement focus (such as rapid response and patrols).

- Community wide partnerships that involve a range of agencies and approaches across a wide geographic area.

- Hotspot policing interventions that targeted geographical areas known to be drug hotspots, such as crackdowns and raids, but which did not follow the principles of problem-oriented policing.

- Problem oriented policing and intervention partnerships that were geographically focused eg Street Level Up Approach (Otter, 2003).

Overall, problem-oriented policing approaches were found to be the most effective, followed by community-wide approaches. Both were more effective than law enforcement approaches that target drug hotspots, which in turn were found to be more effective than the standard model. However, there is evidence to suggest that simple law enforcement can change the characteristics of a local drug market by, for example, influencing the drugs on offer or shifting the market from an open to a closed one (Caulkins and Reuter, 2009). Tragler et al. (2001) argue that increased enforcement may have a greater impact in new markets, while Sampson (2001) argues that crackdowns and arrests of dealers and users can deliver some short term impact, but cites evidence to suggest that targeting disreputable landlords and improving the security and surveillance of residential properties is likely to be more effective.

One concern is how to deal with street-level dealers who are often themselves victims of exploitation. Criminal proceedings, which can be expensive, are known to have little impact on the availability of drugs,

with dealers who are convicted being quickly replaced (UKDPC, 2009). Encouragement into treatment has proved successful in terms of criminal justice savings, but also provides benefits to individual user-dealers and potentially the community in terms of reduced levels of burglary and other drug-related offending (UKDPC, 2012).

A fifth approach, supported by the UK Drugs Policy Commission (UKDPC), focuses on harm reduction. The UKDPC, having concluded that 'more' enforcement does not generally lead to 'less' supply and can even add to the problems experienced by communities (see MacCoun and Reuter, 2001; Reuter et al., 2009), recommended explicitly refocusing drug law enforcement on the reduction of drug-related harms (UKDPC, 2009). This is endorsed by a systematic review of evaluations of interventions to address street-level dealing (Mazerolle et al., 2007a) and is even supported by government strategies to combat organised crime:

'Harm reduction, rather than quantities of drugs seized or individuals convicted, is a more useful way of prioritising activities to improve the lives of citizens in the UK.' (HM Government, 2009a)

A UKDPC survey of 400 enforcement personnel found that more than two-thirds thought that the success of drug-related enforcement activity should be judged by its impact on drug harms (as opposed to seizures, arrests etc). Drawing on a number of case studies covering a range of enforcement activities within the UK and their impact on harms (as well as the effectiveness of disrupting and dismantling the crime groups involved), it also identified three broad harm-reduction approaches:

- Those that target individuals or groups identified as being particularly harmful, such as diverting problematic drug-using offenders into treatment; engaging proactively with offenders; prioritising OCGs on the basis of the harms they cause; and more effective use of statutory powers to seize offenders' assets, particularly those held by wealthy drug barons.

- Those that target the drug markets that produce the highest levels of harm and primarily comprise

multi-agency, multi-component strategies involving the community.

- Those that target particularly harmful behaviours, such as the use of violence or the exploitation of young children or other vulnerable people as lookouts and couriers, or targeting drug nuisance through the use of civil powers (such as Anti-Social Behaviour Orders).

The UKDPC concluded that those approaches which consider wider community impact and involve partnerships and communities seem to do well, especially if potential tension following enforcement activity is mitigated via effective public communication strategies and close liaison with community leaders. However, the Commission also conceded that measuring harm and its reduction was so difficult that most assessments of effectiveness relied almost exclusively on traditional measures of arrests and seizures, with assumptions that this had helped to reduce overall levels of harm. The overwhelming majority of the survey participants were of the view that there is simply insufficient measurement of enforcement outcomes to know if harms have actually been reduced.

Tackling local organised crime: findings from the current study

The police and other agencies all had a long history of managing local drug markets. Over time, neighbourhoods characterised by open drug markets move through periods of calm interspersed with periods of frenetic, even life-threatening disorder, but the markets are rarely eradicated. Despite their visibility, street dealers are relatively adept at avoiding arrest, particularly where they operate in dense housing estates that offer limited opportunities for natural surveillance. Drug markets may shift to other localities, temporarily or even permanently, or they may change from open to closed markets, but on the whole effective interventions or 'crackdowns' tend to be short lived, offering periods of respite rather than permanent suppression. Even where an OCG is broken up following a series of successful arrests and the imprisonment of the key players, the vacuum they leave behind is, according to the police, often quickly

filled by others. A key challenge facing the police and their partner agencies in responding to the threat and harm caused by OCGs is how to protect communities from their corrosive impact while finding ways to reduce the ability of OCG nominals to evade detection.

Where OCGs are known, the police and their partners are usually able to deploy a range of techniques and interventions, such as monitoring and tracking their activities using various forms of overt and covert surveillance, arresting and prosecuting suspects or simply making it more difficult for them to operate by, for example, using civil injunctions. But in contrast to non-organised crime, interviewees described how members of OCGs tend to delegate more risky activities to novices, many of whom may be striving to make a name for themselves and be prepared to take more risks but exercise little power. Efforts to target legitimate businesses involved in the facilitation of organised crime, such as employment or accommodation agencies, were rare.

Interviewees frequently referred to the difficulties of tackling illicit activities that may be condoned by local residents and/or where the perpetrators are feared. In such communities, reporting rates are invariably low, intelligence is often poor and residents are often unwilling to come forward, particularly in recently arrived diaspora communities where perceptions of/attitudes towards the police and other authorities are sometimes reported to be very different from longer-standing populations. Even where good intelligence is forthcoming, interviewees referred to the frustrations arising from poor collaboration and information exchanges, even within individual agencies. So, for example, in one neighbourhood, police officers complained of being 'kept in the dark' by force or lead investigators while in another the vice squad was working in almost complete isolation from other police units. Exchanging intelligence across agencies seemed to be particularly problematic, with interviewees in neighbourhood C lamenting the absence of clear guidance on what kind of information should be collected, how it should be collected, who should collect it and with whom it should be shared. Interviewees reported that many practitioners on the ground often lacked awareness of organised crime

indicators altogether, with the term 'organised crime' meaningless to a range of agencies and partners who do not understand the role they should play in tackling it.

Part of the challenge of compiling a comprehensive picture of organised crime is related to the sheer number of organisations that may encounter organised crime related activity, including: Fire and Rescue Services, Trading Standards, immigration control, Revenue and Customs, Environmental Health, housing associations, social services, Primary Care Trusts, Troubled Families, Victim Support, Citizens Advice and various community organisations such residents' associations, churches and mosques. Many of these local agencies suffer from the same problems around identification. Organised crime doesn't come with a 'flag', but without some indication or awareness of whether certain untoward activities are linked to OCGs, only the presenting issues will be addressed. A common refrain from practitioners was that there were simply no clear reporting mechanisms or a central repository for this kind of information.

The paucity of effective joint working is partly the product of conflicting aims, both within the police service and between the police service and other agencies. Some police officers prioritise enforcement as soon as there is enough evidence to proceed; others prefer to build up evidence over time in order to target more senior members of an OCG. It is also not always obvious who owns the problem. The police are the obvious candidates but other agencies, such as those listed above, also have a key role (if not necessarily a leading one) to play. This lack of clarity over who should own the problem locally even manifests itself within police forces, where organised crime may be viewed as falling under the remit of specialist teams, Local Policing Unit (LPU) Commanders, Criminal Investigation Departments (CID) or Public Protection Units.

The role of neighbourhood police teams (NPTs) is also unclear, particularly with respect to the gathering and sharing of local intelligence. NPT officers felt that their local knowledge was underexploited by CID who, it was reported, rarely tasked them to find evidence on specific local issues. Practitioners from both force

areas referred to a definite CID/uniform divide around information sharing. As one neighbourhood police officer stated, *'CID might as well be a completely separate force ... we never see them'*. The lack of effective sharing of intelligence within the force was described as leading to, *'... the Local Intelligence Officer working with one hand tied behind their back'*. Neighbourhood policing team officers are rarely made aware of OCGs that may already be targeted at force/regional/national level. Interviewees provided several examples of times when they had become aware of significant OCG nominals in their patch only after a major incident or through newspaper reports.

The issue of who is in charge of tackling OCGs is placed in particularly sharp relief when OCGs live outside the force area they are active in or when organised crime activity moves or is displaced from one force area to another. One police officer candidly summed up how once problems move off their territory they no longer matter, *'If it's moved off our patch into a neighbouring ward, we're happy with that; we're supposed to liaise with the recipient neighbourhood but really, it's not our problem anymore.'* The lack of information sharing across force boundaries in a timely manner effectively affords offenders acting across such boundaries a layer of additional protection.

Interviewees repeatedly stressed the need for the police to embrace modern technology, harnessing the power of social media to gather local intelligence and improve understanding of their community. Other agencies, such as Trading Standards, were also finding it difficult to keep abreast with technological developments, especially concerning the use of the internet for buying and selling counterfeit, dangerous and stolen goods. The benefits of undertaking police surveillance and investigations online, and the cultural shift in policing this entails, have yet to be fully grasped.

In response to the question of how better to tackle organised crime at the local level, interviewees made a number of helpful suggestions, including:

- Increase reporting rates with, for example, the help of Crimestoppers.

- Pursue more victimless prosecutions.

- Make more use of civil injunctions, for example to prevent association between family members at different addresses and other forms of disruption.

- Draw more readily on available and often very illuminating sources of community intelligence (for example, housing officers who work closely with those living on residential estates), if only because it provides a different perspective from police intelligence, which can be fragmented and sometimes too one-sided.

In summary, the most significant issue in considering effective responses to the challenges of OCGs would seem to be that it is far from clear who is really in charge of preventing and tackling organised crime at the local level. In most instances it will be the police force, which they readily acknowledge, but organised crime as a concept is so broad that it requires the involvement of other agencies as well as the private sector and specialist skills sometimes available only at the national level. This leaves some areas of organised criminal activity relatively untouched. For example, who at the local level owns modern slavery (about which little is known or done) or organised fraud (about which even less is known and even less is done)? Nobody, it would seem, owns the latter.

Having said this, there are examples of good practice from which much could be learnt. In Greater Manchester, Operation Challenger was set up specifically to understand more about how organised crime affects local communities. Its main aim is to deliver a multi-agency response to OCGs using organised crime teams operating in every Local Police Unit. Information is pooled from partner agencies – probation, education, social services, mental health, housing – to help build a better picture of OCG activity, which extends well beyond simply relying on incidents reported to the police. Community Impact Assessments are made following every incident responded to by the police which are fed into OCGM and help to determine the impact they may have on the local community. Police Community Support Officers (PCSOs) are being used to provide pen portraits of OC hotspots and how they are changing

over time and to undertake quarterly surveys with members of the local community to help improve their force's intelligence.

Another example of good practice encountered by the research team was Durham Constabulary, which also embraces partnership working. The force hosts an OC Partnership Disruption and Intervention Panel every two months, attended by representatives from the local authority, fire service, environment agency, trading standards, HMRC and VOSA (Vehicle and Operations Service Agency). The information systems of each partner agency are regularly trawled for relevant intelligence, which is then shared at these meetings. Some OCGs that the police may be unaware of may end up being mapped as a result. Each OCG is then 'owned' by a neighbourhood officer and is allocated a financial investigator. Each agency is then informed about how an OCG and its activities matter to them and what the repercussions might be if left to continue such activities undisrupted. But in both this example and the Greater Manchester Police one above, little is known about how effective the partnership approach actually is in terms of reducing the amount of harm that OCGs perpetrate on local communities.

By focusing on organised crime at a local level this chapter has highlighted the ways in which organised crime impacts on local communities and the difficulties that the police and their partners face in attempting to tackle it. The next two chapters build on this work by focusing on the prevalence, effects and response to two specific areas of organised crime, namely, organised sexual exploitation and fraud.

3. Organised sexual exploitation

Introduction

The previous chapter demonstrated the wide range of activities engaged in by OCGs and the impact these activities have on local communities. It highlighted some significant blind spots in the understanding the police have of organised crime and some of the limitations of the Organised Crime Group Mapping (OCGM) database, in particular the way in which it prioritises a focus on offenders at the expense of victims and the harms they experience. This chapter, rather than focusing on the breadth of organised criminality in three local neighbourhoods, focuses in depth on two specific types of organised criminal activity occurring in the city of Bristol: the first involving adults (referred to here as the adult sex market (ASM)) and the second involving children (ie child sexual exploitation (CSE)) [29].

The ASM is predominantly attractive to OCGs for the profits it can generate (May et al, 2000), whereas (CSE) primarily involves OCGs in the grooming, coercion and control of young people for the purposes of sexual exploitation (CEOP, 2013). While distinctive in many ways, they are also connected; some victims of CSE go on to become adult sex workers and some OCGs may be involved in sexually exploiting both children and adults. In both cases, the exploitation may be limited to sexual activity, but both children and adults may also be exploited for money, power or status.

It is important to emphasise that this study is only concerned with those aspects of sexual exploitation that are linked to organised crime (at the local level). The term 'organised sexual exploitation' therefore includes both the ASM and CSE. There are three key elements that distinguish this, namely:

- The methods adopted by perpetrators when engaging in criminal activity, from the trafficking and pimping of adult sex workers to the sexual and physical abuse of young people.

- The involvement of multiple offenders.

- The persistence of and commitment to offending over time.

This study therefore aims to elucidate the scale and nature of organised sexual exploitation at the local level, the harm it causes and how the police and other agencies tackle it. But prior to reporting the study's findings on this, a short summary of previous research on both the ASM and CSE is presented.

Previous research

The adult sex trade

Organised crime is commonly associated with the management and control of the illegal sex trade, from red light districts to massage parlours, escort services and residential brothels. According to the recent Home Affairs Select Committee report on prostitution (Home Affairs Select Committee, 2016), there are approximately 72,800 sex workers in the UK, although this is likely to be an under-estimate. On the whole, as formally acknowledged by the Home Affairs Select Committee, accessing robust information on the sex trade is difficult, which hinders efforts to identify its scale and the harm it causes, let alone the extent to which such harms can be attributed to organised crime. Furthermore, most research has focused on the nature and dynamics of on-street markets, which only includes about a quarter of all sex workers (Home Affairs Select Committee, 2016); much less is known about off-street sex markets.

On-street sex markets

Previous research shows that the presence of on-street sex markets is commonly associated with groups involved in the supply of illicit drugs. The overlap between illicit drug and illegal sex markets is graphically illustrated by a recent study undertaken across eight cities in the US. This study found that a quarter of the 73 pimps that were interviewed worked as drug dealers prior to working in the illegal sex industry and nearly one

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[29] A small number of young adults aged 18 and above are also included in the analysis.

in five continued to deal in drugs while also pimping (Dank et al., 2014). In the UK, the vast majority of on-street sex workers are class A drug misusers (see, for example, Jeal and Salisbury, 2004), with sex workers diverting much of their earnings to drug dealers in order to fuel their addiction (Home Office, 2004). While there are local variations, drug and sex markets often seem to coalesce, with sex workers not only comprising a significant number of buyers but also facilitating drug supply (May et al., 1999).

In addition to substance misuse, studies have identified a range of other adverse outcomes common among on-street sex workers, including homelessness, exposure to sexually transmitted diseases, mental health problems and abusive relationships (Balfour and Allen, 2014). The high levels of personal vulnerability together with the considerable risk of violence and sexual assault associated with on-street sex work (Jackson, Jeffery and Adamson, 2010) has led to a move away from arresting and prosecuting on-street sex workers and towards focusing on those who pay for their services or control them. In the Netherlands, the nature of exploitation in the sex industry has been likened to that found in domestic abuse, where control, intimidation and violence often co-exist alongside intimacy and dependency (Verhoeven et al., 2013). Similar developments can be found in the UK; in one London borough, for example, efforts to tackle the illegal sex trade are now part of their Violence Against Women and Girls strategy (Bindel et al., 2013b). The intention is to increase reporting rates, as has happened in relation to domestic abuse, thereby increasing the number of victims accessing support and the number of perpetrators receiving criminal sanctions. But the biggest change in recent years, largely a consequence of the growth and spread of the internet but also in part due to the greater dangers associated with the on-street market (although see Bindel et al, 2013a, which suggests this may not in fact be the case), has been the shift from on-street to off-street markets.

Off-street markets

Research suggests that in contrast to on-street sex workers, who are predominantly UK nationals, the off-street market is characterised by a larger number of foreign nationals, who are more commonly assumed to be susceptible to coercion and trafficking by OCGs. In one study, over half of the off-street sex workers were foreign nationals, with Eastern Europeans being particularly prevalent, although there were considerable regional variations: in London, 95 percent of sex workers were identified as foreign nationals compared to only 30 percent in Yorkshire and Humberside (Jackson, Jeffery and Adamson, 2010). Another study found that in London, Bangladeshi women brought into the country on student visas were being prostituted to Bangladeshi men in off-street locations, and on-street Romanian sex workers were found to be closely linked to organised crime networks (Bindel et al., 2013b).

There have been only a few studies that have tried to profile those who control women in the sex industry, the extent of their involvement or the income that the adult sex trade generates [30]. It is, however, known that at least some off-street sex workers are coerced by others into staying in the sex trade and that the premises used by sex workers are often owned and/or controlled by privately owned off-shore companies or unknown or untraceable landlords (Bindel et al., 2013b). There is however little awareness of, or concern for, the plight of off-street sex workers (Sagar et al., 2014), with those who purchase their services seemingly unconcerned about their vulnerability, irrespective of whether they know if they have been the victims of pimping and/or trafficking (Farley et al., 2009).

Because off-street sex work is largely hidden from public view and the online advertising of sexual services is not illegal, the police feel under little pressure to channel resources towards investigating the market. The majority of brothels are anonymous and discrete (Bindel and Atkins, 2008), victims rarely contact official agencies and communities remain largely undisturbed (see, Maher et al., 2012). This is in stark contrast to the overtly antisocial nature of the on-street sex trade, which often attracts complaints

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[30] A study of the underground commercial sex industry in the US found that pimps made between $5,000 and $33,000 per week (Dank et al., 2014).

from local residents (Bindel et al., 2013b), forcing a response from the police and other local agencies. The relative absence of risk through the lack of official attention seem likely to make the off-street sex market an attractive proposition for OCGs.

Sex work and human trafficking

One aspect of the off-street sex trade (and to a lesser extent the on-street sex trade) with known connections to organised crime is the trafficking of women for the purposes of sexual exploitation (see, Beijer et al., 2011; Goodey, 2008). According to one study, there are 17,000 migrant women involved in prostitution in England and Wales, of which some 2,600 are trafficked sex workers and a further 9,600 are estimated to be vulnerable to trafficking (Jackson, Jeffery and Adamson, 2010). The UK Human Trafficking Centre (UKHTC) estimates that approximately two in every five victims of all forms of trafficking are trafficked for sexual exploitation, although the NCA is of the view that the total number of trafficking victims is unknown (NCA, 2014a)[31]. The Home Office (Mills et al., 2013) estimates the social and economic cost of the trafficking of foreign nationals for the purposes of sexual exploitation linked to organised crime is £890 million. If non-foreign nationals were included, the costs would be well above £1 billion. In 2014, it was estimated that only 15 per cent of victims of trafficking for sexual exploitation were UK nationals (NCA, 2015b), with one in five aged under 18.

Some victims of trafficking do not see themselves as victims, while others may be exposed to various forms of coercion, deception or other forms of exploitation, such as: debt bondage, working without pay, being held in captivity and being exposed to violence, intimidation and persistent threats (see for example, The Centre for Social Justice, 2013). A study of the experiences of over 200 trafficked women in 14 European countries found that the overwhelming majority (95 percent) reported experiencing physical and sexual violence committed by their controllers,

with three out of four saying they had no freedom of movement (Zimmerman et al., 2006).

Although rarely brought to the attention of the authorities, trafficking is at least now an explicit element in the government's strategy to combat organised crime. Where trafficking of foreign nationals is involved, the assumption, certainly within the government, is that this automatically constitutes organised crime.[32] However this is also *the only* aspect of the illegal sex industry highlighted in the government's organised crime strategy. Furthermore, the narrative for trafficking and exploitation is essentially a national narrative developed and enunciated in large part by the Home Office and the National Crime Agency. There is no equivalent narrative at the local level, where the police and their partners have little local knowledge of the nature or extent of the problem or the harm that it causes. A recent study by the Centre for Social Justice (2013) found that many practitioners in the police, social services, UK Border Agency (UKBA) and judicial system were unaware of what indicators of trafficking looked like, and in some police areas trafficking was not considered a priority. While the number of prosecutions and convictions for trafficking remain low, the risk for organised criminals remains minimal. This is, in part, because off-street sex work, and the associated criminality is hard to tackle but also because it is relatively easy to ignore.

Child sexual exploitation [33]

CSE is commonly divided into two categories: online CSE and contact CSE. Online CSE involves the use of the internet as a means of grooming children for the purposes of sexual exploitation, mostly on social networking sites or via instant messaging and chat rooms (although this does not always lead to a contact offence). In contrast to traditional ideas of grooming, online perpetrators can quickly gain

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31 2,744 victims were referred to the UKHTC in 2013, but this only represents those who are known (ie referred). It is widely acknowledged that these figures represent the tip of a much larger iceberg, largely because of very low levels of reporting.

32 See for example the Home Office analysis of the cost to the UK of trafficking foreign national women for sexual exploitation, which assumes all was linked to organised crime.

33 There is currently no offence of CSE, although it is defined in government guidance as involving: *exploitative situations, contexts and friendships where young people (or a third person or persons) receive 'something' (eg food, accommodation, drugs, alcohol, cigarettes, affection, gifts, money) as a result of performing, and/or others performing on them, sexual activities* (HM Government, 2009b). However, sexual exploitation may lead to a criminal offence such as rape or sexual assault.

influence over a relatively large number of potential victims simultaneously, rather than investing large amounts of time establishing a trusting relationship with one or two individuals. The number of victims being targeted can sometimes be in the hundreds, suggesting an almost businesses-like level of sophistication and organisation. However, the primary or sole motivating factor for the majority of such offenders is sexual gratification, with only a minority of children being sexually exploited for financial gain (and therefore almost certainly linked to organised crime) [34].

Contact CSE can be perpetrated by either lone individuals or groups of offenders with a long-standing sexual interest in children, often referred to as paedophiles or 'paedophile rings' [35], or by groups who deliberately prey on vulnerable teenagers and young adults with the specific purpose of exploiting them for sexual but also potentially financial purposes (CEOP, 2013). Perpetrators often use the 'boyfriend' model of exploitation (ie they lure a young person into a relationship through the promise of love and affection) and may coerce or force the young person into having sex with friends or associates (Barnardo's, 2012). It is the involvement of groups of perpetrators carrying out CSE over a period of time, often for financial gain, that is the focus here as it conforms to most elements of the UK government's definition organised crime.

In 2012, the Child Exploitation and Online Protection Centre (CEOP, 2013) received 1,145 reports of online CSE behaviour, with 13 and 14 year olds representing the largest victim group. The Home Office (Mills et al., 2013) has estimated the costs of CSE to be £100 million, however this is likely to be a significant underestimate as it is based only on known victims. A recent study of the economic and social costs of child sexual abuse (CSA), which included CSE, estimated the costs of CSA to the UK at £3.2 billion per year (Saied-Tessier, 2014), the majority of which came from the loss of productivity to society (£2.7 billion).

Although tackling CSE forms part of the government's Serious and Organised Crime Strategy, the nature and extent of the link to organised crime remains unclear. While CSE will invariably be considered *serious*, what is less clear is the extent to which it is *organised*, the nature of the OCGs involved, and the links between organised CSE and the adult sex trade. One study, using police data, found that there were 144 victims of this type of CSE in the UK in 2013, perpetrated by some 58 groups (CEOP, 2013). The majority of victims were white British females aged between 14 and 15. However a much larger study undertaken by the Office of the Children's Commissioner (OCC) identified 2,400 CSE victims exploited by gangs, groups or networks between August 2010 and October 2011 (Berelowitz et al., 2012). The latter is more likely to represent a truer picture of the scale of CSE linked to organised crime than the much lower numbers based on police data, which is more likely to reflect the very low levels of reporting in this area.

Victims of CSE are often commonly assumed to be female, however research by Cockbain et al. (2014) shows that over a third of Barnardo's service users (n = 2,986) are male [36]. Similarly, there is a general perception, influenced by media reporting, that sexual exploitation by groups and gangs is targeted towards white children, however research by Berelowitz et al. (2012) has found that victims come from a range of ethnic backgrounds, with less than half (42 per cent) being described as 'White British' [37]. This research also suggests that BAME victims of CSE may be even more hidden, due to a greater reluctance to seek help, having their abuse concealed by family, or having parents who feel less confident in the police and children's services and are therefore reluctant report their children missing from home.

Victims of CSE often lead quite troubled and chaotic lives. According to Cockbain et al. (2014), more than half (55 per cent) have run away or have gone missing at some point and one in six (17 per cent) have a disability, most commonly a learning or behaviour

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34 An additional feature of online CSE is the production and/or sharing of indecent images of children (IIOC) and although this involves (albeit loose) links with other offenders, the commercial distribution of IIOC for financial gain accounts for only a very small percentage of the transactions taking place and is not therefore viewed as being linked to organised crime.

35 According to CEOP, only a small number of cases of this type have been noted in the past few years (only seven groups noted in 2012) and although perpetrated by groups it is seen as an extension of lone offending and not linked to organised crime.

36 Data from 2008-2013.

35 In their study, 19 per cent were 'Other White', 13 per cent were 'Black', six per cent were 'Mixed', five per cent were 'Asian', two per cent were classified as 'Other' and 14 per cent were not known.

disability. The inquiry by the OCC found that 25 per cent of CSE victims were raised in homes where there was domestic violence or drug and alcohol misuse by parents or carers. Children in care are also significantly more likely to become victims of CSE, with looked after children accounting for 43 per cent of all cases received by the OCC, and accounting for 35 percent of the 16,500 children deemed to be at risk of CSE by their inquiry. The inquiry also identified a number of other key vulnerabilities that appeared consistently in their call for evidence, including lack of parental supervision or care, a history of child sexual abuse, living in a gang-affected neighbourhood, low self-esteem or self-confidence and low socio-economic status (see also, Melrose and Pearce, 2013).

According to Barnardo's, victims may experience severe health problems, including drug and alcohol misuse, sexual health problems such as unwanted pregnancies, miscarriages, terminations, sexually transmitted infections and HIV, and psychological harm such as self-harming, attempting suicide, depression, psychosis and self-neglect (Berelowitz et al., 2012). CSE victims are also likely to have prior criminal convictions. From a sample of 552 CSE victims in Derby, for example, 40 per cent had an offending history, with the average first conviction being between 12 and 13 years of age (Cockbain and Brayley, 2012). A fifth of these offences were violent or aggressive crimes, 1.5 times higher than among UK offenders in general. CSE may also be a route into prostitution. In the UK, it has been estimated that 50 to 75 percent of sex workers are drawn into prostitution before they reach the age of 18 (eg Benson and Matthews, 1995). However, there has been no research to date that has explicitly examined the extent to which victimisation from CSE increases a young person's vulnerability to sex working.

The victims of CSE are often encouraged by perpetrators to be secretive about their activities, and some may not even identify themselves as victims. When these children do present to the police or criminal justice system, often in relation to antisocial behaviour, drug use or shoplifting, the warning signs of CSE are all too often ignored (Barnardo's, 2014). Recent high profile CSE investigations, in for example

Rochdale, Oxford and Rotherham, have begun to shed some light on this type of activity, however it remains mostly hidden from view. This increased focus on CSE does however seem to be leading to higher numbers of referrals. In the Metropolitan Police Service, for example, referrals increased from 445 in the six months from 1 April 2013 to 1,442 over the same period in 2014 (NPCC, 2016), but reporting rates are still thought to be low.

Barnardo's (2011) note that some CSE perpetrators are involved in orchestrating the movement/trafficking of children through networks, between towns and cities, where they may be forced or coerced into having sex with multiple men. Allegedly, this often occurs at 'sex parties,' where drugs and alcohol are freely available and where the children who are involved may be used to help recruit others. Trafficking also suggests the involvement of organised crime in one form or another and may be more prevalent among CSE victims than is commonly assumed. As already noted above, over a quarter of more than 1,400 CSE victims that Barnardo's worked with had been trafficked within the UK for sexual exploitation (Barnardo's, 2013).

There has been no research on the impact of CSE on the community in which CSE victims live, largely because CSE is a crime that most *prominently* impacts the individual victim. However there have been reports in the media which suggest that heightened community tensions between different ethnic groups can arise as a direct result of CSE. A recent high profile CSE case involving Somalian perpetrators in Bristol, for example, seems to have led to a breakdown in race relations among children, parents and the local community (eg Anonymous author, 2014; Onions, 2014), but there is no independent empirical evidence to support this.

The current study

To achieve a better understanding of how organised sexual exploitation is manifested at the local level, this study attempts to address the following questions:

- What is the scale of sexual exploitation (involving both adults and children) occurring across Bristol, and how much of it is perpetrated by OCGs?

- Who are the organised criminals involved in sexual exploitation, and what are their modi operandi?

- Who are the victims of organised sexual exploitation, and what makes them vulnerable?

- What is the impact of organised sexual exploitation on the victims and the local community?

- How effective is the response to organised sexual exploitation at the local level?

As well as recorded crime and the OCGM database, this study draws on an in-depth analysis of local police intelligence and crime related incidents as well as a series of in-depth interviews with police officers and other local practitioners. The fieldwork for this part of the study was carried out in Avon and Somerset and focuses in particular on the city of Bristol, which has a (growing) population of 442,500. As well as a large student population there has been an increase in migration, with Poland and Somalia the most common countries of birth among foreign nationals in the city. Since the early 2000s, the Non-White-British population has nearly doubled and now comprises 22 per cent of the population (Bristol City Council, 2015). The city itself does not display high levels of deprivation relative to other similar sized cities in England and Wales, but does have pockets of deprivation: sixteen per cent of residents (22 per cent of children) live in areas that are among the most deprived in the country. Historically, deprivation linked to crime has been especially high with inner city areas such as St Pauls achieving national notoriety for large-scale public disorder, although levels of deprivation and associated community tension have declined in recent years.

Levels of crime in Bristol are much higher than in other areas of Avon and Somerset and even compared with other similar cities in England and Wales, overall levels of crime in Bristol are above average, with 100 crimes reported per 1,000 of the population in 2015 [38]. The level of recorded drug, violence and sexual offences is comparable to other similar locations, while acquisitive crimes such as burglary, robbery and bicycle theft, account for the more elevated crime rate. Four out of five neighbourhoods assessed by Avon and Somerset

police force as 'demand-locations' are within Bristol, two of which are deprived, high-crime inner city areas with strong links to the ASM and known CSE.

What does the adult sex market in Bristol look like?

The ASM in Bristol comprises two distinct elements: on-street markets, commonly referred to as 'red light districts,' where sex workers and their clients meet face-to-face in public places; and the off-street market, which commonly occurs behind closed doors in brothels, private residences and hotels and where sex workers may use the internet to advertise their trade. Those who run or manage brothels are typically conventional in that they operate within business-like structures and have been established for relatively long periods of time.

According to local practitioners, the threat from organised crime is most pronounced among women working behind closed doors. This is supported by local police intelligence data that shows that only a minority of on-street sex workers are controlled by a third party, and even then they are often lone offenders. With the rise of the off-street sex market, the number of sex workers plying their trade on the street has dwindled considerably in the last few years. And yet there was much less information available on the off-street sex trade, partly because it presents less of an obvious and visible threat to the local community. Like the drug markets described in the last chapter, the police still view the control of prostitution as essentially patrolling red light districts. Although this has shifted from an emphasis on arresting sex workers (and sometimes their clients) towards protecting sex workers from violent customers and pimps, those working in brothels receive little priority. One community member suggested the number of Chinese brothels in the city, which were advertised in local Chinese publications, was likely to be much higher than official estimates, but these went largely unnoticed and undisturbed. This part of the research therefore focused on the off-street ASM, which is largely hidden from view and under-prioritised, but where organised crime is widely considered to have a presence.

38 https://www.police.uk/avon-and-somerset/BS140/performance/compare-your-area/#msg_comparison

The off-street sex trade comprises three distinctive types. Commercial brothels, often masquerading as 'massage parlours'; residential brothels located in residential neighbourhoods; and pop-up brothels, often based in a hotel or an apartment, which operate for a short period before moving on elsewhere.

Commercial brothels

Most police intelligence related to commercial brothels in the city, a number of which were concentrated within a single police neighbourhood alongside pubs and lap-dancing establishments, in some cases with shop fronts that clearly indicated the sexual services on offer. Most seemed to be owned or managed by a small pool of offenders, who employed others to help run the business, such as a 'Madam' who would commonly receive customers at a reception desk or a male 'minder' to help protect employees from disruptive or abusive clients. Nearly half (49 per cent) of brothels were indicated to have more than one offender involved in their management. Landlords renting out properties that were then used as residential brothels could be key enablers or might even be running the business, collecting the takings on a regular basis, though in practice it was often unclear how complicit they were. Sex workers were often moved around between establishments, both in the city and beyond, to maximise interest in their services, but this meant the police (and other agencies) had little chance of knowing who was working in which premises at any one time. With employee turnover often so high – one Chinese brothel recruited new sex workers every week – it is difficult to build useful intelligence on, for example, how sex workers are recruited, where they come from and, when moved, where they go.

The force had mapped only two OCGs involved in sex markets, at least one of which has been known for many years [39]. One OCG ran two commercial and one residential brothel and, given the scale of the illicit gains generated, would also be involved in money laundering, although local practitioners (including the police) demonstrated little knowledge of this.

Members of other OCGs were involved in other forms of criminal activity, including cannabis cultivation and insurance fraud. There was some suggestion that companies or individuals outside of the city were linked to commercial brothels. In one case, ownership of a chain of commercial parlours across the south west of the UK had been traced back to a single property company in another police force area.

Residential and pop-up brothels

Far less was known about residential and pop-up brothels, which used a number of websites to advertise their services and arrange meetings with clients. Those managing them, who tended to be very discreet, rarely lived locally and remained almost entirely hidden from the authorities. In the case of pop-up brothels (as the name implies), sex workers might only remain in the city for a few days before moving on, without the police ever knowing they'd been there. The continuous movement of sex workers across multiple police force areas presents considerable challenges to the collation of local intelligence. Some worked for themselves – or allegedly worked for themselves – but others were clearly being managed by perpetrators who booked and paid for rooms and oversaw the advertising and transport of sex workers around the country. Of the few perpetrators that were known, most were foreign nationals who shared the same nationality as those they were exploiting and, in some cases, were known to be involved in trafficking and coercing them. Four brothels were found to advertise females from specific ethnic or national groups, in a number of cases Asian women, often Chinese or Thai. Sex workers from a white ethnic background were commonly recruited locally or came from Eastern Europe.

The scale of the organised adult sex market in Bristol

The study identified 65 brothels operating in the city, over half of which (58 per cent) were residential, often located in deprived housing estates. Altogether, they were employing at least 142 sex workers [40] (see

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[39] A third OCG, from Albania, was mapped after the fieldwork was completed. It is allegedly involved in both organised prostitution and human trafficking for sexual exploitation.

[40] Note that this figure only includes sex workers identified in intelligence; the actual figure is likely to be much higher.

Table 3a – Total number of brothels, sex workers and offenders operating in the city

Type of brothel	Total no.	No. of sex workers [41]	No. of offenders
Commercial brothel	14 (22%)	67 (47%)	22 (30%)
Residential brothel	38 (58%)	48 (34%)	47 (64%)
Pop-up brothel	13 (20%)	27 (19%)	5 (7%)
Total	**65 (100%)**	**142 (100%)**	**74 (100%)**

Table 3a) of which again almost half (47 per cent) worked in commercial brothels, while 19 per cent were known to be working in pop-up brothels. Commercial brothels and pop-up brothels each accounted for approximately one in five of the brothels known about, although with the latter only existing for a few days and unlikely to be identified let alone reported to the police, this is likely to be a considerable underestimate (as therefore will be the number of women working in them). 74 offenders were identified as being linked to the management of brothels operating across Bristol, the majority of which (64 per cent) were involved in the running of residential brothels. The total number of known sex workers and offenders is, whether working in pop-up brothels or elsewhere, also likely to be a considerable underestimate given the high levels of employee turnover [42] and the limitations of the data available for calculating these estimates.

Arguably, the *modi operandi* for operating brothels are intrinsically linked to organised crime in that they firstly require planning and sophistication to avoid police detection (or at least attention) and therefore are likely to involve groups or networks of perpetrators, and that secondly they are illegal businesses aimed at generating illicit revenue over time. This assumption was tested for each brothel using a number of indicators of organised crime (see Table 3b). The involvement of trafficking was also used as an indicator of links to organised crime since it suggests the involvement of more than one offender, cross-border offending and high levels of coercion

and control. The findings show a clear overlap with organised crime. Nearly half (49 per cent) of all the brothels had more than one offender linked to it or moved sex workers between brothels or other working locations (45 per cent). All commercial and virtually all the pop-up brothels (N=12) displayed at least one indicator of organised crime while two-thirds (N=24) of residential brothels did so.

Despite significant gaps, police data indicate a sizeable off-street sex market that has historically received much less attention from neighbourhood policing teams than those working on-street. To put these figures into context, in a single year the police logged 84 on-street sex workers. Compare this with the more than 600 sex workers advertising their services in Bristol on just one website. But the question that still remains is the extent to which the off-street sex market is controlled by organised crime.

Organised crime linked to the commercial sex trade is driven almost entirely by a motivation for financial gain, which can be considerable. With clients being charged on average £50 and sex workers receiving 20-30 clients per week, each sex worker will generate revenues of approximately £5k per month. Interviewees described those running the brothels commonly taking 50 per cent of each sex worker's income, suggesting they could make at least £2.5k per sex worker per month. With little risk of apprehension – certainly in comparison with the drug trade – the financial returns are attractive, particularly to foreign nationals, whose earning potential in their home countries is often considerably less. It was not unusual for sex workers (and not just foreign nationals) to justify their work to police and support workers on the basis of the considerable earnings it could provide. And even when an offender was successfully

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[41] These numbers are derived from police intelligence and are not reliant on a sex worker disclosing exploitation or reporting a crime.

[42] Since a single commercial brothel in the city could house as many as 14 sex workers at any one time, the number of sex workers in known brothels could exceed 142 at any one time.

Table 3b – Organised crime indicators displayed by each establishment

Indicator	Indicator type	% of brothels*
Organised crime	More than one offender linked to the management of the establishment	49% (32)
	Management of more than one establishment	32% (21)
	Involvement in other organised crime activity (eg drugs supply)	29% (19)
Trafficking	Movement of sex workers between brothels or working in alternate locations	45% (29)
	Control over movement and recruitment	29% (19)
	Adverts offering sex workers from particular ethnic or national groups	15% (10)

* Percentages calculated from a total of 65 identified brothels

apprehended, their illicit gains were rarely recovered, especially if the profits were laundered overseas.

In contrast to on-street sex workers, who mostly came from a white British background and lived locally, the off-street sex worker population was characterised by a mix of nationalities. In the case of pop-up brothels, every identified sex worker was Romanian and in commercial brothels, forty-two per cent (n=28) were from Romania. A quarter (25 per cent, n=12) of sex workers in residential brothels were Czech nationals and some were exclusively made up of Asian women. Sex workers from white British backgrounds were a minority in both commercial (28 per cent, n=19) and residential (six per cent, n=3) brothels [43]. The requirement to be mobile, to move (sometimes quite quickly) between different localities, helps to explain why so many of the sex workers were foreign nationals with no local ties.

Police and other interviewees stated that it was common to find sex workers at a brothel that had arrived very recently. They often provided partial explanations for how they had come to be employed at the brothel and displayed little knowledge of the local area. There was rarely any outward indication of a steering hand controlling their movement but equally little to explain how they had come to be in the city. The police data suggests some of the workers are very likely to be victims of trafficking, but it seems unlikely that trafficking is driving the movements of all sex workers. There are a number of potential reasons for

the reticence of sex workers to seek help or report criminal behaviour: a lack of understanding of UK law in this area leaves them fearful of incriminating themselves; pressure from brothel owners not to engage with the authorities; or a more fundamental distrust of authority based on experiences in their country of origin. The challenge for the police and other agencies is to identify those cases that present a threat of harm, but poor language skills combined with low levels of trust in or knowledge of local services all contribute to the paucity of intelligence, which in turn hinders attempts to protect and support them.

How harmful is the adult sex market?

Those working in the ASM are vulnerable to a wide range of risks and always have been. Public complaints directed at the highly visible on-street sex trade include multiple forms of antisocial and criminal behaviour, ranging from sexual activity and drug taking, to kerb crawling and speeding. These concerns are well known and have been well documented and need not be rehearsed here. However, much less is known about the risk of harm associated with the off-street sex trade, particularly for foreign nationals. The main difference is that the potential for harm to those working in the off-street sex trade is not seen or experienced by the public. They are unlikely to have knowledge of the fact that some sex workers are compelled to travel across the country to repay debt bonds, or that foreign nationals without an EU passport may have no access to

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43 There were 15 cases in which information on nationality was missing.

legitimate employment opportunities and therefore no alternative means of survival. The high turnover of sex workers in commercial and other brothels means they have little chance of getting to know the local area which, together with their often poor grasp of English, makes it difficult for them to access mainstream support services. Anecdotally, the use of threats and intimidation is not uncommon, either towards the sex worker or their family, which again severely restricts the ability of agencies to safeguard victims, even if they do decide to come forward.

The methodology adopted for this research takes some inspiration from previous studies such as that conducted by the UK Drug Policy Commission (UKDCP, 2009) or the EU (Greenfield and Paoli, 2013). Broadly, the aim of these studies was to deconstruct harm within a specific context (eg human trafficking) and to describe and categorise each facet of the harm that was evidenced. The analysis presented here represents a first step towards establishing a similar narrative for the harms attributable to organised sexual exploitation at the local level.

Based on police intelligence and interviews with practitioners, findings show that sex workers can be exposed to a wide range of risks, from the potential consequences of unprotected sex (STIs, unwanted pregnancies/abortions) to various forms of intimidation, violence and abuse (physical, emotional and sexual) from clients and pimps. Threats to family members, even those living in other countries, can also be used to exert control. They can also suffer psychological problems associated with being kept in semi-captivity or debt bonded or being frequently moved from one brothel to another. The illicit nature of the work means many will have had no contract or secure employment. The conditions in which they live and work can be very poor, with little freedom to come and go as they please. Foreign sex workers might have their passports withheld. Over time, they can become institutionalised and their lifestyle becomes normalised [44].

Sex workers are difficult to safeguard as they are often too afraid to come forward, either for fear of retaliation from their employers or, in the case of foreign nationals, being prosecuted for illegal immigration and deported (The Centre for Social Justice, 2013). Local support services to help off-street sex workers exit the trade are limited. The children of sex workers are also at greater risk of experiencing neglect, being taken into care or being recruited to work in the sex trade. Where trafficking is involved, referrals to the National Referral Mechanism (NRM) [45] may help to secure support, but only for a limited period of time. A comprehensive list of the full range of harms experienced by sex workers is presented in Appendix J.

Despite multiple visits to commercial brothels there was little appetite for enforcement against these establishments as long as the level of perceived harm remained low. The police were keen to ensure that no establishments employed sex workers under the age of 18, but beyond this it was difficult to assess whether other harms were taking place because sex workers were generally reluctant to provide any information, offering what appeared to be a well-rehearsed script in response to questions from the police. As one Romanian sex worker was heard to say to a new arrival when questioned by the police: *'You know what you have to say'*. This suggests that sex workers employed by commercial brothels, particularly those from overseas, are subject to a degree of coercive control: as one voluntary worker put it, *'The environment in commercial brothels just doesn't feel right'*.

There were other subtle indicators of coercive control evident from the treatment and conditions in which sex workers were employed; a number of sex workers in commercial parlours were found to live on the premises and some who had come from abroad were unable to access their passports. However, most practitioners readily admitted that they knew very little about the harmful aspects of the sex trade or even the scale of the hidden abuse. Very occasionally, the police carried out resource-intensive visits of known commercial brothels, which rarely yielded useful

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44 Having said this, there are also examples of sex workers who fiercely protect their right to work in the sex industry and the income this can generate, particularly for foreign nationals for whom the sums earned can be quite high relative to their potential earnings in their home countries (for example, see Mai, 2009).

45 The NRM was introduced in 2009 (and extended in 2015) as a way of locating and identifying victims of human trafficking and modern slavery in the UK.

Table 3c – Strong and medium/weak indicators of exploitation displayed in each establishment

Indicator strength	Indicator type*	% of brothels
Strong Indicators	Unable to produce passports or documents, including no bank account	18% (12)
	Person forced, intimidated or coerced into providing services of sexual nature	18% (12)
	Restriction of movement and confinement to the workplace or to a limited area	12% (8)
	Perception of being bonded by debt	12% (8)
Medium/Weak Indicators	Sleeping on work premises	23% (15)
	Expression of fear or anxiety	18% (12)
	'Adultworks' profile controlled by someone else [46]	11% (7)

* Includes all indicators found for 10 per cent or more of establishments – see Appendix I for breakdown of all indicators by brothel type

intelligence or incriminating evidence, however, the potentially greater threat of trafficking and exploitation associated with residential and pop-up brothels received little attention.

Previous studies have explored the behavioural and environmental factors that predict the likelihood of a sex worker being victimised. These indicators have been consolidated into a framework by the United Nations, commonly referred to as the Palermo Protocol (International Labour Office, 2009), to help practitioners identify trafficking and exploitation in the absence of a victim coming forward. In this study, information from police intelligence was applied to this framework (with some additional factors identified during the research) to estimate the likelihood that different types of exploitation were occurring at a brothel [47]. The most commonly identified indicators of exploitation are outlined in Table 3c above.

The table above shows that an important minority of off-street sex workers experience conditions which indicate that they are being exploited in a number of ways. It provides evidence to show that sex workers are being forced, intimidated or coerced into providing sexual services in nearly one in five brothels (18 per cent). In nearly a quarter of brothels (23 per cent) sex workers were found to be sleeping on the premises – with commercial brothels it was over half (57 per cent)

– and in one in five brothels (18 per cent) they were observed to express fear or anxiety. Fewer indicators of exploitation were found for pop-up brothels, even though this is where some practitioners thought the greatest threat of exploitation and trafficking exists. In the case of pop-ups in particular, these percentages are likely to be under-estimates because local police know so little about them.

It has been argued by some in the police that, compared to on-street sex markets, the off-street market is less risky and less harmful. From the local community's point of view, the impact of the off-street sex trade is certainly less visible. Public complaints are therefore rare. Commercial brothels operating on busy high streets attract little attention. Unlike on-street sex markets, there is little evidence of antisocial behaviour or public nuisance associated with off-street markets. However the unseen harms can be substantial.

The response to the adult sex market

A practitioner from a national agency summed up the police perspective of offenders involved in the illegal sex trade as, *'Too difficult to tackle for the amount of harm they're causing'*. This neatly illustrates how the police view harm one dimensionally, ignoring the harm experienced by those working in the sex industry. On the one hand, the threshold of evidence required to mount a successful prosecution for trafficking or controlling prostitution for financial gain is high and

[46] AdultWorks is a website used by sex workers to both advertise their services and schedule appointments with the customers.
[47] See Appendix A for a full list of all the indicators applied to the data.

officers were understandably concerned that even where there was enough evidence to proceed, cases often collapsed. Prosecutions for managing a brothel (rather than exploiting sex workers) were seen as 'safer', but sentences were allegedly more lenient which acted as a disincentive. On the other hand, many of these victims are entirely at the mercy of ruthless OCGs that are essentially left to perpetrate serious crimes with little risk of detection.

Practitioners were unanimous that organised sexual exploitation was much more prevalent than that recorded, but in practice most adult sex workers had few opportunities to engage with practitioners and disclose what was happening to them, even where they were willing to do so (which many were not). Intelligence relating to brothels, if there was any, came either from local residents who were unaware of who the offenders were, or anonymous reports from CrimeStoppers that were difficult to follow up. A voluntary agency that visited commercial brothels and a charity working with victims referred through the National Referral Mechanism (mostly those referred from other areas) were the only agencies with a focus on this area, but the need for confidentiality limited their capacity to inform the police. One voluntary group, which regularly visited brothels to support sex workers, had a policy of deliberately not collaborating with the police to ensure that the brothels they worked in continued to cooperate with them.

Enforcement and support agencies were limited in their capacity to protect or safeguard victims, particularly those who were not only being directly threatened, but whose families may also have been under threat. In addition, many were debt-bonded and therefore could not easily extricate themselves from their situation until their debts were paid. With some sex workers not even acknowledging the exploitation they were experiencing, often because they were earning considerably more than they might elsewhere, very few looked for help from the police and most were entirely disengaged from support services.

Victims were often not local to communities but were passing through the area, giving local officers very little time to identify them and support services even less

time to help them. There were opportunities to improve identification of victims through intelligence gleaned from social media or websites advertising sexual services, but this appeared to be reliant on the personal initiative of a couple of vice squad officers and was not seen as core business. One officer regularly scanned a particular website advertising sexual services in the city to identify sex workers at risk of trafficking and exploitation, but this work didn't seem to be followed up with any enforcement action and was not prioritised or collated systematically. There were also opportunities to tap into the information held by local businesses, such as hotels and taxi firms, all of which could be key enablers, if unwittingly, of the illegal sex trade. Many of the reports relating to pop-up brothels came from hotels and in another force area, hotels, taxis and the service industry have been targeted specifically for intelligence on commercial sexual exploitation.

Child sexual exploitation in Bristol

In contrast to the ASM, CSE is often referred to as a 'new' or 'emerging' crime, facilitated by the ubiquity of online communications. It is not defined in English law as a specific crime and due to widespread concern among local agencies and voluntary organisations about the number of different definitions of CSE the government recently proposed a statutory definition as follows:

"Child sexual exploitation is a form of child abuse. It occurs where anyone under the age of 18 is persuaded, coerced or forced into sexual activity in exchange for, amongst other things, money, drugs/alcohol, gifts, affection or status. Consent is irrelevant, even where a child may believe they are voluntarily engaging in sexual activity with the person who is exploiting them. Child sexual exploitation does not always involve physical contact and may occur online." (HM Government, 2016). Although it was subject to change following a consultation, this is the definition that has been adopted here.

In the last few years, CSE has become a key priority at the national but also the local level, featuring not

*Table 3d – Sexual exploitation risk assessment
scores for victims*

Risk Category	No. of victims
Low risk	34 (11%)
Mild risk	63 (20%)
Moderate risk	45 (15%)
Significant risk	78 (25%)
Disclosed	90 (29%)
Total	**310 (100%)**

just in the government's Organised Crime Strategy but also in police force priorities. Whereas OCGs involved in CSE were virtually unmapped three years ago, they are now beginning to feature more prominently on the OCGM database. There is, however, still considerable uncertainty around what an OCG primarily involved in CSE looks like and how it differs from groups involved in other forms of Child Sexual Abuse (CSA). Interviews with approximately sixty local practitioners (primarily police, local authority and voluntary sector – see Appendix B for a full list), showed that their perceptions of CSE vary widely from all CSE being linked to organised crime (which fundamentally distinguishes it from CSA) to considerable scepticism about such links (which obfuscates any such distinction). The following provides a detailed description of what CSE [48] looks like in the city of Bristol and its connection with organised crime.

How big is the problem of organised child sexual exploitation?

To estimate the scale of the problem, an analysis of police intelligence, recorded crime and crime related incidents was undertaken for the year 2013/14 in which all known victims in the city of Bristol was identified and placed into one of two categories: those for whom there had been a disclosure of victimisation (mostly from the victim but in some cases from a third party) and those for whom a concern had been raised

in police intelligence which suggested they might be at risk (the latter is integral to an assessment of the threat from CSE given the high rates of non-disclosure).

Based on research that has identified a range of risk factors displayed by young people in relation to CSE, Barnardo's has developed a risk assessment tool for practitioners entitled the Sexual Exploitation Risk Assessment Form (SERAF; Clutton and Coles, 2007). An adapted version of the SERAF was used in this study to calculate a *risk score* for every suspected or actual victim of CSE. [49] Table 3d provides a detailed breakdown of the levels of risk identified for children and young adults.

Analysis of all intelligence identified 310 confirmed or potential victims in total, more than half (54 per cent) of whom were thought to be at a significant risk or had disclosed actual victimisation (although the actual proportion is likely to be higher than this since those cases where information was missing were all classified as low risk). More than four in five (85 per cent) were children under the age of 18.

Out of the 310 children identified, over half (58 per cent, N=179) indicated an exploitation risk that had at some stage been linked to an OCG, most of which had links to multiple other victims. Groups were considered to pose a much greater threat than lone CSE perpetrators simply by virtue of their capacity to contact and groom more children. While the average number of children linked to the identified OCGs was five, OCGs exploiting children for financial as well as sexual purposes and/or involved in other forms of criminal activity were found to potentially exploit much larger numbers of victims than those solely interested in sexual exploitation. Trafficking victims for sexual exploitation between locations within the city was not uncommon and in some cases victims were moved to other police force areas.

Who are the perpetrators?

The analysis of intelligence data, recorded crime and crime related incidents for 2013/14 shows that in Bristol, the total number of OCGs involved in CSE

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48 Note that for the purposes of this research, a small number of young adult victims over the age of 18 were included in the sample; 46 out of a total of 310 cases. For ease of reference, those in the sample will be referred to as children throughout this section.

49 A number of additional indicators were included that were found to be important during data collection – see Appendix A for a full description.

was found to be 43, four of which were located outside of the city.[50] The total number of offenders linked to CSE was 371, of which 192 (52 per cent) were linked to OCGs, however only a fifth (18 per cent) were actually mapped and these were only mapped as a result of a specific police operation targeting CSE in Bristol (Operation Brooke). CSE offenders linked to OCGs were more likely to be associated with firearms (ratio of 8:1) and drugs (ratio of 2:1) compared with those who were not. On average, each OCG posed a risk of, or was responsible, for sexually exploiting five victims over the course of the two years.[51] A number of OCGs were linked to a range of other criminal activities, including drug supply and criminal exploitation of people in the community, and those with a mixed offending repertoire had a larger number of members or affiliates than those OCGs involved solely in CSE.

The average profile of a CSE perpetrator[52] is a 30 year old adult male. While some family connections are discernible, most CSE OCGs are made up of loose networks of associates, often with similar ethnic backgrounds. Those from a BAME background tended to be over-represented in official data, reflecting at least in part the neighbourhoods which local enforcement focuses on, in particular inner city areas with high levels of crime and drug supply, which also tend to have disproportionate numbers of BAME residents. Most perpetrators lived in the same communities as the children they exploited and were often linked to multiple victims. One local practitioner even suggested that a culture of acceptance had evolved, which allowed CSE to proliferate in one community, but further research would be required to establish the veracity of this.

The threat from CSE is not solely constrained to perpetrators who reside locally, with a number of children sexually exploited by groups in other areas of the country. To illustrate, two young girls often 'went

missing' when they visited an area in the West Midlands where they met up with their 'boyfriends'. Both had been subjected to extensive sexual exploitation, but information on offenders from outside the police force area was found to be limited. Local practitioners slowly discovered that the group was involved in other aspects of organised crime and that they had been sexually exploiting others in their own local community. Equally, there were cases where children were brought into the city from outside. In cases such as these, effective collaboration across multiple police force areas is essential.

How do they operate?

The 43 OCGs involved in CSE in the city of Bristol ranged in size from two to 43 members. They demonstrated a number of characteristics, some of which were germane to more than one group. These are set out in Table 3e opposite.

A number of grooming techniques are used to lure potential victims into various forms of dependency or, in some cases, complicity. These commonly included the use of online chat rooms and other forms of social media. But in other respects the *modi operandi* of CSE OCGs are not dissimilar to other OCGs, including the use of intimidation and violence. For some, drug dealing may be their primary activity with CSE secondary; for others it may be the reverse. An example of the former was a local drug dealer who would take over the properties of vulnerable people, use them to prepare and supply drugs, enlist the occupants as dealers, but also provide young girls with drugs and money before taking them to hotels to be sexually exploited. But the principal activity remained drug dealing.

The overlap between drug dealing and sexual exploitation is significant. Of 15 mapped OCGs involved in sexual offences, of which five were involved in CSE, 12 were also mapped as involved in drug dealing and/or associated violent/criminal activity. Questions remain over whether supplying drugs is a key enabler for CSE, whether drug supply networks simply operate in the same communities where vulnerable children live, or indeed whether this overlap simply highlights the absence of reliable information on CSE offenders other than those who are picked up as

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50 The analysis only included incidences of CSE where there was a contact offence (or an identified risk of one) so did not capture exploitation that only occurred online. In addition, peer-on-peer exploitation was not included since it was reasoned that CSE perpetrated by an individual's peers was less likely to overlap with organised crime. All other cases of CSE where more than one perpetrator was identified were assumed to be linked to organised crime.

51 Some victims were exploited by more than one OCG.

52 The terms 'perpetrator' and 'victim' are used throughout this report for the sake of clarity and simplicity and not in the sense that they have been the victim or perpetrator of a recorded criminal offence.

Table 3e – The characteristics of exploitation linked to organised crime [53]

Principal OCG characteristics	Description	No. of OCGs
Older 'boyfriend'	Groups where victims are groomed into a sexual relationship with an older perpetrator, who they believe to be their boyfriend. This relationship can serve as a 'gateway' to sexual exploitation by the perpetrator's wider network of friends or associates, sometimes for profit. It may also facilitate access to the victims' friends or peers for sexual exploitation by the group.	16
Drug dealers	Groups with strong links to drug supply. Frequently, victims would come to the attention of these perpetrators through their presence in risky locations across the city, and were often provided with free drugs. In some groups there was evidence of a hierarchical structure, with links to other criminality. Victims were often subject to criminal exploitation by being drawn into drug dealing or other criminality.	11
Sex houses and / or parties	Groups that take victims to specific properties across the city or in other areas, often belonging to a perpetrator. Perpetrators may provide victims with large amounts of alcohol before being raped by multiple males.	15
Kidnap / violence	Groups that use a high degree of coercion, including kidnapping, rape, trafficking and holding victims captive, rather than grooming. In some cases firearms were used to threaten victims while in others groups appeared to be involved in organised prostitution.	8
Criminal exploitation	Groups that use children in the local community to facilitate a range of offences, including the active recruitment of other children for the purposes of sexual exploitation.	6
Financial profit	Groups that exploit children with a view to making a profit. This was seldom the sole motivation, with perpetrators commonly involved in the abuse themselves.	9
Total		**43**

a result of their drug market activities. This is important, if only because the high political profile of CSE may lead to the re-allocation of resources away from tackling drug markets, which might not only lead to growth in the drug trade but also, potentially, expose more children to the risk of sexual exploitation. There are CSE groups who are not involved in the drug trade (or in fact other kinds of organised crime), but less seems to be known about them. On the basis of admittedly quite small numbers, it would seem that they are probably more likely to be white, to include older registered sex offenders and their associates and/or other members of their (extended) family. Groups such as these are rarely mapped.

A similar (but less prevalent) overlap is discernible with the ASM. One in five CSE OCGs were involved in prostituting victims. One group had taken over a property belonging to a vulnerable young person, engaged in sexual activity with them, and then established the property as a brothel. As one investigator stated, *'Everyone in the neighbourhood knew about the address and that it was used by lots of males in the community'*. Further research is needed on the links between CSE and adult prostitution.

Who are the victims?

Victims of CSE often came from deprived and marginalised backgrounds. Some had experienced neglect or abuse at home, others were disengaged or excluded from mainstream education or had substance misuse issues. What is unclear is whether perpetrators deliberately targeted such children or whether they simply targeted children who hung around 'risky' locations. Since many of the

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53 Some OCGs display more than one characteristic.

perpetrators lived in the same neighbourhoods as the children, the latter seems eminently plausible. Many of the intelligence reports on CSE were less about risk from specific perpetrators but rather about the behaviour displayed by the young person, such as drinking on the streets, sexualised behaviour in public, or going missing from home for prolonged periods of time.

Children at risk of exploitation could sometimes expose their peers to the same risks. One practitioner described how in just a short time *'one weak link'* (ie a young person who is exploited) could lead to all or many of their friends being drawn in, especially if the young person's associates also come from vulnerable backgrounds. There were many examples of young people unknowingly providing a gateway for offenders to access members of their family (siblings, cousins) as well as their wider network of friends. Some even ended up actively recruiting and coordinating the exploitation of other children they knew. Where the exploited become involved in exploitation themselves, the numbers of potential victims can quickly escalate.

Social media has provided a new and largely unsupervised space in which vulnerable children can be easily groomed and exploited, often unwittingly and mostly away from the gaze of responsible adults. In the case of most local OCGs, online forums were rarely the initial point of contact but rather used as a means to arrange meet-ups and sustain a relationship with a young person rather than lead directly to a contact offence. These virtual platforms also gave perpetrators from outside the city access to children locally, facilitating initial and ongoing contact, sometimes through the exchange of sexually explicit images. But information posted online can also be a good source of intelligence, helping to identify children at risk as well as potential offenders. In a number of cases alarm bells rang when a young person's relative or friend identified unknown males (sometimes significantly older) on their social media profiles.

What makes victims so vulnerable?

The government's Serious and Organised Crime Strategy includes a requirement to protect people at

risk from becoming victims of organised crime. With respect to CSE, it aims to raise awareness and encourage more effective support for the victims of sexual exploitation. But it says very little about how these aspirations are to be turned into reality. In Bristol, the police and other agencies have drawn on research undertaken by charities in other police force areas as well as local expertise in order to identify children at risk from CSE. They found that 93 percent of victims were female, the average age was 15 and two thirds were white British (although ethnicity was not reliably recorded). Distal (ie background) risk indicators commonly included living in care, which was also supported by police intelligence, which frequently referred to perpetrators visiting care homes and supported hostels to meet and collect victims. A small number of these locations displayed a striking number of links to those at-risk. Table 3f, which provides a detailed description of the background risk factors identified for all OCG-related CSE victims as well as those at risk,[54] shows that over a third of the children had lived in care (permanently or temporarily) and half of the victims had received a criminal conviction (mostly for violence offences but also for drug and acquisitive offences). Other risk factors included parental neglect, poor parental supervision, parental substance abuse and previous experiences of sexual assault, abuse and violence, mostly within the family.

Many victims had clearly led troubled and chaotic lives and displayed multiple vulnerabilities. Family-based factors were commonplace: one in four were from families assessed as eligible for a Troubled Families intervention. It is however important to emphasise that risk factors are not the same as causal factors and that it is often difficult to unravel the order of association (ie some risk factors, such as neglectful parents, will be present prior to CSE while others, such as disruptive behaviour at school, may be a consequence of CSE). Significantly, one in six had family links to organised crime, although far more victims were linked to other OCGs, with whom some were in daily contact.

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54 Many of the factors in Table 3f were not recorded systematically by the police and were therefore taken from qualitative entries in intelligence reports or debriefs after consultation with other practitioners. The risk profiles for some victims are therefore likely to be only partial.

Table 3f – Distal risk indicators of child sexual exploitation

Distal risk indicators	No. of victims
Criminal prosecutions prior to 2013	155 (50%)
Living in care	105 (34%)
Truancy / disruptive behaviour at school	82 (26%)
Neglectful parents	75 (24%)
Unrelated sexual assault	71 (23%)
Mental health issue / learning disability	63 (20%)
Physical / emotional abuse from family	51 (16%)
Domestic violence within family	50 (16%)
Family links to OC	50 (16%)
Parents drug and / or alcohol abuse	45 (15%)
Links to gangs or OCGs (not family)	43 (14%)
Sexual abuse within family	39 (13%)
Physical / emotional abuse by adult (not family)	35 (11%)
Aggressive behaviour	31 (10%)
Excluded from services	15 (5%)
Has contracted STIs	10 (3%)

Proximal child sexual exploitation risk indicators

In addition to the distal risk indicators set out in Table 3f, data were also collected on a range of proximal risk indicators (ie immediate vulnerability to an adverse event). These are important in helping to assess the likelihood that a child or young adult might be victimised at any particular moment or place. Table 3g overleaf shows the distribution of proximal risk indicators for both victims and those at risk of CSE.[55]

Having a link to another person at-risk from CSE was the most common proximal risk indicator, with 70 per cent of victims having such links. This reinforces the notion that CSE is commonly extends from individuals to their peer groups, particularly in the case of repeat

victims. This suggests that the most effective response to tackling CSE is likely to include the mapping of victims in terms of their peer-group affiliations or friendship networks as well as risky locations (or hotspots) and their connections to OCGs.

The three next most prevalent proximal risk indicators are where a young person is picked up by/meets unknown adults, goes missing overnight or longer and frequents risky locations, such as open drug markets, where children are more at risk of being propositioned. These locations tend to be more prevalent in specific neighbourhoods (ie there are CSE hotspots), namely deprived inner city areas with large BAME communities and active drug and ASMs, run by street gangs and/or OCGs. They are often places where current or previous CSE cases were known to have taken place.

More than one in five children (22 per cent) displayed sexualised risk-taking online, often through the use of

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[55] As with the distal risk indicators, the recording of some risk profiles was often limited or incomplete.

Table 3g – Proximal risk indicators for child sexual exploitation

Proximal risk indicators	No. of victims [56]
Linked to others at risk of CSE	218 (70%)
Picked up by / meets unknown adults	138 (45%)
Linked to risky locations	135 (41%)
Missing overnight or for longer	126 (41%)
Buying drugs and / or alcohol	125 (41%)
Sexually active / sexualized behaviour	114 (37%)
Older 'boyfriend'	71 (23%)
Sexualised risk-taking online	67 (22%)
Involved in supplying drugs	63 (20%)
Unexplained gifts	60 (19%)
Disclosure without willing to pursue	50 (16%)
Offering sex for drugs / pay off drug debt/money	41 (13%)

social media sites, which could either be separate from or linked to perpetrators in the community. As expected, going missing was also a common proximal risk indicator, as was using and supplying drugs, but caution should be exercised when interpreting some of these indicators. For example, a young person going missing was widely accepted as a risk indicator and was one of the key prompts for practitioners to flag a CSE concern. However the number of children who go missing is considerably higher than the numbers who present a CSE risk. In other words, there are large numbers of false positives. What remains unclear is what distinguishes missing person incidents for those at risk of CSE from the rest.

Targeting resources at those living in care or those outside education (ie excluded from school/in Pupil Referral Units) was seen as a pragmatic approach to reducing risk, but those children most at risk were often the ones that CSE practitioners knew least about. Relying on teachers or youth workers to spot the signs left many children at risk below the radar. Many use multiple aliases, nicknames or were just known to one another on a first-name basis, so

identifying the right person is not always straightforward or even possible. Even when information is passed to the police, there are always children the police are unable to identify due to incomplete or vague disclosures. Practitioners also voiced their concerns that CSE is seen as only involving females and that tools such as SERAF fail to identify young males at risk. They also expressed their concern at the limited services available for supporting those over 18 and how, from a police perspective, sexual exploitation effectively ceases to be a problem for those aged 18 and above as they are then viewed in law as consenting adults, that is unless they were to come forward and report being a victim of rape (which is what some of the coercion from offenders amounted to).

How are victims 'controlled'?

The provision of gifts such as money, cigarettes, drugs and alcohol, clothes or other items, was a common *modus operandi* for grooming children. Large numbers of victims were shown to have issues with substance misuse, and more still showed they were motivated to source and consume drugs and alcohol. Supplying these substances often appeared

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56 Victims could display more than one risk indicator.

as a first step before sexual exploitation. A number of victims described being forced to consume drugs and alcohol and others reported having their drink spiked, and then being subsequently raped by the offenders. Some reported that offenders had physically administered drugs to children already intoxicated.

Young victims high on drugs or alcohol don't make reliable witnesses, so grooming and intimidation help to ensure victims don't report or disclose information to the police and other agencies. The most effective grooming leaves a young person unable to recognise they have been victimised. Drawing a young person into criminal activity garners complicity, thereby reducing the need for direct or coercive control as the young person comes to view him/herself as a collaborator. So, for example, in one case a young person who was sexually exploited ended up actively intimidating and deterring witnesses from a court case involving her older 'boyfriend'. In another, the victim was only able to grasp that they had been exploited after a protracted period of professional support.

Intimidation was particularly evident in CSE OCGs involved in other kinds of criminal activity and where violence or coercive control – including forcing victims to have sex with unknown males in unfamiliar locations – was routinely adopted as part of their *modus operandi* for raping the victims. Intimidation and the fear of violent retaliation against themselves or members of their families can lead to a victim leaving (or being required to leave) their local neighbourhood altogether. More extreme examples included young victims being kidnapped, threatened with firearms and serious injury, and it was not uncommon for potential witnesses to be subjected to similar forms of intimidation.

The response to child sexual exploitation

A number of organisations have a role to play in tackling CSE. Their aims and responsibilities vary, but broadly their main functions are traditional enforcement against perpetrators, safeguarding victims, and identifying and reporting concerns, which is particularly important with respect to hidden areas of crime.

Equally important is how victimisation is identified, recorded, and then managed within and across agencies and how information is used to assess the problem (both strategically and tactically). These are all important components of a problem-oriented, multi-agency approach to tackling CSE that is based on a careful assessment of its nature, scale and impact that then directly informs effective practice on the ground. But this ideal is some way from what appears to happen in practice. The final section of this chapter looks at different aspects of the response to CSE, including enforcement, the role of local agencies and the role of information management in securing effective inter-agency practice.

Enforcement

When viewed though the government response framework for serious and organised crime (Pursue offenders, Prevent people becoming offenders and Protect and Prepare victims and communities) it is the 'Pursue' and 'Prevent' elements of the local response to CSE that were most obviously the least developed in Bristol. Practitioners were still trying to get to grips with the shift towards 'new' and 'emerging' forms of organised crime. As one practitioner put it: *'drugs don't answer back'*, or *'run away'*. Even Regional Organised Crime Units (ROCUs) seemed to have little experience in identifying the more hidden activities of OCGs involved in CSE and applying their expertise in tackling organised crime to a CSE investigation. This is confirmed by the recent HMIC inspection of ROCUs, which also found that they lacked the capability to effectively address CSE (HMIC, 2015a).

One of the challenges in tackling CSE is the primacy that must be given to safeguarding children. Traditional methods of investigation, such as developing intelligence through surveillance, can be of limited use if the police have to step in the minute they suspect a young person is imminently at risk of exploitation. Similarly, the use of the existing covert human intelligence sources (CHIS), an important source of information for tackling drug supply networks, were less well-suited to providing information on these 'new' dimensions of organised crime because they were not situated within the right networks to do so.

Children at risk of CSE living in BAME communities, where cultural and language barriers present additional challenges, are particularly difficult to reach.

Mainstream policing tends to be reactive, responding to reports from victims rather than proactively seeking them out and using robust information to mount investigations rather than drawing inferences from fragments of intelligence. As one practitioner put it, *'we can hardly cope with what comes through the door, let alone these cases that are only being hinted at'*. A newly introduced force-wide framework for prioritising investigations on the basis of threat, harm and risk led to tangible efforts to prioritise and target those most at risk of harm, but many CSE investigations failed to proceed because the victim was still unwilling to cooperate. This presents a significant challenge to mapping OCGs involved in CSE, which relies on good intelligence to unlock the necessary resources for tackling it. Adopting victimless prosecutions is an option, but it requires the use of specialist police resources and is still not always feasible where the information provided is partial.

The role of local agencies

The local police have a significant part to play in safeguarding victims, but neighbourhood policing teams displayed only a vague awareness of who is involved in organised crime in their local area, often defaulting to local drug dealers. Uncertainty concerning what constituted CSE or what signals to look out for affected all ranks. Specialist practitioners voiced their concerns about the gaps in knowledge among generic practitioners. Trawling online sources of intelligence, which has real potential for identifying the friendship groups of victims and therefore others at risk, seemed to be the exception rather than routine.

The role of other agencies was largely to help safeguard victims and work in affected communities, and while few employed the term organised crime, they constituted a large part of the local 'protect' and 'prepare' response. In theory, social services, schools, youth clubs and youth offending teams are all well placed to identify, flag up and refer concerns about a young person, but in practice the mechanisms for doing so were not obvious. Although it was often the

local authority or voluntary sector that held the most useful information, practitioners were not consistent in their understanding and application of the CSE marker on the systems of these support services and poor recording made data sharing more problematic. Cross-agency information sharing was not helped by agencies' disparate objectives and cultures. This is partly understandable in the case of CSE, where sharing information with the police could jeopardise the work of some agencies and voluntary organisations trying to engage with these children. Gathering and developing intelligence, let alone sharing it, was simply not something most agencies were accustomed to.

There was one specialist service in the area, which worked intensively with children at high risk for up to two years. This service took referrals from other agencies, particularly social services, but only had the capacity to support those who presented the highest levels of known risk. This meant they largely worked with children already well known to the system, rather than those who were more hidden and, potentially, more at risk because of this.

Managing police-held information

As well as improving information sharing across agencies, effective safeguarding and enforcement also requires better arrangements for sharing information within and between forces. In practice, this is hindered by the spread of information recorded on police systems across a number of different databases: recorded crime, intelligence reports, OCGM, missing person's reports, call handling and a specialist database on major crimes. The absence of integrated data platforms hindered the development of a comprehensive picture of the problem. Identifying the threat from CSE requires the linking up of specific information (eg links to others at risk, going missing overnight), which police databases, as currently configured, are unable to do. Even when children were flagged as at risk of CSE – and many weren't who should have been – links with perpetrators and others who may be at risk weren't necessarily made.

In the absence of hard data on victimisation, the Child Exploitation and Online Protection centre has

undertaken a systematic assessment of CSE across a range of countries, drawing on a variety of information (eg numbers of homeless children or incidents of children going missing) in order to estimate the scale of the threat. The rationale is to assess whether resources should be diverted towards those areas where the problem is more hidden. A similar approach might be adopted by local police whereby existing practices, largely focused on the behavioural indicators of children at risk, are supplemented with regular assessments of 'hotspot' locations and community profiles. One member of the Chinese community, for example, expressed frustration that his community remained almost entirely invisible to the police, which resulted in various forms of organised crime, including sexual exploitation, going completely unnoticed.

Much of the most useful information on CSE relating to specific neighbourhoods and organised crime networks was generated by high profile, one-off police operations. Positive steps were taken by police, in conjunction with other agencies like Troubled Families, to try and uncover hidden victims through the use of predictive analytics, but this technique is in its early stages and suffers from a lack of baseline information on CSE victims. It remains to be seen whether predictive analytics represents an opportunity to engage in more early preventative work, getting to at-risk children before their behaviour and exploitation becomes entrenched.

4. Fraud and organised crime at the local level

Introduction

The previous chapter looked at the scale, nature and impact of organised sexual exploitation on local communities, in particular the off-street sex trade and child sexual exploitation (CSE). This chapter reports the study's findings on a second specific type of organised crime, namely organised fraud. Some forms of fraud, such as rogue trading or doorstep fraud, are commonly perpetrated at the local level, often by people living locally, while other forms of fraud, such as insider trading or insurance fraud, are not (although associated losses are commonly passed on to the public). But unlike the involvement of organised crime groups (OCGs) in illicit markets, overt signs of most forms of organised fraud (and its impact on local communities) are difficult to identify as fraud is often perpetrated by offenders living outside the force area and is under-reported. As a consequence, there is no local narrative that captures the essence of the threat from organised fraud, which therefore tends to fall between the gaps of a number of agencies, including the police. The resultant absence of anyone in charge at the local level makes it particularly difficult to justify the allocation of resources towards tackling it.

This is compounded by the multiple opportunities offered by the internet, which now enables fraudulent activity to occur on an almost industrial scale (eg Button et al., 2013). With only basic computer literacy needed, combined with low personal risk afforded by the anonymity the internet provides, fraudsters can now target huge numbers of victims at very little cost from places thousands of miles away. According to Levi et al. (2015), more than half of all frauds reported to Action Fraud are cyber-related. The problem for local communities however is that online fraud does not lend itself to traditional, geographically based models of policing (see, Sergi, 2015). As acknowledged by the MPS (Police and Crime Committee, 2015), the police service lacks the

necessary capacity, capability or inclination to tackle online fraud. Levi et al. (2015), in their study of economic cybercrime and policing undertaken for the City of London Police, concluded that until priorities and resourcing are addressed at the local level, the gap between the national and the local response to economic cybercrime will persist.

Attempts to understand the ways in which fraud is perpetrated by OCGs have tended to focus on large financial attacks against the UK economy or large, multi-national corporations and have generally neglected the impact organised fraud can have on victims at the local level. Following a review of previous relevant research, this chapter attempts to redress this imbalance by assessing the local impact of organised fraud, drawing on data from all three cities (Wolverhampton, Coventry and Bristol).

Previous research

Despite the difficulties inherent in trying to measure the true scale of fraud (and organised crime generally, see Levi et al., 2013), there is now reasonably strong evidence to suggest that fraud is widespread. The 2016 Crime Survey for England and Wales (CSEW) [57], which has only recently asked questions about fraud, shows that there were 5.8 million incidents of fraud (primarily bank/credit card fraud, non-investment fraud and advance fee fraud) and cybercrime (primarily phishing and hacking) between April 2015 and March 2016, an increase of 13.7 per cent on the year before (measured from May 2014 to April 2015). [58] The 2016 fraud figure [59] almost equals all the other incidents of criminal victimisation added together, [60] with fraud increasing, while most forms of property crime are

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[57] Previously the British Crime Survey.

[58] The two sets of figures are not strictly comparable as methodological refinements were made in 2016, but these are unlikely to radically alter this figure.

[59] The 2016 figure is based on interviews with half of the sample of respondents conducted during the second half of the survey year grossed up to provide an estimate covering the entire survey year.

[60] 6.3 million incidents.

falling, such as burglary which fell by 13 per cent between 2015 and 2016 (ONS, 2016).

This shift is reflected in the rising cost of fraud. In the five years following the recession in 2008, the average UK losses from fraud increased by 20 per cent to over £85 billion (Gee and Button, 2013) [61]. Adrian Leppard, ex-Commissioner of the City of London Police, has gone on public record as suggesting that the overall cost of fraud could soon exceed that of the highly lucrative illicit drug trade (Evans, 2015).

A key challenge faced by the police service in responding to such high levels of fraudulent activity is that the proceeds from each single fraudulent act may be quite modest (and therefore difficult to prioritise), even though the perpetrators may be amassing considerable gains simply by virtue of the sheer number of crimes they commit. Furthermore, most frauds are never reported to the police, let alone recorded or proceeded against. Of the 5.1 million annual cases of fraud, fewer than 600,000 were reported to Action Fraud and recorded as crimes in 2014.

There are a number of reasons why reporting rates are so low. Many victims of fraud are unaware that they have been a victim of a crime, or are too embarrassed to admit they have been defrauded. The industry bodies that report fraudulent incidents do not collect data on some forms of fraud (eg fraud relating to lost or stolen cards or ATM fraud) or are reluctant to report certain kinds of fraudulent activity for fear of reputational damage. Furthermore, the police often fail to identify fraud when it is reported, due to the ambiguity and misconception of certain fraudulent activities (such as rogue trading) that might, on first appearance, be seen as a civil rather than a criminal matter. In these cases, victims are often referred to either Trading Standards or Citizens Advice Bureaux (CAB), which again means they won't be officially recorded as crimes.

The scale of fraud linked to organised crime

Levi (2014), has highlighted the importance of establishing the extent to which OCGs engage in

fraudulent activities, if only to establish empirically whether offenders traditionally involved in volume crimes such as burglary and drug dealing are now shifting to fraud. He suggests that most of the reported losses from online banking fraud and mortgage fraud are the result of organised crime and that certain kinds of fraud are so complex or require such specialised skills, that they almost inevitably exist solely in the terrain of organised crime. But he is unable to definitively answer how much fraud is linked to organised crime.

In 2012 the National Fraud Authority (National Fraud Authority, 2013) reported that out of 7,503 OCGs mapped in the UK, 1,365 (18 per cent) were involved in some form of fraudulent activity – including tax, benefit and insurance fraud – but it is unknown how many of these commit fraud as their primary offence. However, using the number of OCGs known to the authorities as a means of estimating the scale of organised fraud is problematic because many offenders reside overseas, are not known to the police or other agencies, and/or operate entirely in the cyber domain. The very nature of fraud means that one fraudster can affect hundreds of victims in ways that offenders carrying out more 'traditional' crimes cannot. So while estimating the scale and extent of fraud is difficult enough, establishing the proportion of fraud that is perpetrated by OCGs is even more elusive.

Due to the absence of reliable data, broad estimates for the amount of fraud linked to organised crime tend to rely on assumptions made by experts working in the field. The 2013 Annual Fraud Indicator (National Fraud Authority, 2013), drawing on the views of industry and law enforcement experts, estimated the cost of fraud perpetrated by organised criminals to be £8.9 billion, which was used in turn by the Home Office to estimate that up to 15 per cent of fraud could be attributed to organised crime (Mills et al., 2013). These estimates however are still at best educated judgments and depend on who is making them and how they define organised crime.

The impact of fraud

Fraud is commonly viewed as a 'victimless' crime, with the harm caused being primarily absorbed by banks

[61] These costs are based on fraud loss estimates, which include frauds that have not been detected or reported and therefore constitute the most reliable estimate of the true cost of fraud.

and other financial institutions, corporate enterprises or society as a whole, rather than by individuals or communities (Bullock, Chowdhury and Hollings, 2009). Official estimates of the impact of organised fraud have tended to focus on the financial costs to the public or private sector, or to the wider economy, but neglect to consider the cost and impact of fraud upon victims or local communities (see for example, Mills et al., 2013). However, there are many kinds of fraud that prey upon the specific vulnerabilities of people and communities, affecting all ages and socioeconomic groups, and research shows that the majority of fraud victims suffer a range of financial, social, emotional and physical consequences to themselves, their family and/or their businesses (eg Button et al., 2014).

A good example of the considerable impact that fraud can have on victims is mass marketing fraud. In 2012, some 800,000 individuals are estimated to have fallen victim to this type of fraud (Whitty, 2013). Similarly, a survey conducted by YouGov estimated that approximately 230,000 people in the UK had at some time been a victim of a dating scam up to 2011 (Whitty and Buchanan, 2012), and in a single year it is estimated that 500,000 people in the UK have been defrauded as a result of an unsolicited communication (eg a lottery or romance fraud) (National Fraud Authority, 2013).

One fraud type that has been particularly neglected is doorstep fraud, including rogue trading, where criminals trick vulnerable people into paying large sums of money for home improvement work that is inadequate, unnecessary or which is never done. Given that, unlike online fraud, doorstep fraud requires the physical presence of an offender, one might expect additional or different impacts upon the victim, more similar in nature to the impact of burglary. According to Operation Liberal (a national operation set up to tackle distraction fraud and burglary), 40 per cent of victims of distraction burglary reported serious impacts on their quality of life.

It is commonly assumed that the elderly are more likely than others to be targeted by fraud (eg Titus, 1999), but this is not necessarily the case. In a review

by the OFT (2009), for example, it was found that older people were more likely to be victims of high risk scam investments and doorstep fraud, but that younger people are more likely to be victims of work-at-home scams and clairvoyant/psychic scams. The review also found that women are more likely to be victims of internet pyramid scams, miracle health and slimming scams, clairvoyant and psychic scams and career opportunity scams than men, who in turn were found to be more susceptible to African advance fee fraud, high risk scam investments/boiler-room fraud and identity fraud.

Research has broadly classified victims into three types:

● Victims who may not realise they have been a victim, often because the sum of money lost is very small.

● Victims who have been a victim of fraud perhaps one or two times, often losing substantial sums of money although may still not report the fraud.

● Chronic fraud victims who, after responding to a scam, get placed on a 'suckers list' and are subject to repeat victimisation over long periods of time, losing a large proportion of their income or savings (Button, et al., 2009).

To understand more fully what makes individuals vulnerable to different types of fraud, the National Fraud Authority (2011) surveyed over 2,000 members of the public about their experiences, behaviours and attitudes to fraud from which it created a profile of the population based on their risk to different fraud types. The key factors they identified included social isolation, financial difficulty, lack of knowledge or experience of the internet, and impulsive behaviour. Similarly, research on small and medium sized enterprises (SMEs) showed that those which don't have the time, resources or knowledge to plan their security, are in denial that fraud will happen to them and/or are unaware of the variety of different fraud types that they may be exposed to, are more vulnerable than others (National Fraud Authority, 2012).

The financial impact of fraud will depend to some extent upon the victim's income level/savings – while some large amounts may be insignificant for some,

small losses may be devastating for others. Self-assessments of the financial impact of frauds are therefore more meaningful than the actual amounts lost. In one study, nearly half of victims (45 per cent) rated their financial loss as severe (Button et al., 2014). Some victims of fraud may also experience secondary financial losses, such as becoming bankrupt, or losing their job or home (Button et al., 2009). One in every nine fraud victims have reported that their credit rating worsened as a result of fraud and one in ten reported a loss in their pension (Button et al., 2009).

Small, locally based businesses may suffer disproportionate losses from fraud compared with larger organisations that can more easily absorb the losses or invest more in fraud prevention. A report by the Federation of Small Businesses (FSB) found that 41 per cent of their members had been a victim of fraud and online crime in the last 12 months, with an average financial loss of around £4,000 per business (Robson et al., 2013). Research in the US has shown that 60 per cent of all small businesses that have been defrauded online go out of businesses within six months (NCSA, 2012). 'Card not present' fraud can be especially harmful to small businesses which, unlike customers who get refunded through their bank, not only lose out on the money gained from a sale but also the goods and services sold. Fear of fraud, especially card or identity theft, has left a large number of small businesses in the UK avoiding online trading altogether (FSB, 2013).

In addition to the financial impact of fraud, victims can suffer a number of emotional and psychological harms, in particular: loss of self-esteem, embarrassment, shame, upset, stress and anger. According to one study, a small number of victims have also reported feelings of suicide as a result of fraud and ten per cent of victims have reported severe physical health problems due to the stress caused by fraud (Button et al., 2014). Some 17 per cent of the fraud victims surveyed suffered a breakdown in their family relationships as a direct result of fraud (Button et al., 2014) and in some chronic cases of mass marketing fraud, victims have been completely abandoned by their families (OFT, 2006).

The current study

Despite its increasing volume (see ONS, 2016), the nature and scale of the links between fraud and organised crime are unclear, particularly at the local level. This chapter demonstrates that a significant volume of fraud is committed by OCGs, and that despite many of them operating outside the UK, they have a substantial impact at the local level which is not being effectively responded to. It draws on data covering Bristol and the three neighbourhoods in Coventry and Wolverhampton, which as well as increasing the total sample of fraud cases (and hence the robustness of the analysis) also allows the nature and impact of fraud across a city to be compared with its nature and impact in much smaller residential neighbourhoods. The following key questions are addressed in turn:

- What types of fraud are taking place locally? Are there local differences in the types of fraud occurring in Bristol compared to the smaller local neighbourhoods in the West Midlands?

- How much fraud occurring locally is perpetrated by OCGs? What do we know about these groups?

- Who are the local victims of organised fraud? How impactful is the problem of organised fraud on them?

- How effective is the response to organised fraud at the local level?

The analysis that follows draws primarily on two different samples of fraud reports recorded by the National Fraud Intelligence Bureau (NFIB[62]). One sample took all recorded frauds occurring in the city of Bristol for a three-month period, while the other took all recorded frauds occurring over 18 months in the three neighbourhoods in Coventry and Wolverhampton[63]. The analysis is also supplemented by some additional data from Trading Standards. The main aim of the analysis was to develop a transparent, entirely data driven approach to estimating the scale

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62 NFIB records all national fraud data reported by Action Fraud, Cifas, and the UK Payments Authority.

63 Data from Bristol was extracted for October 2013, February 2014 and June 2014. For the West Midlands, the data period aimed to mirror the date ranges covered in neighbourhood methodology as far as possible (01.04.2013 (earliest data available) - 31.12.2014). See Appendix A for full methodology.

of fraud linked to organised crime in these locations. To achieve this, a set of criteria were developed and systematically applied to all reported frauds in the combined samples.

For a full description of the methodology, see Appendix A.

What types of fraud are taking place locally?

The research found a total of 38 distinct types of fraud occurring across Bristol and the three neighbourhoods during the research periods. Based on the *modus operandi* and characteristics of each fraud type identified in the data, seven different categories of fraud were created. From the typology that emerged, it is clear that fraud occurring locally was composed of a diverse range of criminal activities, conducted by different kinds of people and requiring different skills and techniques. Each category is described below [64]:

Identity fraud – Frauds concerned with methods and techniques of stealing and/or using a victim's bank or financial details. These included frauds in person, on the phone, or online.

Fraudulent sales – Frauds which occur when the victim tries to buy or sell goods or services. These are often (although not always) through online auction and selling websites. Frauds of this type relate to both buyers and sellers of goods.

Mass-marketing – Mass-marketing frauds involve fraudsters making contact with victims via email, letter, phone or advertisements. These frauds exploit mass communication on a large scale in the hope of reaching as many victims as possible.

Fraudulent sales in Person – Frauds occurring primarily when victims buy or sell goods/services, specifically in person. These frauds affect both individuals and businesses, especially small businesses.

Abuse of trust – Frauds involving suspects who specifically play on the trust of a victim and use their authority (either within a company or within society) to take advantage of individuals, systems and processes, for personal or financial gain.

Fraudulent applications – Involves perpetrators who deliberately misrepresent themselves or their situation for personal gain. This includes individuals who lie on application or claim forms, or make use of counterfeit documents to misrepresent themselves.

Investment fraud – Frauds involving the investment or movement of large amounts of money. These frauds often rely on high-pressure sales techniques to persuade victims to make quick and risky decisions.

Local variations in fraud types

Unlike many organised criminal activities, fraud does not always have an obvious presence within a geographical location or community. Sometimes victims will be specifically targeted for a fraud, particularly doorstep fraudsters who scout communities looking for signs that a vulnerable or elderly person may live in a property. But in other instances fraudsters may aim to reach as many people as possible in their efforts to scam, making phone calls or sending high volumes of emails, which do not discriminate on the basis of a victim's age or location. This is particularly the case with *mass-marketing* fraud.

To determine whether there were geographical variations in the types of fraud occurring locally, we compared the different types of fraud reported across two different localities: Bristol, a large, relatively affluent city with a younger than average population and higher than average levels of employment and income [65]; and three small, relatively deprived neighbourhoods in Wolverhampton and Coventry, with higher than average levels of unemployment and lower levels of income. The table below shows the number of fraud incidents, broken down by fraud type for both types of location.

As Table 4a shows, there were very few differences in the types of frauds occurring across both locations, despite the very different time periods examined. *Mass-marketing fraud* was common in both locations, accounting for 31 per cent of fraud in both locations. Similar consistency was found for *identity fraud* (14

64 See Appendix G for a full glossary of fraud types and Appendix H for a list of frauds in each category.

65 Bristol City Council (2015).

Table 4a – Number of fraud incidents [66] *across both locations, by fraud type*

Fraud category	Bristol	Three neighbourhoods	Total
Fraudulent sales	183 (28%)	157 (38%)	**340 (32%)**
Mass marketing fraud	203 (31%)	129 (32%)	**332 (31%)**
Identity fraud	95 (14%)	69 (17%)	**164 (15%)**
Investment fraud	74 (11%)	12 (3%)	**86 (8%)**
Abuse of trust	41 (6%)	13 (3%)	**54 (5%)**
Fraudulent sales in person	54 (8%)	27 (7%)	**81 (8%)**
Fraudulent applications	12 (2%)	1 (0%)	**13 (1%)**
Total	**662**	**408**	**1070**

per cent vs. 18 per cent), *fraudulent sales in person* (eight per cent vs. seven per cent), and *fraudulent applications* (both two per cent). Small variations were found for *fraudulent sales* (28 per cent vs. 38 per cent), *abuse of trust* (six per cent vs. three per cent) and *investment fraud* (11 per cent vs. three per cent), likely reflecting the differences in affluence between the locations. This suggests that many frauds occurring were not dependent upon the location of the victims, reflecting the use of technology by fraudsters to target victims wherever they lived. For the remainder of the analysis therefore, data across the two locations were amalgamated to create a larger sample size and hence more robust estimates.

How much fraud occurring locally is perpetrated by organised crime groups?

A key question that arises from the above is the extent to which different frauds taking place locally were being perpetrated by OCGs. This was evidenced better in some cases than others. Some frauds, such as a *distraction fraud*, could easily be perpetrated by one offender, requiring little in the way of skill or

sophistication, while other frauds, such as *investment fraud*, required significantly more planning and coordination. For many types of fraud, however, the extent to which they were being perpetrated by OCGs was far from obvious, particularly for our two largest categories, *mass-marketing fraud* and *fraudulent sales*. A more systematic and empirical assessment of how fraud occurring at the local level was linked to organised crime was required, especially if it was going to inform an appropriate local response.

Understanding how much fraud occurring locally is carried out by OCGs is challenging since it invariably relies on knowing the characteristics of the people involved in fraudulent activity (ie the perpetrators), which is made more difficult by the fact that a significant volume of fraud is committed by people who are not present at the scene and perpetrate the fraud remotely (ie on the internet, via mail, or over the telephone). To address this, a new methodology was developed to produce estimates based on information provided by victims when reporting fraud. First, organised crime was deconstructed into a number of different components to reflect the Home Office definition. The extent to which each component of organised crime was present within each fraud incident was then assessed [67]. For each fraud incident therefore, the analysis looked to determine:

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66 Note that all recorded frauds were classified as such by the NFIB, and do not include reported crimes where the NFIB determined that no fraud had taken place (eg incidents that were 'no crimed'). However, not all recorded frauds led to an immediate financial loss to victims (for example, payment may have failed or not yet have been taken) and may instead be considered by some to be 'attempted frauds' rather than 'successful frauds'. The research does not distinguish between these frauds and considers both to be impactful upon victims (particularly because the financial impact of fraud may not reveal itself until much later), however where the financial impact of fraud is discussed this refers only to victims who suffered an immediate financial loss.

67 Note that in order to apply this methodology the data were cleaned, reducing the total number of recorded frauds from 1070 to 731.

Table 4b – Proportion of different frauds linked to organised crime, across Bristol and the three neighbourhoods

Fraud category	Total no. of incidents	% linked to OC	
		Lower estimate	Upper estimate
Mass marketing fraud	251	38%	59%
Fraudulent sales	266	23%	34%
Investment fraud	67	69%	70%
Identity fraud	72	13%	25%
Abuse of trust	33	12%	21%
Fraudulent sales in person	32	16%	38%
Fraudulent applications	10	30%	50%
Total	**731**	**31%**	**45%**

- Whether the fraud was perpetrated by a mapped OCG.

- Whether there was, or was likely to have been, more than one offender involved.

- Whether the criminal activity was coordinated over a prolonged period of time (seven days or more).

- The seriousness of the offending (based on financial losses over £100,000).

- The level of professional experience, planning and technical skills involved in the incident.

From this analysis, an **upper estimate** and a **lower estimate** were created of how much fraud that takes place locally was being perpetrated by OCGs [68].

The analysis found that between 31 to 45 per cent of all fraud occurring in Bristol and across the three neighbourhoods was linked to OCGs. Table 4b shows how this varied across different categories of fraud. *Investment fraud* was most likely to be linked to organised crime, with 69 to 70 per cent estimated to be perpetrated by OCGs. Between a third (38 per cent) and over half (59 per cent) of *mass-marketing fraud* was assessed to be linked to organised crime, which is particularly important given that this was the most prevalent fraud category occurring across both localities.

In order to develop a more nuanced picture of the involvement of organised crime in different categories of fraud, the categories were broken down by whether they were known to have involved multiple perpetrators, a high volume of offences, whether they were serious offences and whether the offending was occurring on a continuing basis, all of which are key indicators of the involvement of organised crime. This is important for identifying the most effective kind of response.

The table opposite shows how different frauds were organised, and consequently suggests that there may be different routes to be taken for the disruption and prevention of different fraud types linked to organised crime. Thus, a *mass-marketing fraud* conducted by an OCG, such as a *'computer software service fraud'* for example, was likely to be high in volume (29 per cent), targeting many victims on a continuing basis (50 per cent) by using the same phone number or email address. In this case, the most effective response may not be to pursue the offenders, but instead to 'disrupt' them by working to shut down their means of communication, and to 'protect' potential victims by educating them about online safety. In contrast, a typical organised *fraudulent sales in person* fraud, such as 'rogue trading' for example, was more likely to involve multiple fraudsters who were identified by the victim (45 per cent) who were working together on a continuing basis (45 per cent), but committing frauds of fairly low value (0 per cent serious). In this

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68 The full methodology including organised crime criteria and parameters can be found in Appendix A.

Table 4c – Key indicators of organised crime by fraudulent activity

Fraud category	Multiple fraudsters	High volume	Continuing basis	Serious
Mass marketing fraud	12%	29%	50%	9%
Fraudulent sales	12%	25%	52%	10%
Investment fraud	23%	17%	31%	30%
Identity fraud	13%	27%	50%	10%
Abuse of trust	23%	23%	31%	23%
Fraudulent sales in person	45%	10%	45%	0%
Fraudulent applications	50%	13%	25%	13%

case, pursuing the offenders may actually be a more viable response.

What do we know about the organised crime groups involved in fraud locally?

A significant proportion of organised fraud that takes place locally was described by practitioners to be perpetrated by people residing overseas. *Lender loan fraud* and *computer software service fraud*, for example, were believed to be almost exclusively perpetrated by OCGs residing in India. In contrast, a smaller number of specific fraud types found at the local level were committed by criminals who were residing within the UK, in particular *rogue trading*, *courier frauds* and *ATM skimming*, although they were not always viewed by law enforcement as being OCGs and none were mapped on the Organised Crime Group Mapping database.

Rogue trading in Bristol was usually perpetrated by groups of travelling offenders who committed frauds along the M4 corridor. These groups were tactically aware and sophisticated, using pay-as-you-go phones, buying new clothes and discarding them after a crime, and using fake number plates. One organised Traveller group residing in the force area was also involved in the exploitation of Eastern European migrants who were used as labour when committing *rogue trading* fraud.

Courier frauds were also likely to be committed by perpetrators residing within the UK, although

interviews with fraud investigators suggested that the majority of the money made from these frauds was being sent overseas. Fraud practitioners in Bristol described the modi operandi of courier fraud as being similar to a business 'franchise', where the tactics and techniques used are passed within and between communities, particularly those from Bangladeshi communities (who may have offenders residing both in the UK and overseas).

ATM skimming offences in Wolverhampton and Coventry were likely to be committed by local OCGs, who also moved across the UK committing similar offences. This offence type was extremely organised, with raids conducted by the West Midlands Regional Organised Crime Unit (ROCU) on residential properties in a neighbouring force uncovering 'practice ATMs' in, what were in essence, organised fraud training camps. Offenders apprehended in Wolverhampton and Coventry tended to be teams of Eastern European migrants.

The above illustrates just how diverse fraud can be and therefore how diverse the response needs to be. For example, sometimes perpetrators will live overseas and are therefore difficult to pursue, in which case safeguarding individuals and protecting communities might be a more effective local response. In other cases, organised fraud perpetrated by people who live locally (which may not be seen as organised crime by law enforcement), might more effectively be pursued by local efforts that target the perpetrators.

Table 4d – Victims of fraud: individuals and small businesses

Fraud category	No. of individual victims	No. of small business victims
Mass marketing fraud	322 (36%)	10 (6%)
Fraudulent sales	295 (33%)	45 (26%)
Identity fraud	116 (13%)	48 (28%)
Investment fraud	86 (10%)	0
Fraudulent sales in person	39 (4%)	42 (24%)
Abuse of trust	39 (4%)	15 (9%)
Fraudulent applications	0	13 (8%)
Total	**897 (84%)**	**173 (16%)**

Who are the local victims of organised fraud and how does it impact on them?

This section looks more closely at who the victims of fraud at the local level were, the harms suffered by these victims in financial terms, and the proportion of this harm attributable to organised crime. As shown in Table 4d, fraud was found to impact both individuals (84 per cent of reports) and small businesses (16 per cent of reports) across Bristol and the three neighbourhoods, with victims targeted across all age groups and both genders. Individuals were most commonly victims of *mass-marketing fraud*, and *fraudulent sales* (which usually occurred online), both of which were of relatively low financial value but very high volume. In contrast local businesses were most commonly victims of *identity fraud*, particularly 'card not present fraud', where the business not only suffered a financial loss, but also suffered a loss of their shipped goods.[69] Local businesses were also disproportionately victims of *fraudulent sales in person*, particularly *refund* and *distraction* frauds.

Table 4e opposite shows the average age and gender breakdown of individual victims for each fraud category. The average age of victims was 44 years, although this was somewhat lower for *fraudulent sales* (35 years), which were likely to take place online, but substantially higher for *fraudulent sales in person* (58

years), apparently reflecting the vulnerabilities of these age groups to different offence types. Fraud victims were more likely to be male, particularly victims of *investment fraud* (64 per cent) and *fraudulent sales* (62 per cent). In contrast, women were slightly more likely to be a victim of an *abuse of trust* fraud (53 per cent).

It is worth acknowledging here that some fraud categories and victims will be less well represented in the above figures, in particular where incidents have been captured by another agency. One type of victim in particular may be a 'chronic' victim who is subject to repeat victimisation, potentially over long periods of time, but who may not consider themselves to be a victim (eg Button et al., 2009). Data from Trading Standard's national 'Scams Hub', for example [70], shows that there are potentially 830 chronic victims currently residing in Bristol at the time of writing (Table 4f). This gives at least some indication of the extent to which the data contained in Table 4e represents a considerable underestimate of the actual level of victimisation. Also, and importantly, the average age of these victims was 80 years old, much higher than the average age of the NFIB sample (44 years).

Financial impact

The financial harm to both individuals and local businesses was significantly higher from frauds

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69 See Appendix G for full glossary of fraud types.

70 Names obtained by Trading Standards through a seized 'suckers list' (a list containing the name of repeat victims of fraud, which is sold on by fraudsters), and intelligence from seized scam mail.

Table 4e – Victims of different fraud categories [71]

Fraud category	Average age	Female	Male
Investment fraud	52	36%	64%
Mass marketing fraud	48	50%	50%
Fraudulent sales	35	38%	62%
Identity frauds	46	44%	56%
Fraudulent sales in person	58	49%	51%
Abuse of trust	54	53%	47%
Average	**44%**	**44%**	**56%**

Table 4f – Potential 'chronic' fraud victims in Bristol

Victims	Number of victims
Likely	175
Unconfirmed	655
Total	**830**

perpetrated by OCGs than by lone fraudsters, as supported by several key findings. First, the total financial loss reported by victims across Bristol and the three neighbourhoods was much greater from organised than non-organised frauds. Second, the relative harm from organised fraud was substantially higher than non-organised fraud, with victims losing a higher proportion of their yearly income from frauds perpetrated by OCGs. These findings are discussed further below, however a note of caution is required: because financial loss was used as a proxy measure for seriousness, high value frauds were more likely to be classified as linked to organised crime [72].

As indicated earlier, between 31 to 45 per cent of all frauds were estimated to have a link to OC. However, the proportion of harm from organised crime was higher, accounting for 51 per cent of the financial loss

to victims and businesses in Bristol and the three neighbourhoods (£1,491,752 of the total loss across both locations was attributable to organised fraud, out of £2,903,426) [73].

For certain fraud categories the financial harm to small businesses was higher for organised frauds than for non-organised frauds, in particular *fraudulent sales* (£6,015 for organised frauds compared to £3,870 for non-organised frauds). This difference is only shown for some types of fraud however, and Table 4g shows that businesses lost on average, similar amounts per fraud linked to organised crime (£6,432), than for non-organised frauds (£6,506).

Two thirds (65 per cent) of individuals in the sample reported that they had suffered a financial loss as a result of their fraud, although victims of organised frauds were only slightly more likely to have suffered a loss than victims of non-organised fraud (68 per cent vs. 62 per cent).[74]

Individual victims of organised fraud were on average likely to lose significantly more money per fraud offence (£10,260) than victims of non-organised fraud (£3,982), as Table 4h illustrates. This disparity in financial loss however is only apparent for certain fraud types, particularly *fraudulent sales in person* fraud, where the average loss to an individual was much higher for incidents perpetrated by OCGs (£19,125 compared to £546 per fraud).

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71 There were no 'individual' victims for the category of *fraudulent applications*.

72 All financial loss data reported is based on the **lower** estimate for organised crime, meaning that frauds that only met the seriousness criteria (and no other criteria) would not contribute to the financial loss for organised frauds. In addition, the majority of frauds meeting the seriousness criteria did so, on the basis that the **collective** loss for all victims linked to the same perpetrator exceeded £100,000 not because the individual victim in the sample suffered high financial losses themselves. Only 12 victims in the sample suffered an individual loss of over £100,000, of which only six were classified as 'organised'. This caveat is discussed in further detail in Appendix A.

73 Note that the **lower** organised crime estimate was used throughout to calculate financial loss.

74 This difference is not statistically significant.

Table 4g – Average loss per offence to businesses for organised vs. non-organised fraud [75]

Fraud category	No. of victims	Average loss	
		Non-organised	**Organised**
Fraudulent sales	36	£3,870	£6,015
Identity fraud	28	£7,100	n/a
Fraudulent sales in person	16	£104	n/a
Fraudulent applications	10	£1,231	£229
Mass marketing fraud	9	n/a	£1,875
Abuse of trust	8	£19,801	£23,000
Average		**£6,506**	**£6,432**

Table 4h – Average losses per offence to individual victims for organised vs. non-organised fraud

Fraud category	No. of victims	Average loss	
		Non-organised	**Organised**
Mass marketing fraud	242	£713	£879
Fraudulent sales	230	£860	£1,857
Investment fraud	67	£32,722	£29,675
Identity fraud	44	£1,508	£148
Abuse of trust	25	£14,348	£3,708
Fraudulent sales in person	16	£546	£19,125
Average		**£3,982**	**£10,260**

The above analysis suggests that for some categories, frauds perpetrated by OCGs are more harmful to victims than frauds not linked to OC, however in other cases differences in financial loss are only minor or non-existent. When considering financial harms to victims however, it is important to consider that the impact the financial loss from a fraud has upon each victim will be relative, dependent at least in part on their income level or savings; while some large amounts may be insignificant for some, small losses may be devastating for others. To test whether the relative financial harm from organised frauds was higher than for non-organised frauds, annual income data [76] was used to compare the harms from fraud as a proportion of an estimated individual victim's income.

As Table 4i illustrates, on average, an individual victim of a fraud perpetrated by an OCG was likely to lose 48 per cent of their yearly income, in comparison to 17 per cent for non-organised frauds. This impact was particularly pronounced with *investment frauds*, where victims on average lost 137 per cent of their yearly income to organised fraud, compared to 35 per cent for non-organised frauds. These findings therefore emphasise that fraud committed by OCGs has significantly more impact upon victims in terms of relative harm than non-organised fraud.

How effective is the response to organised fraud at the local level?

This section focuses on how fraud is prioritised and responded to, how effective this response is and whether victims are being well served. It also sets

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[75] There were no 'business' victims for the category of *investment fraud*.

[76] Calculated using average income data from the ONS and mapped to victim postcodes.

Table 4i – Average loss as a proportion of annual income to individual victims for organised vs. non-organised fraud

Fraud category	Average loss as a % of income	
	Non-organised	Organised
Abuse of trust	58%	13%
Investment frauds	35%	137%
Fraudulent sales in person	2%	86%
Fraudulent sales	4%	10%
Mass marketing fraud	4%	4%
Identity fraud	9%	1%
Average	**17%**	**48%**

out some ideas on how this response might be improved and identifies some of the barriers and challenges to overcome.

To what extent is fraud prioritised compared to other crimes?

The extent to which fraud is prioritised in comparison to other crimes tends to vary quite widely between police forces. A recent study by HMIC (2015b) citing the national fraud capability survey, revealed that, *'at a strategic level, less than 50 per cent of forces included the impact of fraud in their strategic assessments'*. In the West Midlands, online fraud features prominently within a dedicated cybercrime section of their force strategic assessment, whereas the Avon and Somerset strategic assessment contains no mention at all of fraud or cyber-dependent crime.

A similarly diverse level of prioritisation was found between the PCC's Police and Crime Plans in both research sites. While Avon and Somerset did not mention fraud at all, West Midlands did identify cyber-enabled fraud as, *'a growing and under-acknowledged threat'* and called for future work with partners and a more thorough understanding of the role local policing can play in both prevention and response.

Although the OCGM tracker encompasses fraud, no groups were mapped specifically in relation to organised fraud in either of the two forces. In one force there was one OCG committing fraud offences, but these were secondary to their main areas of

criminality, which were drug supply and burglary. At the neighbourhood level, awareness of organised fraud was also almost exclusively related to mapped OCGs who commit fraud as a sideline (eg housing, benefit or vehicle-related fraud). However, it is worth noting that the Gangmasters Licensing Authority had a mapped OCG involved in organised fraud living and operating within one of our neighbourhoods, although from our interviews it appeared that local officers had no awareness or knowledge of this group.

At a local level, the appetite for tackling fraud appears to depend largely on individual officers' levels of awareness and interest. In some areas neighbourhood officers explained that they *'no longer deal with fraud'* at a local level, with force level resources (such as Economic Crime Units) dealing with high-level fraud, banks dealing with their own fraud cases in-house, and other frauds referred to Action Fraud, Trading Standards or the Citizens Advice Bureau. One chief officer noted that chief constables considered that they had *'given* [fraud] *in its entirety to Action Fraud'*.

Some officers stated that since financial institutions are typically the main victims of fraud, and as individual victims tend to get compensated by the bank, they thought that the community didn't really care about fraud. Other officers however appeared to be frustrated at the absence of fraud-specific training and their consequent lack of ability to help fraud victims. One Police Community Support Officer reported

encountering an instance of 'ransomware',[77] and having to draw on the help of their partner (who happened to work in IT) to provide support to the victim.

How effective is the response to fraud?

The response to fraud has seen a number of changes in the last decade, from the City of London Police becoming the national lead force for fraud back in 2006, through to its subsequent responsibility for Action Fraud in 2014. Action Fraud now acts as the central point of contact for the reporting of fraud, save for a few specific types of fraud which are still dealt with by police forces (generally relating to the possession and creation of articles for use in fraud, such as ATM skimming devices and counterfeit currency).

Action Fraud receives on average 25,000 reported frauds per month (HMIC, 2015b), which are then passed to the National Fraud Intelligence Bureau (NFIB) to process, analyse and prioritise. Where there are viable lines of enquiry, cases are disseminated in packages to the police force in which the offender resides. The NFIB also provides forces with profiles of their local fraud victims, force profiles (exploring emerging trends and patterns) and monthly threat updates. Cases for which there is not enough information to progress an investigation (eg the absence of addresses, telephone numbers, websites) will remain logged but receive no further action. This lack of offender information was a common problem identified in the study's analysis of local data and raised in interviews with practitioners. Without this crucial information, not only is it impossible to tell whether a fraud is related to organised crime, but there is little that can be done to resolve the offence for the victim.

Of the 25,000 reports submitted to Action Fraud as well as those submitted by industry bodies Cifas and Financial Fraud Action UK each month, only 11 per cent are referred to police for further action (Home Office, 2016) and only a proportion of these will ultimately be investigated. There is again a great deal of variation between police forces in their methods of prioritisation, with some forces examining all fraud

cases, some operating a financial threshold of intervention and some tackling a certain percentage of referrals based on their capacity. In the West Midlands all fraud reports received are investigated to a minimum standard, with some passed on for a more in-depth investigation if appropriate. In Greater Manchester, the force investigated approximately 25 per cent of all referrals last year and will not prioritise frauds where the victim's conduct has contributed to their loss unless they were a vulnerable victim.

The low number of frauds that are effectively investigated is not helped by the poor recording by forces of the outcomes from investigations, for which it seems they are not held adequately to account. From interviews with NFIB practitioners it was apparent that feedback from forces on outcomes is often sporadic or even non-existent. Although some frauds may take several years to investigate, making the outcomes difficult to feedback systematically, most frauds do not. Effective feedback to the NFIB is also hindered by the fact that forces frequently refer fraud incidents to other agencies (such as Trading Standards), which have no statutory obligation to investigate or report outcomes to the NFIB. As one practitioner put it, *'These frauds then essentially fall out of the NFIB process'* and may fall off the radar entirely.

The role of police forces in tackling fraud

In their recent report, HMIC (2015b) noted that the nominated officers who receive NFIB referrals tend to be fully aware of the correct process for fraud reporting and the role the police have to play, but highlighted the lack of knowledge and consistency around the different roles of the police and Action Fraud, especially in relation to where to refer victims. These findings are consistent with this research, which found that the Economic Crime Units (ECU) were well informed around the reporting process and their roles, while the response at the local level was much more variable. The following sections explore the different levels of response at both force and neighbourhood levels.

Force level

Sitting at force level, ECUs focus on high value and complex fraud cases, particularly those involving corruption within organisations. For less serious

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[77] Ransomware is a type of malware that prevents or limits users from accessing their system. It forces victims to pay the ransom before granting them access to their systems/giving them their data back.

cases, the allocation of frauds between force and local level tends to vary between forces, with some forces allocating NFIB packages directly to district Criminal Investigation Departments (CID) for prioritisation; some referring frauds involving known offenders, crimes in action or vulnerable victims straight to the local policing unit level and others to a dedicated team of fraud investigators.

Typically, ECUs are made up of a number of functions tackling emerging trends, money laundering investigations, regulatory enforcement (Suspicious Activity Reports (SARs)) and seizures under the Proceeds of Crime Act (POCA), 2002. In both forces, ECUs reported that they did not receive many external referrals and tended to self-task. One force noted that this was a distinct change from the days when there was a POCA champion on every Local Policing Unit (LPU). Recent restructuring has meant that POCA champions have been relocated and become the fraud investigators within the ECU. This has resulted in a significant drop in POCA applications. Concerns were raised by the ECU that POCA had not become mainstreamed in the way it was originally intended and that they were *'missing a trick'* in not pursuing offenders' assets more proactively. This is particularly the case when tackling organised crime, where the seizure of financial assets is far more of a deterrent and a disruptive force to OCGs than incarceration. Despite this awareness at force level, local officers are *'often more excited about a few grams of heroin than the cash'*. A further concern is that where POCA is used, there is a tendency for officers to prioritise the most profitable cases or those with the longest sentences, rather than those causing the most harm.

Resources are also available at a regional level within ROCUs, such as the Regional Asset Recovery Team (RART) and the Regional Fraud Team (RFT). These units were described as being available for use at a local level where traditional techniques have failed, and offer a very powerful resource for tackling OCGs, the vast majority of which have vulnerabilities around mortgage fraud, tax evasion, benefit fraud and VAT fraud. However, these teams were not mentioned once in interviews with local police practitioners. Likewise, several disconnects between the ECU and other departments were identified, with some LPU officers stating that they would not know how to task them, force intelligence stating that they were difficult to task, and the ECU itself stating that it rarely received any taskings.

Local level

Local officers tended to be more knowledgeable about certain kinds of fraud involving local groups of offenders, (eg courier frauds and ATM skimming). This is in line with HMIC's finding that these types of offences tend to be better recognised by call handlers as calls for service are dealt with immediately. In stark contrast to this was the knowledge of and response to telephone-based or online fraud. Although this study's concentration on organised fraud presented a slightly narrower focus, the knowledge of local officers about any fraud occurring in their local area was low, and definitely not considered a high priority. This was particularly true for organised fraud, which was generally seen as beyond their remit; a striking finding given that 31 to 45 per cent of fraud in the local community is likely to be organised.

This is not all that surprising since little is known about offenders, and because the sheer scale and spread of offending often means that analysis needs to take place on a national level in order to uncover OCGs operating country-wide. However, the attitude that fraud is not a neighbourhood issue unless an offender is immediately apparent leads to victims receiving a poor service. As HMIC note, the delay between reporting to Action Fraud and the allocation to a police force can take at least 30 days. This gives offenders a significant opportunity to transfer funds out of the country, or hide them behind a convoluted money trail, which makes organised fraud even harder to tackle. Local officers run the risk of missing out on the small window of investigative opportunity by referring victims straight to Action Fraud without following up any investigative leads.

Protecting victims

Unlike traditional crime types such as burglary and car crime, which are bread and butter for the police, victims who report a fraud rarely receive a visit from a police officer. The police response to fraud varies

between forces and awareness and attitudes towards fraud at the local level depend largely on an individual officer's preferences and skills.

Currently, following their submission of a fraud report to Action Fraud, victims receive an automatically generated letter containing a crime reference number, an explanation of the NFIB process and the assurance that they will receive a further update within 28 days of reporting. Depending on the available lines of enquiry, this letter will either say that no further action will be taken or that the case has been forwarded to a police force. This force will be determined based on the line of enquiry, rather than the victim's home, police force or the location of the offence. But victims of fraud are often not served well by this process. Frequently offenders are elsewhere, meaning that the chances of detection are low, and the delays and disjointed approach (see above) only serve to exacerbate the issue. Victim Support named Action Fraud as one of their biggest sources of referrals after the police, and highlighted the difficulties victims had in keeping track of what is happening with police investigations that are often allocated to officers working in other police force areas.

Forces receive victim profiles from the NFIB on a monthly basis. These documents contain statistical profiles for victims and modus operandi nationally and in the force area. However, knowledge of these profiles among neighbourhood officers seems to be scant – they were not mentioned by any interviewees. These victims are potentially vulnerable to future victimisation and contacting them provides an opportunity to improve public confidence around the response to local fraud.

While the Prevent and Pursue strands of the government's organised crime strategy are rarely applicable since offenders are absent, local officers are well placed to implement Prepare and Protect within their neighbourhoods. For these more victim-focused elements there is very little difference in the local response to organised and non-organised fraud. Therefore, the lack of awareness around offenders and which specific offences are organised need not always impair an effective local response, such as identifying vulnerable and repeat victims and

populations within their neighbourhoods and providing targeted fraud prevention advice.

One example of good practice in this area was a neighbourhood police initiative in Avon and Somerset, which conducts visits to suspected victims of fraud and provides support. Beyond this, the response to fraud tended to be part of larger crime prevention initiatives, with a focus on distraction burglary and rogue trading. Furthermore, this work was described as 'extra-curricular and voluntary' rather than a core part of these officers' day jobs.

The role of other agencies

There are many other agencies that play an important role in the local response to fraud. For example, Trading Standards' national 'Scams Hub' systematically collects intelligence on potential and at-risk individuals suspected of being targeted or victimised by scams. Each Trading Standards authority has a bespoke arrangement for what to do with this data in accordance with their prioritisation of fraud and their available resources. For example, a Trading Standards officer might agree to deal with 10 individuals per month; conduct visits, confirm whether or not they have been victimised, take preventative action and gauge the impact of their intervention. However, due to a shortage of resources, only a small minority of individuals on this list can receive attention. At a local level, Trading Standards authorities also have a good awareness around doorstep crime and rogue trading, much of which may be organised. Local Trading Standards authorities appear to work well alongside police during specific operations, but there is no systematic or routine information sharing process around fraud and scams. On the ground, data sharing between local Trading Standards authorities and the police is intermittent and conducted face to face on an *ad hoc* basis; a stark contrast to the laudable automatic information sharing between Citizens Advice Bureaux and Trading Standards relating to scams reported within the Bureaux.

Housing Associations and Revenue and Benefits departments also hold valuable information and insights that could help to shine a light on areas of fraud not captured by Action Fraud, such as housing,

tax and benefit fraud. Sometimes such information includes links to organised immigration crime, exploitation and modern slavery. As these do not involve a member of the public reporting as an individual victim, these types of local organised fraud are not captured in any systematic way. This is an area of fraud with local offenders, local victims and an impact on local services and is, arguably, therefore well suited to local police attention.

Housing associations in both Wolverhampton and Coventry held information relating to organised rental fraud within the study's three neighbourhoods. Following a lack of interest from local police, one housing association confronted the ringleader of a local OCG, explaining that they were aware of their modus operandi and warning them not to continue. Much to the agencies' surprise, this intervention was effective in that the group moved on, although their fraudulent activities were most likely displaced elsewhere. Likewise the Revenue and Benefits department identified some possible signs of organised benefit fraud. Individuals were presenting identical pay slips to the department, but none of them could answer any questions about the details of their employment, pointing towards a level of organisation behind the scenes.

In both of these examples, these agencies do not have the capacity or capability required to investigate the entire OCG, but only to prevent fraudulent applications. These organised fraudsters are therefore falling into the gaps between organisations, and their associated criminality is a perfect example of some of the 'hidden crime' that enforcement agencies purport to want to uncover and tackle but rarely do. Local agencies are aware of and concerned about this gap, but are not sanguine about the possibility of it being addressed. As one interviewee stated: *'… maybe at a strategic level people are interested in lifting the carpet, but there is little evidence of this at the local level'*.

What are the barriers to tackling fraud?

Fraud offending breaks the mould when it comes to the traditional enforcement approach typically utilised by the police in tackling organised crime. Forces seem uncertain about how to shift towards an

approach that places greater emphasis on the Protect and Prepare strands of the government's organised crime strategy. Indeed there are a number of barriers that make organised fraud difficult to tackle, including its increasing scale, under-reporting, poor data sharing, cross-border and overseas offending and specific difficulties relating to investigations. These are considered briefly below.

Increasing scale

Fraudulent activity in the UK is on the rise, with crime figures for 2014 showing a 17 per cent increase on the previous year. The police and other organisations are struggling to keep up. The global shift into the online world, which is only likely to continue, hardly makes matters easier. The internet has created a space in which fraudsters can target huge numbers of victims with very few resources at very low personal risk. Given the current squeeze on public resources, it is difficult to see how organised fraud can be more effectively tackled without it attracting a much higher public and political profile.

Under-reporting

With some areas of fraud not systematically recorded by industry, ambiguities around whether certain offences are civil or criminal matters, and many victims either unaware of their victimisation or too embarrassed to report it, it is difficult to build a true picture of the scale of fraud and provide an appropriate response. Even when victims do come forward, they often know little about their offenders, making effective investigation almost impossible.

Lack of data sharing

Data is held in silos across organisations (eg the police service, Action Fraud, industry, housing associations, Trading Standards), with no simple way of integrating it. This not only distorts our understanding and analysis of the scale of fraud, but also impedes our ability to systematically plan and respond.

Cross border and overseas offending

Fraudsters have little respect for police force or even national boundaries. Due to the way offences are currently allocated by the NFIB, police forces can find themselves either investigating offenders who are not

impacting on their local area, or receiving frustrated requests from dissatisfied local victims about cases they are not involved in investigating. If located overseas, fraudsters are often beyond the reach of police investigations.

Investigative difficulties

Frauds are often complex and time-consuming to investigate. Even where offenders are known and local, the time delay between reporting the offence and releasing resources for tackling it can demotivate investigators. Relatively lenient sentences can also act as a disincentive.

5. Conclusions and recommendations[78]

The dearth of empirical research on organised crime reflects the difficulties researchers face in defining the problem they are seeking to address, accessing meaningful data on its scope and its impact, uncovering its many hidden dimensions and surmounting the challenges of documenting the experiences of victims who, in many instances, are unaware that they have been a victim of organised crime or are too afraid to report it. On the basis of research conducted over nearly two years, this study has attempted to surmount these difficulties in two police force areas and in doing so represents the first attempt to undertake a full-scale empirical assessment of the nature and impact of organised crime on local communities. It consciously adopted a two-pronged approach that looked at both the impact of organised crime as a whole on local communities and focused on two types of organised crime about which little is known, namely organised sexual exploitation and organised fraud.

Organised crime in local neighbourhoods

From the research undertaken in the three neighbourhoods in Coventry and Wolverhampton, it is clear that the proportion of all crime committed by organised crime groups (OCGs) is substantial, although much of it is hidden and goes undetected or sits in the *'too difficult'* category. As a consequence, much of the harm that OCGs inflict on local communities is never addressed. Reporting rates for organised crime, particularly the more hidden crimes such as child sexual exploitation (CSE), are persistently low. To reduce the harm caused by organised crime, a more proactive approach to community engagement and gathering intelligence needs to be adopted. Support is therefore needed to encourage community members to come forward with information and

resources should be ring-fenced for addressing the hidden aspects of organised crime. While effective engagement with the public and learning from other agencies will be key, positive feedback to victims and communities is needed to demonstrate that their help had produced benefits. To mitigate the impact of low reporting rates, the police should also become more aware of and develop better techniques for undertaking victimless prosecutions.

Recommendation

- **The police and other local agencies need to do more to identify the hidden victims of organised crime and facilitate investigations for which no victim comes forward.**

Organised crime is often seen by local officers as *'too specialist'* and therefore *'not my concern'*. More, therefore, needs to be done to help neighbourhood officers understand that interventions against organised crime, whether cyber related or not, do not necessarily require technical expertise. Forces need to ensure that organised crime is intrinsic to the work of local neighbourhood teams and not just the preserve of specialist units. Neighbourhood teams need to be briefed on who the local OCGs are, the force expectations for dealing with organised crime, and the ways in which they can best contribute intelligence.

Recommendations

- **Officers' attitudes towards organised crime and their role in tackling it need to be reframed.**
- **Police forces should ensure local officers working in the community are engaged in tackling organised crime.**

Organised crime tends to be quantified in terms of known perpetrators and groups rather than crimes and victims. Organised crime group mapping (OCGM), which is based on intelligence related to suspects not victims, has contributed to a better

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[78] As already mentioned in the Introduction, it is important to bear in mind that these recommendations are based on the findings from two police force areas, which are not necessarily representative of organised crime in other local communities.

picture of OCGs, but it is less useful for protecting communities and reducing harm. By far the majority of mapped OCGs are involved in drug dealing, which is familiar, visible and what the police look out for. But organised crime in local communities is much richer and nuanced than the picture presented by OCGM. This study found a substantial number of OCGs involved in newer, emerging crimes about which there is very little intelligence. Intelligence from other agencies, such as Trading Standards or social services, that could help to improve the mapping process isn't currently systematically shared with the police and fed into OCGM.

Serious and organised crime local profiles provide a potentially more effective way of improving the understanding of local organised crime patterns and could complement OCGM by informing the development of preventative and protective measures, particularly with respect to new, hidden crimes such as CSE and the off-street sex trade. They need to draw widely on intelligence held by other agencies on specific crime types and be owned at district rather than force level if a more localised, multi-agency assessment of organised crime is to become a reality. Gaps in information will need to be addressed and new ways of accessing intelligence, particularly from the most isolated communities, would need to be developed. Agencies also need to find better ways of sharing information, particularly with the police, and measuring the impact of their joint activities in terms of harm reduction. Only then will the new Serious and Organised Crime Partnerships recently promoted by the government have a chance of being more than 'just another partnership'.

Recommendations

- **Police forces should develop local, multi-agency strategies, based on serious and organised crime local profiles as well as mapped OCGs. They should identify specific organised crime problems in communities and the harms they cause and set out the roles and responsibilities of different partners in tackling them.**

- **To assist in promoting better partnership working, the Home Office should**

collate and disseminate examples of best practice.

This study shows that there is significant confusion among local practitioners as to what organised crime is, whether they should be doing anything about it and if so what that might be. This has to be addressed if an effective, multi-agency response to organised crime is to become a reality. The NCA must have a role to play here. It should clearly spell out the role and powers of relevant local regulatory, statutory and voluntary agencies. These agencies need to be incentivised to work closely with the police, so understanding how tackling organised crime fits in with their own priorities and where there are economies of scale and other mutual benefits will make collaboration more realistic.

Police intelligence and other sources of information on OCGs and the offences they commit are poorly exploited, particularly those which, for whatever reason, aren't mapped (of which there are many). It seems illogical that the OCGM database relies almost entirely on police intelligence; the intelligence of other agencies, such as Trading Standards, is effectively excluded. The NCA should oversee a review of local data sources for organised crime, clarifying who holds what data, in what form, and the potential uses to which it could be put so that joint assessment and working can improve. Better information needs to be extracted from victims and witnesses who often provide the key insights to facilitate prosecutions and consideration should be given to engaging specialist agencies to collect information on specific crime types. Protocols need to be established clarifying how data can be confidently shared within any legislative constraints. Partner agencies need to record information more systematically and police and partner agencies should consider standardising some recording practices to ensure consistency across agencies and that information is not lost.

Recommendations

- **The NCA needs to clarify the contribution of local agencies to tackling organised crime and undertake a review of local data sources.**

- **The police and other agencies should make better use of existing information and adopt better recording mechanisms.**

- **More learning should be taken from victims and witnesses to improve processes for eliciting and recording information.**

- **Local partnerships need to develop a more effective approach to analysing and sharing data between local agencies on organised crime.**

A common refrain throughout this report is the imbalance between the four Ps as set out in the government's Serious and Organised Crime Strategy. There is a strong emphasis, particularly within the police service, to favour Pursue over Protect and Prevent. This is reflected in the main tool used to inform an intelligence-based approach to tackling organised crime, OCGM. If a more problem-oriented, multi-agency approach is to become a reality, then to succeed, this balance will need to shift and additional measures of success will need to be developed that show improvements (or otherwise) in harm reduction, victim support, community engagement and public confidence. Currently, success is measured in terms of disrupted OCGs, successfully prosecuted nominals and seized assets. This would help to improve local accountability within neighbourhoods, but also across district and force boundaries.

Recommendations

- **Police and Crime Commissioners (PCCs), together with chief constables, need to shift the balance of the response to organised crime towards Protect and Prevent.**

- **In consultation with other agencies, PCCs should develop new measures of success for gauging the effectiveness of work undertaken to tackle organised crime.**

Compared with volume crime, this study has shown how little is known about organised crime and how much of it remains below the radar of the police and other agencies. Much of the data on which this report is

based is anecdotal information from practitioners (albeit with a wealth of experience) or pulled together from patchy police data sets that are not designed to answer research questions. It has nevertheless brought a wide range of issues out into the open that deserve closer scrutiny, including: the overlap between offenders and victims; the role of the internet in facilitating different types of offences; the nature, prevalence and impact of so-called 'new' crimes such as CSE and modern slavery; and the involvement of foreign nationals in organised crime, both as perpetrators and victims.

Recommendation

- **Knowledge about the facilitators of organised crimes, including use of the internet, needs to be improved to guide practitioners on potential points of intervention and to better inform the investigative process.**

With respect to foreign nationals, many of whom originate from Eastern Europe, this study suggests they appear to have a sizeable footprint in organised acquisitive crime (eg shoplifting) as well as, potentially, other forms of organised crime. However, few foreign national OCGs are mapped locally due either to poor levels of police intelligence or because they are located outside the force (some of whom may be mapped and 'owned' by other police forces or other enforcement agencies). Foreign nationals also appear to be more likely to be victims of exploitation and certain types of organised crime, particularly sexual and labour exploitation, and yet they are even more reluctant to report such matters, due in part to their relative isolation but also to their largely culturally determined perceptions of the police.

Recommendations

- **The police and their partners need to do more to learn about foreign nationals as both perpetrators but also victims of exploitation and organised crime.**

- **New approaches to engaging with diaspora communities and improving their confidence in the police and other local service providers need to be developed.**

Organised sexual exploitation

This study has shown how there has been a substantial shift away from the traditional, visible on-street sex markets commonly found in deprived inner city residential areas (ie 'red light districts') towards new, more hidden off-street sex markets. A proportion of this market is located in various kinds of brothel many of which show signs of being run and/or managed by OCGs. The high political profile attached to the problem of illicit drug misuse along with constant pressure from the public to clamp down on the crime and antisocial behaviour associated with on-street sex markets (kerb crawling, importuning, drug paraphernalia and various forms of nuisance behaviour) contrasts with the lack of concern about the growing off-street market, about which there is much less information, public awareness or political interest. Off-street sex markets offer lucrative, low risk opportunities to OCGs, but police intelligence on the pimps and traffickers that operate in these markets is poor, so they are rarely mapped. Consequently there are no extra resources available for targeting them. As one national-level practitioner said, OCGs operating in the off-street sex markets are *'... too difficult to tackle for the amount of harm they are causing'*.

This study also suggests, however, that the amount of harm they cause is potentially considerable, particularly to foreign national victims of trafficking: the debt bonded Chinese sex workers unable to leave the premises from which they operate; or the Romanians too isolated and afraid to confide in the police or seek help from support agencies. Victims of organised sexual exploitation are often moved from place to place, with no time to put down roots or acquire a sense of belonging. As well as the risk of exposure to threats, intimidation and abuse from pimps and clients, they run serious risks to their physical and mental health. The fact that this study has not been able to uncover the full scale of these harms does not mean they should remain largely hidden and unheeded.

The relative impunity with which pimps and traffickers operate within the adult sex market (ASM) combined with the almost total exclusion of many off-street sex workers from mainstream society, particularly foreign

nationals, requires a radical reconsideration of what the police and other relevant agencies should and could be doing. New ways need to be found for collecting robust intelligence, targeting criminals who exploit sex workers, helping victims to come forward and protecting them when they do. The Home Office, in collaboration with the NCA, needs to develop guidance on what kind of information needs to be collected, by whom and how, as recommended by the Home Affairs Select Committee Report on Prostitution published last year. Both organisations also need to develop tools to help agencies work more closely with enablers such as hotels and taxis, interpret indicators of sexual exploitation and assess the threat of trafficking.

Recommendations

- **Police forces, together with local authorities and representatives of the voluntary sector, should jointly produce locally tailored strategies for assessing and targeting the off-street sex market.**

- **The Home Office, together with the NCA, should issue guidance on tackling the off-street sex market, including how best to target pimps and traffickers and support sex workers in brothels.**

One aspect of organised sexual exploitation that has a high political profile is human trafficking, which is now an explicit part of the government's Serious and Organised Crime Strategy. However, at the local level, there are few signs that incidents of trafficking are being reported more frequently, that intelligence is improving or that joint working across agencies has become the norm. It takes time to reduce fear, build trust, increase cooperation and develop support services for victims of trafficking. Without someone locally in charge of investigating and responding to trafficking, including across borders, and without a clear and simple local narrative that raises public awareness and concern, efforts to tackle trafficking are at risk of being tokenistic. Identifying the threat of trafficking in the off-street ASM needs to fall within a wider focus on safeguarding and supporting sex workers working in brothels. It is questionable whether

the police are best placed to lead this work; a specialist welfare team undertaking regular visits to brothels in the community, which monitors conditions and is sensitive to the indicators of trafficking and exploitation, has much to commend it.

Recommendation

- **Local authorities should develop a multi-agency strategy to tackle trafficking for the purposes of sexual exploitation (or review an existing one).**

Child sexual exploitation

Child sexual exploitation (CSE) is often referred to as a 'new' or 'emerging' crime, facilitated by the ubiquity of online communications. Following major scandals in Rotherham, Rochdale, Oxford and elsewhere, it now has a very high profile, both nationally and locally. The city of Bristol, where this research was undertaken, was similarly shaken in 2014 when multiple members of a local Somalian OCG were convicted of systematic child sexual abuse involving 48 victims and a further 49 suspects. But while these scandals all point directly at the involvement of organised crime in the sexual exploitation of children, very little is known about this. The research carried out in Bristol over a period of two years showed that there were 43 OCGs involved in CSE, of which just five were mapped. Nearly 200 perpetrators of CSE were identified as linked to organised crime, but only 34 of them were mapped. Despite its high profile, intelligence on the involvement of OCGs in CSE is highly elusive.

The review of the literature and interviews with practitioners established some of the characteristics of what is a very hidden and complex phenomenon. Both the perpetrators and the victims of CSE often live in the same neighbourhoods, frequent the same 'risky' places and are often involved in other forms of criminality, including drug misuse, violence and prostitution. The perpetrators – loose networks of associates, often with similar ethnic backgrounds – use various techniques, including social media, to groom and control their victims, some of whom end up exploiting members of their own peer groups. It is not uncommon for victims to be trafficked to other

areas of the country and for sexual exploitation to become normalised.

The victims of CSE are some of the most vulnerable children. In the cases examined for this research, their average age was 15 and a third lived in care. The vast majority came from dysfunctional families and half had criminal records. Three quarters were closely linked to others deemed to be at risk. Many are repeatedly victimised by multiple perpetrators, some of them complete strangers. The risk of trauma and subsequent mental ill health is high, as is the risk of developing or exacerbating issues with substance misuse. The duty to protect these most vulnerable members of society cannot be greater and yet despite CSE now receiving more attention and resources, children are still sometimes perceived as complicit in their own exploitation. Blaming the victim, thereby avoiding responsibility for protecting them, cannot be helpful.

Given CSE victims' extremely high levels of vulnerability and the difficulty of mapping OCGs, about which intelligence is so difficult to acquire, it would seem sensible to place more emphasis on identifying and safeguarding children at risk, for which additional resources would have to be forthcoming.[79] Adopting a problem-oriented, victim-focused approach to CSE would require a more data-driven strategy, one that maps the social networks and hotspot locations of children at risk, rather than just relying on the mapping of potential suspects on the OCGM database; unlocks the barriers to effective data-sharing both within and between relevant agencies; takes account of the fact that on reaching the age of 18, CSE victims are still in need of help and support; and requires ROCUs to take the lead in ensuring an effective response to the cross-border dimension of CSE rather than leaving it to forces to grapple with.

A much wider range of agencies that come into regular contact with those at risk (for example, schools, foster carers and youth offending teams) are integral to increasing knowledge in this area and have

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[79] In view of the current constraints on public finances, every attempt has been made to avoid recommendations that require additional resources. An exception is made here since resources for tackling organised crime are closely aligned with the OCGM database, which given the low number of CSE OCGs that are mapped is unlikely to be sufficient.

a crucial role to play in reducing harm and protecting those at risk. The police on the ground, as well as other practitioners, need a clearer understanding of what the risk factors for CSE are and how they should go about recognising them. Systematically recording identified links between victims and applying case file markers to offenders and high-risk locations should help to reduce risk and harm. Existing information on children at risk is currently spread across multiple databases within the police service and beyond and needs to be consolidated.

Recommendations

- **Specialist training in how to recognise, record and act upon concerns about CSE should be given to front line officers and other practitioners.**

- **Multi-agency approaches to addressing CSE need to be enhanced by better use of data and more sophisticated analysis for identifying those at risk of CSE.**

Fraud

The high political profile accorded to the problem of drug misuse over the years is reflected in the prioritisation of drug-related law enforcement and the routine capture of OCGs involved in the drug trade. But whereas the police are relatively well informed about the nature, scale and impact of drug-related offending by OCGs, they know very little about OCG involvement in fraud and its impact on victims and their communities. Despite its prevalence and the harm organised fraud causes – in one of the three neighbourhoods it accounted for more OCG-related harm than any other crime, including drugs and violence – it attracts little attention from local practitioners. Offenders are rarely prosecuted and victims receive little or no support.

Recommendations

- **The Home Office should commission an independent review of how fraud is policed.**

- **It should establish the different roles and responsibilities agencies should adopt**

and set out how it would increase public confidence.

Whereas drug consumption for example has fallen by at least a third over the last decade (Home Office 2015), there is reasonable evidence to suggest that fraud is rapidly replacing traditional forms of property crime as the choice of offenders. Fraud increased by nearly 14 per cent from 2015 to 2016 whereas burglary fell by 13 per cent (ONS, 2016). However, most resources for tackling OCGs are determined by whether they are officially mapped, which means in practice that drug-related organised crime gets targeted while fraud related organised crime does not. Given the harm that fraud causes locally, there is a need to re-assess the balance of police resources.

Recommendations

- **PCCs, together with chief constables, should review the way resources are allocated to tackling fraud.**

- **The tasking system around fraud resources should be reviewed in order to clarify the process for police officers and staff and make better use of those resources.**

- **Those on the ground should be supported through training to change attitudes and build confidence and capability in this area.**

If fraud is to be taken more seriously, then other pieces of the jigsaw will need to be put in place. Given the complexity, the expense and the low success rate of fraud investigations, a more problem-oriented, multi-agency approach that shifts the focus of the response more towards prevention and protection would seem sensible. This would inevitably require a different approach to the collection, analysis and sharing of intelligence within and between agencies. The National Fraud Intelligence Bureau (NFIB) should be encouraged to provide more detailed data sets that would enable forces to improve their analyses of and therefore their understanding of local fraud patterns. Similarly, there needs to be routine exchange of data between the police and Trading Standards (national and local offices) to

develop a more comprehensive picture as well as flag the gaps in response that need to be filled.

Recommendations

- **Police at district and neighbourhood level should drive the local response to fraud.**

- **The police and other local agencies (including Trading Standards and local authorities) should jointly produce a local fraud strategy.**

Unlike the involvement of OCGs in illicit markets, overt signs of most forms of organised fraud (and its impact on local communities) are difficult to identify as it is often perpetrated by offenders living outside the locality, often goes unreported and tends to fall between the gaps of a number of agencies, including the police. Unlike other forms of crime, such as burglary or drug misuse, its prevalence is increasing not falling; the cost to society is huge. And yet there is no local narrative that captures the essence of the threat from organised fraud and no local agency in charge of tackling it.

To estimate how much fraud occurring locally is perpetrated by OCGs this study developed a new methodology that found that at least a third and possibly as much as half of all frauds are perpetrated by OCGs. It also found that the financial losses incurred by victims of organised fraud are significantly higher than for non-OCG frauds; on average, a victim of organised fraud loses half their annual income when victimised, three times more than the average loss from a non-organised fraud.

Despite being widespread, nobody owns the problem of fraud at the local level. Many practitioners believe that fraud is dealt with by Action Fraud (it is not) and that the public do not consider it a priority (they do) [80]. In practice, forces receive regular referrals of reported cases of fraud, local fraud victim profiles, trend data and threat updates, but few cases ever end up being effectively investigated and assets are rarely recovered. Investigations are time-consuming, expensive and often fail. It is perhaps little wonder that

police forces have almost washed their hands of fraud (assuming that is, their hands were ever dirty).

Action Fraud was only recently rolled out to forces in 2013, to improve the response to fraud and in particular the recording of fraud offences. This study discovered that in practice not all relevant information about perpetrators is captured when a fraud is reported. A review of reporting and recording systems led by Action Fraud and the NFIB would help to highlight the weaknesses in the current system. The existing framework for categorising frauds, using Home Office codes, is also in need of review. The study also discovered that police forces are not performing as well as they might when recording fraud outcomes and providing timely feedback to the NFIB, which PCCs should note. Consideration should be given to setting up data systems within NFIB to allow for more systematic outcome tracking (in order to be able to track back an outcome to specific reports) and to ensure more accurate and reliable outcome statistics.

Recommendation

- **Action Fraud and the NFIB need to develop robust and clearer mechanisms for collecting and collating information from victims, and to refine systems for monitoring investigatory outcomes.**

If fraud, and organised fraud in particular, is to be taken seriously, then radical change is necessary. No agencies see it as their responsibility and traditional approaches – 'Pursue' in particular – do not seem to work. Organised fraud an almost perfect example of the kind of 'hidden crime' that enforcement agencies purport to want to uncover and tackle but rarely do. The contribution from other agencies who hold a wide range of powers that could make life much more difficult for fraudsters or stop frauds occurring in the first place is rarely acknowledged or even recognised. Systematic data sharing is virtually non-existent. Trading Standards, Housing Associations and even voluntary organisations such as Citizens Advice and Victim Support could play a far bigger role if the political will to tackle fraud, organised or otherwise, existed. But there are as yet no signs that this will happen at any point in the near future.

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[80] See, for example, the Scottish Crime and Justice Survey 2010/11, which shows that adults are more worried about various kinds of fraud than any other kind of victimisation, including burglary, street robbery and vehicle theft.

Conclusion

This groundbreaking study has, for the first time, attempted to assess the nature, scale and impact of organised crime on local communities. It has shone a light on a wide range of often complex issues and in so doing has opened up a new agenda for research, policy and practice. There is still much to be uncovered, much to be learnt and much that needs to be changed.

It is hoped that this research will trigger the development of rich local narratives that begin to encapsulate the serious and persistent harm that organised crime inflicts on ordinary people, living in ordinary neighbourhoods, right across the country. It is hoped that this study will lead to concrete changes that ensure the Protect and Prevent strands of the government's Serious and Organised Crime Strategy become much more than just words on paper. And it is hoped that the Home Office takes seriously the requirement for a full-scale independent review of fraud and how it is policed.

The research team is acutely aware of the financial difficulties faced by the police service and other local agencies following the economic crisis in 2008 and that any new demands on their time and resources will not be received lightly. This is why we have in many cases resisted recommending that additional resources should be forthcoming. The systematic exploitation of children for sexual and financial gain is a heinous crime that causes great concern and provokes much soul-searching, even at the highest levels of government. No society should feel comfortable with the knowledge that exploitation is happening every day, across the country, to children as young as 12 or 13 years old. If the general public were fully aware of the scale of CSE and the harm that it causes, they would not hesitate to endorse whatever action was required to eradicate it.

Finally, it remains to be said that we are living in a rapidly changing world in which new technology, mass migration and the increasing fragmentation of families and communities leaves society's most vulnerable members at the mercy of those who systematically seek out opportunities to exploit them. Some of these crimes are old, a few of them may be new, but most are just old crimes in new guises. The challenge is to identify them for what they are and adapt quickly and effectively to the threats they pose. This study will, it is hoped, help the police service and other agencies succeed in achieving this task.

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Appendix A: Methodology

This appendix outlines the methodologies utilised for the different elements of the research. It incorporates a discussion of the scope and variety of different methodological approaches intended to capture the scale, nature and impact of organised crime at the local level, from a range of different perspectives.

Local communities methodology

Scale – all crime

In order to better understand the scale of organised crime-related offending occurring within the target areas, samples of recorded crime for two separate months (June and November 2014 [81]) were examined for each of the three neighbourhoods. For each recorded crime, researchers examined the offence description text in order to determine whether there were any links to organised crime. This exercise involved drawing on knowledge gained from a literature review and practitioner interviews to apply a judgement on the link to organised crime. The following criteria were used to guide the final classification:

Offender indicators

● Involvement of more than one offender.

● Involvement of a known organised crime nominal (whether listed on the Organised Crime Group Mapping database or identified during interviews with West Midlands officers).

● Utilisation of others such as young and/or vulnerable people in commissioning the offending.

Offence indicators

● The offence classification, eg drug supply, trafficking or money laundering offences would be classified as organised by definition.

● The complexity of the offence.

● An element of planning was involved.

● There was evidence of illicit market involvement (ie that would require a high level of organisation, eg manufacture and/or distribution).

Sustainability indicators

● There was more than one occurrence (suggesting a continuing basis).

● There was evidence of market involvement (eg ongoing transactions).

Using these criteria as a guideline, each offence was classified with a score of 'Likely', 'Possible' or 'No', in relation to whether it was deemed to be related to organised crime. Where a particular offence was unclear, brief searches on the crime and intelligence systems were conducted in order to provide further context for the decision. For example, it may be reported that someone is growing cannabis but the number of cannabis plants and whether it is for personal use may be unclear from a single intelligence report. A quick search of the intelligence system may reveal 10 reports relating to the offenders' involvement in drug supply, therefore this offence would be categorised as a 'Likely'. Lower and upper estimates would then be calculated based on the proportion of 'Likely' (lower) and 'Likely' and 'Possible' (upper) classifications combined. The 'No' classification included offences where there was no evidence of any involvement in organised crime. However, this does not necessarily mean that none of these crimes were committed by an OCG; it simply indicates a lack of evidence to suggest otherwise. For example, in some of the neighbourhoods arson and criminal damage were committed by organised crime groups (OCGs) to intimidate or exert control over others. However, for offences where there are no witnesses or details of offenders are unknown, there is typically insufficient evidence to link the offence to OC, so in these cases the crime would reflect only that arson or criminal damage took place. Thus, the final figures are likely to be an underestimation of the proportion of offences linked to organised crime.

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[81] Selected to be evenly spaced through the year, though avoided the end of both the fiscal and calendar year, where reporting tends to be lower.

Scale – organised crime

In order to build up a more detailed picture of the scale and nature of organised offending taking place within the three target neighbourhoods, further crime and intelligence data sets were extracted that specifically targeted organised crime types. These data consisted of the following:

Crime and crime-related incidents:

● An initial trawl of all Home Office codes was conducted in order to extract a list of all offences that were considered to be likely to be linked to organised crime. Due to the high volume of violence-related offences, only the most serious violence offences were included. Also, the majority of acquisitive offence types are not covered in this list because of the unfeasibility of examining a high volume of offences due to research constraints.. Those offence types selected for inclusion were chosen on the basis of being more likely to be linked to organised crime, eg commercial robbery but not personal robbery [82].

● In order to capture acquisitive offence categories [83], that could not be captured in the list above (eg burglary dwelling, vehicle crime), Local Policing Unit analysts were asked to provide a list of any that they believed to be linked to organised crime within the same geographical parameters [84]. These offences were then added to the sample. It should be noted that these offences are therefore included on the basis of the subjective judgments of the analysts based in each city, and not the more systematic process carried out by the research team. There were notable differences in the judgements of the two areas, with no offences believed to be linked to organised crime within Neighbourhood C, compared to a high volume in Neighbourhood A.

● The offence types were extracted for a two-year period (December 2012 – December 2014) for the three neighbourhoods. In line with the methodology used for the 'All Crime' sample, the offence description text for each crime was examined in order to determine whether there were any links to organised crime. Using the same criteria, each offence was classified with either a score of 'Likely', 'Possible' or 'No'.

● In addition, free text searches of police data were conducted on the offence description text itself for a number of organised crime related keywords, using the same date and location parameters specified above. The keywords used can be found in Appendix C. This range of search techniques means that the data includes a combination of recorded crime and 'non-crime' or 'crime-related incidents', such as child abuse or domestic abuse reports.

Intelligence reports:

● Due to feasibility issues and technological constraints [85], intelligence reports were only extracted for a one year period (December 2013 – December 2014) for the same three neighbourhoods. Intelligence reports that mentioned any of the organised crime related keywords listed in Appendix C were extracted for further analysis. These keywords were based on a review of the relevant literature and consultation with the police, partners and national agencies. As per above, intelligence reports were also classified with a score of 'Likely', 'Possible' or 'No', in relation to whether they were deemed to be related to organised crime.

● It is worth noting the difficulties around relying on police intelligence, particularly in relation to assessments of scale. It is liable to be affected by operational activity, the current focus of those recording the information and the offenders and areas of criminality already known to the police. Intelligence therefore cannot be relied upon to provide an accurate representation of all organised crime-related activity within an area, but instead has been used in this analysis to provide additional context and insights into organised crime that reach beyond the scope of recorded crime.

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82 For a full list of the 614 offence types, please contact the authors.

83 Only acquisitive offences could be provided as these are monitored on an ongoing basis by analysts as part of uncovering crime patterns and series of offences. For example, burglaries involving the theft of car keys were common within this list.

84 Unfortunately, data relating to serious acquisitive crime requested from LPU analysts in City A only covered the period 01.12.2013-01.12.2014.

85 It is not a straightforward process to extract intelligence reports based on specific neighbourhoods, and as such the extraction was time consuming.

Scale – custody analysis

A limitation of the methodologies described so far is their inability to objectively assess the scale of organised acquisitive crime, such as organised shoplifting or purse dipping. While feasibility was the primary reason for excluding these offence types from our analysis (for example, there were over 2,700 incidences of shoplifting or theft from the person during the two year period), another key methodological issue is the lack of distinctive information captured in the offence description. On face value, a shoplifting offence involving a member of an organised group is unlikely to be recorded any differently than that committed by a non-organised offender.

Therefore an additional methodology [86] was implemented that examined police custody data to help uncover links between seemingly unconnected offences. During interviews with police and partners throughout our key areas, spates of offences involving organised groups of foreign national offenders (FNOs) committing acquisitive offences were frequently mentioned.

All police custody records for FNOs arrested for shoplifting or theft from the person [87] during the two year period within Coventry were manually inspected, and any addresses or telephone numbers given by the offender were recorded. This data was then imported into network analysis software (i2 Analyst's Notebook) , in order to examine whether there were particular addresses or telephone numbers that were linked to multiple offenders.

This methodology uncovered a number of networks of offenders, mostly linked together via common addresses within the cities examined, with telephone numbers playing a very minor role. Based on the criteria described below, crimes were subsequently labelled as organised if:

- More than one offender was arrested for the offence, or;

- The offence was linked to an address [88] or telephone number that was linked to more than two offenders.

It is important to note that it is not possible to be certain that an offence is organised simply because more than two FNOs have lived at the same address. It is also likely that a high proportion of shoplifting offences will either go unreported or undetected, so it is likely that many organised crime-related offences may not have been identified. This measurement should therefore be considered to be a proxy measure at best, but is nonetheless an important first step towards more accurate estimation in a field with little in the way of quantitative assessment.

Harm – sentencing scores

In order to better understand the harm caused by organised crime within the three neighbourhoods, the 169 offence types from both the 'All Crime' and 'Organised Crime' data set were aligned with seriousness scores [89] as calculated by Francis et al. (2005) as part of the Lancaster Seriousness Index, and utilised in this research as a measure of harm.

These harm scores were calculated following the correspondence analysis [90] of over 70,000 sanctions, which resulted in a measure based on the severity of a range of sanctions (eg average length of custodial sentence, fines and other disposals). The crossover between the offence types in our data set and those in the Lancaster Seriousness Index was high, but for any remaining offences in our data where there were no equivalents, the most similar available offence was used [91].

For both the 'All Crime' and 'Organised Crime' data sets, the total level of harm in each neighbourhood was calculated by multiplying the incidence of each crime type by its relevant harm score.

Fraud methodology

Data

A data sample was extracted for all frauds recorded by the National Fraud Intelligence Bureau (NFIB) for victims in Bristol over three separate months

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86 As suggested by a member of staff working in West Midlands ROCU.

87 A full list of offences can be found in Appendix D.

88 Hostels and shelters were excluded from the sample.

89 For a full list of the harm scores, please contact the authors.

90 Correspondence analysis is a descriptive/exploratory technique designed to analyse simple two-way and multi-way tables containing some measure of correspondence between the rows and columns.

91 There were two instances in which there was no readily equivalent offence type. In these cases, a similar offence was used as a proxy.

(distributed equally across the year to provide a representative sample of offences; October 2013, February 2014 and June 2014). In addition, all reported frauds in a 16 month period (April 2013 – December 2014 [92]) were extracted for the three neighbourhoods in Wolverhampton and Coventry.

For each fraud recorded by the NFIB, specific information regarding the incident is systematically collected from the victim. A methodology was developed which drew on this information to determine whether an incident was likely to have been perpetrated by an OCG or not. The information used to make this decision included:

- **Modus operandi** – a free text description of the incident based on the account given by the victim.

- **Offence seriousness** – the scale of financial loss to the victim(s).

- **Perpetrator identifiers** – information provided by the victim, such as a phone number, email, website, non-generic (eg not Microsoft) company names or vehicle registration number.

The perpetrator identifiers provided for each incident were matched with the national fraud data held by the NFIB to identify any fraud offences in the sample that had links to other reported frauds recorded in different locations or time periods; for example, was the phone number reported by a victim in Bristol also reported by other fraud victims across the UK? Specialist software was used to develop a visual network for each fraud incident in the sample, showing links with other fraud incidents nationally. From these links it became possible to start with one fraud incident and find links to (in some cases) 1,000s of other frauds, all linked by the same identifier. For all frauds that were found to be linked to a fraud in our sample, information was collected on the financial loss and the date they were reported.

Criteria for an organised crime classification

In order to estimate the proportion of offences linked to organised crime each fraud incident was

deconstructed and criteria were developed that was then systematically applied to all reported frauds in the sample. As far as possible the analysis drew on the Home Office definition:

> '*organised crime is* **serious** *crime* **planned, coordinated** *and* **conducted** *by* **people working together** *on a* **continuing basis**'

For each fraud incident, therefore, the analysis looked to determine:

1. Whether the fraud was perpetrated by a mapped OCG.
2. Whether there was, or was likely to have been, more than one offender involved.
3. Whether the criminal activity was coordinated over a prolonged period of time.
4. The seriousness of the offending.
5. The level of professional experience, planning and technical skills involved in the incident.

To examine each of these criteria, the information and data for each fraud incident was analysed. A *lower estimate* and an *upper estimate* were produced to measure the volume of fraud linked to organised crime. The five separate criteria are outlined below:

1. Was the fraud linked to a known organised crime group?

In a small number of cases, fraud incidents were flagged as being linked to a known OCG by police officers who were reporting on behalf of the victim (n=5). In these cases it was assumed that the fraud was linked to organised crime.

2. Was the fraud likely to have been perpetrated by more than one offender?

There were two approaches used to determine whether more than one offender was likely to have been involved. The first was to analyse the description of the modus operandi in the recorded statement taken from the victim. Victims occasionally made reference to multiple offenders (for example talking to both a male and a female offender over the phone) however this information is not reliably reported or recorded. The second involved looking at the rate of offending by analysing frauds in the sample that were

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[92] Data was only available back to April 2013, thus this was all the data available for the neighbourhoods.

linked to other fraud incidents reported nationally. Based on the volume of these linked frauds and the time period in which they occurred, the number of frauds committed (or reported) per day by the offenders was calculated. The assumption was that the higher the rate of offending, the higher the likelihood that more perpetrators were involved. This approach was developed on the basis of feedback during consultation with NFIB practitioners.

3. Was the fraudulent activity coordinated over a prolonged period of time?

Where frauds in the sample were linked to other recorded frauds it was possible to determine the period of time over which a series of linked fraud incidents occurred, and therefore assess whether they were being perpetrated on a continuing basis. A series of fraud offences that took place over a time period of more than seven days were assumed to reflect offenders working on a continuing basis.

4. How serious was the fraud?

The seriousness of the offending was determined by measuring the total scale of financial loss to the individual victim or (where applicable) all victims that were linked to the same perpetrator identifier. For this, the sentencing guidelines published by the Crown Prosecution Service were used to inform the assessment of seriousness for each fraud[93]. If the financial loss (to the victim or all linked victims collectively) was more than or equal to £100,000 it was assumed to meet the seriousness criteria. This financial loss could either equate to a high volume of low value incidents, or a low volume of high value incidents.

5. Did the modus operandi involve adopting a professional appearance and/or use technical skill?

The modus operandi free text data was used to determine whether the fraudsters were maintaining a professional, business-like appearance, or using technical skills that may imply a level of planning and organisation involved in perpetrating the fraud. Examples of this included the maintenance of a

professional looking mock website, the use of a call centre, and advanced skills to access a victim's computer remotely.

Cleaning the data

Before the criteria were applied to the data set, the quality of the recorded information was assessed. Information relating to the perpetrators provided in the fraud description directly impacted upon our ability to look for patterns in the data. Offences recorded with no identifiers for the perpetrator were given a data quality score of 0. Similarly fraud reports where the victim only provided a suspect's name were also given a score of 0, because names were not deemed unique enough to use as an identifier when searching for linked fraud offences (for example the suspect name John Smith may appear in three fraud offences, but may in fact be three different suspects with the same name). Unique identifiers, therefore, were given a higher quality score. The quality score given for the type of identifier provided can be seen in Table A1 below:

Table A1: Data quality scores of information provided by victims

Entity provided by victim	Quality Score
No entities / Suspect Name	0
Postcode **OR** non-generic (eg not Microsoft) company name	1
Phone number **OR** email address **OR** website **OR** VRM (Vehicle registration mark)	2

Fraud offences with a quality score of 0 were removed from the data set for the purposes of this analysis. A total of 359 incidents (32 per cent) were removed from the data set using this method, leaving 748 for analysis. For the remaining incidents, the quality score received was directly fed into the decision making algorithm for each offence.

Application of the criteria

Drawing on the criteria described above, the decision making algorithm applied to assess the link to organised crime is displayed below. Figure A2 outlines the precise parameters used for assessing each indicator, as well how each was weighted. Any frauds

93 http://www.cps.gov.uk/legal/s_to_u/sentencing_manual/fraud/

Figure A2: Decision making algorithm
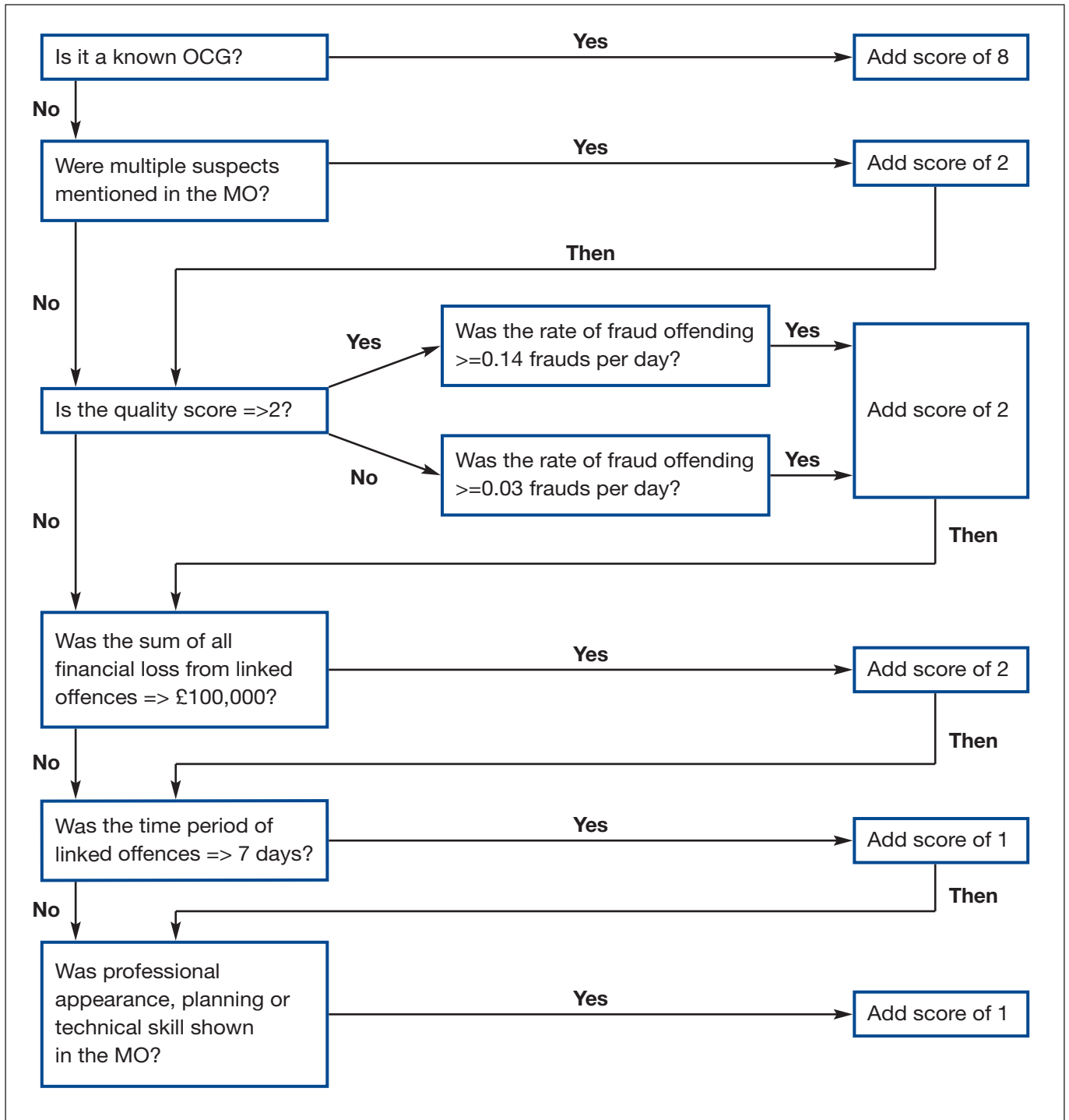
which were linked to a known OCG were automatically given the maximum score of 8.

Weightings and scoring

Based on the criteria above, a total score was calculated for each fraud offence in our sample, with a potential range from 0 to 8. As shown in figure B2, each of the criteria was given different weightings depending on how critical they were deemed for meeting the Home Office definition of Organised

Crime. The indicators 'Multiple Suspects', 'Volume of Offending' and 'Seriousness' therefore, were given a weighting of 2 , while 'Continuing Basis' and 'Other Indicators' were given a weighting of 1 to ensure that frauds meeting only these criteria were not classified as organised. For example, if a fraud was linked to multiple other incidents and occurred over seven days or more, it also had to meet one other criterion in order to be classified as linked to organised crime. Whereas if a fraud offence in our sample was found

to involve multiple offenders (weighting of 2) and the victim incurred a financial loss of £125,000 (weighting of 2), it would receive an overall score of 4. Any fraud offences identified as being linked to a known OCG (identified by a police officer who was reporting the fraud), were automatically given a score of 8.

Because of the differences in weighting for each criterion, each fraud incident was assigned two possible classifications based on the presence of these criteria:

1. **Upper estimate** – where fraud incidents with a score of 2 or more were classified as linked to organised crime. This was a more lenient threshold, where frauds that were involved multiple offenders or met the seriousness criteria were sufficient on their own for a fraud to meet the threshold for organised crime.

2. **Lower estimate** – where fraud incidents with a score of 3 or more were classified as linked to organised crime. This was a more conservative threshold, where no criteria were sufficient on their own for a fraud to meet the threshold for OC, but instead had to be combined with at least one other criteria (ie multiple offenders AND continuing basis).

Methodological caveats

The summary detailed above outlines an entirely data-driven approach to estimating the scale of fraud linked to organised crime. However, the estimates are likely to underestimate the true scale, particularly for certain fraud types because:

- The methodology utilised may have been inappropriate for determining links for certain types of fraud, particularly those that did not utilise digital communication, such as *rogue trading*. It is likely that the scale of organised crime for some frauds will be better estimated than others.

- The data used were reliant on the reporting of fraud offences, which is notoriously low.

- Drawing on reported frauds relies on the information that was provided by the victim, which was often of poor quality. Fraud victims often had no knowledge of the perpetrators, or provided low

quality information (such as an alias for the perpetrator). A significant proportion of the data was removed from the analysis due to a lack of information provided in the reports.

- It was not possible to use 'company names' to cross-reference fraud incidents, because many fraud modi operandi involved posing as a *legitimate* company (such as Microsoft). For *investment frauds* in particular, a company name was often an important part of the *modus operandi*, but have not been included in this analysis for the sake of consistency.

Our findings showed that the financial loss to victims of fraud linked to organised crime was likely to be much higher than for victims of fraud not perpetrated by OCGs. However, some caution is advised when interpreting these results because:

- The average financial loss to victims for each fraud type was calculated using the 'amount given' which was disclosed by each victim when reporting the fraud. When reporting the fraud there was also the option for victims to report any recovery or compensation of their loss (for example from their bank). In many cases however, victims will not recover their loss until after reporting the fraud, sometimes months or years down the line. This will not be reflected in the data used for this analysis.

- Seriousness is an important component of the current government definition of organised crime and critical to this assessment of the likelihood that a fraud was perpetrated by an OCG, but there is a risk that the analysis becomes somewhat circular. That is, frauds that were linked to organised crime were found to be of a higher value, but some frauds will have been given this classification *because* they were of a high value (because financial loss was used as a proxy measure for seriousness). However higher value frauds *are* more likely to have involved an organised element to them and to not include them would risk skewing the findings towards only frauds of lower value. To address this issue, all financial loss data reported is based on the *lower* estimate for organised crime, so that frauds which only met the seriousness criteria (and no others) would not contribute to the financial loss

for organised frauds. In addition, the majority of frauds meeting the seriousness criteria did so on the basis that the collective loss for all victims linked to the same perpetrator exceeded £100,000 not because the individual victim in the sample suffered high financial loss themselves. Only 12 victims in the sample suffered an individual loss of over £100,000, of which only six were classified as 'organised'.

Organised sexual exploitation methodology

Child sexual exploitation

Data extraction

Relevant police intelligence reports were extracted from the police database by means of an automated free-text search using key words relating to the sexual exploitation of children. This extract included all reports concerning Bristol from the police force crime database for dates between January 2013 and December 2014. The keywords used can be found in Appendix C, and were developed through a literature review and in consultation with practitioners. An initial review of all extracted reports was conducted to remove duplicates and cases not linked to child sexual exploitation (CSE).

This was followed by a manual search of the relevant report on the police force intelligence system (using the incident or person reference number) to obtain additional information regarding the incident, the victims and also other victims and offenders who were linked to CSE. Reports were unstructured and qualitative in nature and were manually coded and analysed to develop both victim and offender profiles. This manual search helped to identify further related intelligence not included in the initial data extract (based on the key word search), as well as related recorded crime and crime-related incident (CRI) reports. In this regard, the method involved 'snowballing' from victims in the initial extract to other linked victims.

Data coding

Based on the information contained in the intelligence, recorded crime and CRI reports identified, the following information was manually coded and analysed:

- List of victims and offenders.
- Date of birth, gender, ethnicity and nationality of victims and offenders.
- Police force markers (eg 'CSE', 'Violent').
- Linked police operations.
- Victim home addresses as of Jan 2013.
- Key locations of exploitation.
- Links to other victims.
- Relationships between linked victims.
- Links to offenders.
- Victim disclosure of CSE (discussed further below).
- CSE risk indicators for victims (discussed further below).
- Harms experienced by victims.
- Indicators of organised crime and group based offending.
- The nature of the CSE (eg *modus operandi*, key locations, trafficking, profit, recruitment).

Assessing the links to organised crime

Any links between offenders, identified on the basis of falling into the scope of a single police operation or being jointly involved in the exploitation of the same victim(s), were coded. A number of groups that had not been formally recognised on the police system were identified and coded where the intelligence indicated co-offending. In a small number of cases, a group was recorded where the information indicated multiple offenders but the identity of the perpetrators was not known.

While crimes linked to CSE are invariably considered *serious* and the nature of the modus operandi suggests activity on continuing basis (especially when grooming is involved), there is a lack of clarity among practitioners and policy-makers around the characteristics that distinguish groups as *organised*. For the purpose of this analysis, all cases of CSE involving more than one offender were classified as a 'group'. The profile of each group was developed with a specific focus on factors that indicated the nature of

the link to serious and organised crime. This information included:

- The *modus operandi* and dynamic of the group.

- Links to other serious and organised crimes (such as drugs, firearms).

- Involvement in trafficking victims for CSE.

- Encouraging victims to recruit others into the group.

- Controlling/profiting from commercial prostitution.

Victim and risk classification

Victims who disclosed sexual exploitation to either the police or support services were classified as 'disclosed victims' for the purposes of the analysis. Similarly, those for whom a third party had disclosed CSE (such as family or friends) were also classified as such.

Due to the nature of CSE, many victims identified in the intelligence do not come forward or disclose their victimisation and so are known to the police and support agencies only as at-risk victims. Barnardo's developed a Sexual Exploitation Risk Assessment Form (SERAF) in order to assess the likelihood that a young person is being sexually exploited. For the purpose of this analysis, the SERAF was developed and applied to the intelligence data from the police data in order to develop a *risk score* for each suspected victim of CSE. Each risk score fell into one of four categories; low, mild, moderate or significant risk.

In addition to risk, indicators from the SERAF were also used to assess background information for each victim, in order to identify factors that made them particularly vulnerable to CSE. Factors related to their living situation, past emotional/physical/sexual abuse, criminality, and mental health issues. A full list of the indicators and scorings used can be found at the end of this section. A complete list of background and risk indicators used can be found at the end of this section.

Methodological caveats

- Police intelligence comes from a wide range of sources and varies in quality and reliability.

- The risk scores were not applied on the basis of a one to one risk assessment, as would normally be the case, but relied instead on second hand information recorded in intelligence or crime records. It is possible that risk factors were missed because they were not present in the intelligence. The police system is not configured to systematically capture some of the key risk indicators of CSE and so is reliant on the practitioner choosing to record the information.

- The SERAF was designed specifically to assess the risk of children, and may therefore be less accurate when applied to the vulnerable young adults in our sample.

- While the methodology for undertaking an automated and manual search and extraction of data from the police system is likely to have captured the majority of CSE victims, it is possible that persons not included in the initial extract (based on our keyword search) and who were not linked to any other victims or offenders, were not captured.

Sexual Exploitation Risk Assessment Framework

The Sexual Exploitation Risk Assessment Form (SERAF) was used to structure the extraction and analysis of data from the police database. The SERAF is a tool used by practitioners to undertake an assessment of risk on the basis of one-to-one consultation with the young person and/or other practitioners involved. This analysis was derived solely from desktop research and therefore the framework was adapted to better accommodate the information available. As a result a small number of SERAF indicators were excluded due to a lack of recorded information (for example, 'Use of a mobile phone that causes concern') and some were changed to more clearly represent the type of information available in the data. For example, 'Use of the internet that causes concern' became 'Sexualised risk-taking online'. Also a number of additional variables were included on the basis of being flagged by local practitioners as relevant to CSE risk (for example, 'Involved in drug supply') or were revealed during examination of the data itself (for example, 'Previous CSE').

Table A2: Risk indicators derived from the Sexual Exploitation Risk Assessment Form (SERAF) developed by Barnardo's

Indicator sub-category	Indicator	SERAF score
Background vulnerabilities		
Family living situation	Living in care*	1
	Neglect	1
	Physical/emotional abuse from family	1
	Domestic violence within family	1
Family criminality	Parents' drug and/or alcohol problem	1
	Family links to organised crime**	1
Sexual vulnerabilities	Exposed to sexual behaviour**	1
	Sexual abuse in family	1
	Unrelated sexual assault	1
	Previous CSE**	5
Other	Mental health issues and learning disabilities*	1
	Criminal history*	1
Risk Indicators		
Mental health / drug abuse risks	Self-harm/suicidal thoughts*	1
	Aggressive behaviour*	1
	Abusing drugs and alcohol	1
Disengagement behaviour	Missing person	1
	Excluded from services*	1
	Disclosure without being willing to pursue with police or support services	1
	Truancy/disruptive behaviour at school	1
Sexual risks	STIs	1
	Sexualised risk-taking online*	1
	Sexually active/sexualised behaviour**	1
Person/criminality risks	Linked to other at-risk young people	1
	Links to gang or OCGs (not linked to family)**	1
	Involved in drug supply**	1
Significant risk indicators	Having sex for drugs/drugs debt**	5
	Missing for overnight or longer	5
	Older 'boyfriend'	5
	Emotional/physical abuse by older adult	5
	Picked up by/meets unknown adults	5
	Unexplained gifts	5
	Linked to risky locations*	5

* Vulnerability or risk indicators that are slightly changed from the SERAF assessment.

** Vulnerability or risk indicators that were not in the SERAF assessment but included in the analysis.

Table A3: Assessment of risk based on the calculated scores

Risk Score	SERAF
0-6	Not at risk
7-11	Mild risk
12-17	Moderate risk
18+	Significant risk

Sexual exploitation of adults in the off-street sex market

Data extraction

The approach for data extraction was identical to the method used for the sexual exploitation of children and vulnerable young adults, the only difference being the keywords used to search the police database. The keywords can be found in Appendix C, and were developed through a literature review and in consultation with practitioners. The same 'snowballing' method was used to identify victims, brothels and offenders who were not found in the initial data extraction.

Data coding

Information in police intelligence, recorded crime and crime-related incident reports that related to the same brothel, or the same sex worker or offender, were linked together to develop a profile for each brothel. Information coded included:

- The location of the brothel.

- The type of brothel (ie a commercial, residential or pop-up brothel).

- The number of sex workers known to work there by the police.

- The gender, ethnicity and nationality of the sex workers working there (when available).

- The number of offenders linked to the management of the brothel.

- The gender, ethnicity and nationality of offenders linked to the management of the brothel (when available).

- Indicators of trafficking and links to organised crime for each brothel (discussed further below).

- Indicators of exploitation of the sex workers (discussed further below).

- Harms caused by a brothel to the local community.

- Linked police operations.

Assessing the links to organised crime

A number of criteria were developed and applied to each brothel specifically to assess the links to organised crime activity. These included:

- The involvement of more than one offender linked to the management of the establishment.

- Offenders linked to the management of more than one establishment.

- Offenders involved in other organised crime activity (eg drugs supply).

All offending related to trafficking for the purposes for sexual exploitation was recognised by the Home Office as having a link to organised crime (Home Office, 2013). Therefore in addition to the above criteria, evidence of an involvement in trafficking for the purposes of sexual exploitation was recorded and adopted as an indicator of a link to organised crime. The methodology for identifying the risk of trafficking is described below.

Assessing the risk of trafficking and exploitation

Trafficking is rarely reported or disclosed by victims and is a complex offence that is challenging for practitioners to identify. To address this issue the United Nations developed a framework which compiled indicators that enable practitioners on the ground to assess the risk of trafficking for exploitation (International Labour Office, 2009). The component risk indicators were intended to be integrated into a single assessment however for the purposes of this research each indicator was applied in isolation to each brothel. In consultation with local practitioners the established indicators in the framework were developed and expanded upon. The indicators for trafficking were:

Table A4: Risk indicators derived from the operational indicators of trafficking developed by the UN

Indicators of exploitation	
Strong Indicators	Signs of psychological trauma
	Injuries apparently a result of assault or controlling measures
	Restriction of movement and confinement to the workplace or to a limited area
	Unable to produce passports or documents, including no bank account
	Lack of access to medical care
	Limited social contact
	Limited contact with family
	Perception of being bonded by debt
	Threat of being handed over to authorities – including being illegal, or threat to tell family
	Threats being made against individual or family – including fear and intimidation
	Being placed in a dependency situation – including not being paid
	No or limited bathroom or hygiene facilities
	Having tattoos or other marks indicating ownership by exploiters
	Person forced, intimidated or coerced into providing services of sexual nature
	Person subjected to crimes such as abduction, assault or rape
	Very young looking girls / underage
	Works while menstruating / without a condom / while pregnant
Medium / Weak Indicators	Distrustful of authorities
	Expression of fear or anxiety
	The person acts as if instructed by another – including giving same 'story' about how they arrived here
	Doesn't know home or work address
	Money is deducted from salary for food or accommodation
	Sleeping on work premises
	Only being able to speak sexual words in local language
	Someone other than the potential victim receives money from clients
	Health symptoms
	Substance misuse
	Someone else speaks on their behalf
	Adultworks profile controlled by someone else

- Evidence of control over movement and/or recruitment of sex workers.

- Advertising for sexual services offering women from particular ethnic or national groups.

- The movement of women between brothels or working in alternate locations.

The UN framework also contains indicators of exploitation (not all exploited victims will have experienced trafficking). These additional indicators were applied to the data for each brothel, to determine the likelihood that exploitation and control were present in that establishment. As with the trafficking indicators, the exploitation indicators were developed in consultation with practitioners, and were grouped into medium/weak indicators, and strong indicators. A full list of these indicators can be found opposite.

Methodological caveats

- Similarly to CSE, it is possible that brothels, victims and offenders who were not found in the initial database search and were also not linked to any other brothels, victims or offenders, were not captured in this analysis.

- Also, the scores were not completed on the basis of a one-to-one exchange with the potential victims and relied on the information the police had recorded, which in some cases presented a rather incomplete picture.

Appendix B: Full list of interviews undertaken during the fieldwork period

Agency	Type	Location
Criminologist	Academic	Other
Criminologist	Academic	Other
Criminologist	Academic	Other
Criminologist	Academic	Other
Institute for Criminal Policy Research	Academic	Other
Institute for Criminal Policy Research	Academic	Other
Business Development Officer and local business owner	Business	West Midlands
Business Improvement District	Business	West Midlands
Business Improvement District	Business	West Midlands
Community Safety Partnership	Business	West Midlands
Head of Security for Bank	Business	Other
Security Industry Authority	Business	Other
Advice Centres For Avon and Bristol (ACFA)	Charity	Avon & Somerset
Barnardo's	Charity	Avon & Somerset
Barnardo's	Charity	Avon & Somerset
Barnardo's	Charity	Avon & Somerset
Beloved	Charity	Avon & Somerset
BeSafe	Charity	Avon & Somerset
Brigstowe Project	Charity	Avon & Somerset
Bristol and Avon Chinese Women's Group	Charity	Avon & Somerset
Citizens Advice Bureau	Charity	Avon & Somerset
Citizens Advice Bureau	Charity	West Midlands
Citizens Advice Bureau	Charity	West Midlands
Citizens Advice Bureau	Charity	West Midlands
Citizens Advice Bureau – Information Management	Charity	Other
Crimestoppers	Charity	Other
Crimestoppers	Charity	Other
Kids Company	Charity	Other
Kids Company, Safeguarding	Charity	Avon & Somerset
Local Children Safeguarding Board (LCSB)	Charity	Avon & Somerset
Neighbourhood A Advice Agency	Charity	West Midlands

NSPCC	Charity	Avon & Somerset
One25 Caseworker team	Charity	Avon & Somerset
Salvation Army	Charity	Other
The Bridge Sexual Assault Referral Centre (SARC)	Charity	Avon & Somerset
The Roma Project	Charity	West Midlands
UNSEEN	Charity	Avon & Somerset
Victim Support	Charity	West Midlands
Victim Support	Charity	Avon & Somerset
Victim Support	Charity	Other
Victim Support	Charity	West Midlands
West Mids Anti Trafficking Network	Charity	West Midlands
West of England Care and Repair	Charity	Avon & Somerset
YMCA	Charity	West Midlands
Action for Neighbourhoods	Community	West Midlands
Community Forum	Community	West Midlands
Councillor (Neighbourhood A)	Community	West Midlands
Councillor (Neighbourhood C)	Community	West Midlands
Neighbourhood A Community Group	Community	West Midlands
Neighbourhood A Community Group	Community	West Midlands
Neighbourhood B Local Residents	Community	West Midlands
Neighbourhood Wardens (Neighbourhood C)	Community	West Midlands
Neighbourhood Watch	Community	Avon & Somerset
Neighbourhood Watch (Neighbourhood C)	Community	West Midlands
Organised Crime Community Consultation	Community	West Midlands
Victim of CSE	Community	Other
Voluntary Action Forum	Community	West Midlands
Birmingham Modern Slavery Conference	Conference	West Midlands
City Forum Talks on Organised Crime	Conference	Other
Community Safety Partnership Summit	Conference	West Midlands
CSE WAG1 Conference	Conference	Other
Disruptive Policing Conference	Conference	Other
National Trading Standards Doorstep Crime Conference	Conference	Other
RUSI Conference	Conference	Other
Crime and Policing Analysis Unit	Home Office	Other
Organised and Cyber Crime Research	Home Office	Other
Organised and Cyber Crime Research and Analysis	Home Office	Other

Organised and Cyber Crime Research and Analysis	Home Office	Other
Organised and Cyber Crime Research and Analysis	Home Office	Other
Strategic Centre for Organised Crime Local delivery team	Home Office	Other
Strategic Centre for Organised Crime – Protect	Home Office	Other
Housing Association (Neighbourhood A) – Local Officer	Housing	West Midlands
Housing Association (Neighbourhood A) – Management	Housing	West Midlands
Housing Association (Neighbourhood C) – Local Officer	Housing	West Midlands
Housing Association (Neighbourhood C) – Management	Housing	West Midlands
Private Housing (Neighbourhood C) – Management	Housing	West Midlands
Private Housing (Neighbourhood C) – Shadow visit	Housing	West Midlands
Datalab and Organised Crime Coordination Centre	NCA	Other
NCA	NCA	Other
NCA Community Liaison Officer	NCA	Avon & Somerset
NCA Community Liaison Officer	NCA	West Midlands
United Kingdom Human Trafficking Centre	NCA	West Midlands
NFIB – Management	NFIB	Other
NFIB – Practitioners	NFIB	Other
CEOP	Partner	Other
Children's Services	Partner	Avon & Somerset
Cifas	Partner	Other
City Council – Benefits Team	Partner	West Midlands
Community Safety Partnership	Partner	West Midlands
Community Safety Partnership – Management	Partner	West Midlands
CSE and Troubled Families	Partner	Avon & Somerset
Environment Agency	Partner	West Midlands
Fire Service	Partner	West Midlands
Fire Service	Partner	West Midlands
Gangmasters Licensing Authority	Partner	West Midlands
Gangmasters Licensing Authority	Partner	Other
Illegal Money Lending Team	Partner	West Midlands
Local Authority Missing Persons	Partner	Avon & Somerset
Probation Service	Partner	West Midlands
Regional FNO Threat Group	Partner	West Midlands
Regulatory Services	Partner	West Midlands
Revenue and Benefits	Partner	West Midlands
Safer Bristol	Partner	Avon & Somerset

Schools Safeguarding Advisor	Partner	Avon & Somerset
Troubled Families	Partner	West Midlands
Youth Offending Service	Partner	West Midlands
Youth Offending Team	Partner	Avon & Somerset
PCC	PCC	West Midlands
PCC Representative	PCC	West Midlands
Senior Officers	Police	Avon & Somerset
Senior Management, Neighbourhood Inspectors, Sgts and PCs	Police	West Midlands
Avon and Somerset Criminal Investigation Department (CID)	Police	Avon & Somerset
Avon and Somerset CSE lead and intelligence analyst	Police	Avon & Somerset
Avon and Somerset Organised Crime Tactical Unit	Police	Avon & Somerset
Avon and Somerset Op Liberal Team – Doorstep Crime	Police	Avon & Somerset
ACUMEN	Police	Avon & Somerset
Additional Neighbourhood NHT	Police	West Midlands
Analysts Department	Police	Avon & Somerset
Analysts Department	Police	West Midlands
Bath and North East Somerset Neighbourhood Policing	Police	Avon & Somerset
Birmingham East – Senior Management, NHT (Neighbourhood Team) and OMU	Police	West Midlands
Birmingham East Organised Crime Team	Police	West Midlands
Birmingham Partnerships Team & Illegal Money Lending Team	Police	West Midlands
Bristol CID	Police	Avon & Somerset
Bristol CID	Police	Avon & Somerset
Bristol CID	Police	Avon & Somerset
Bristol CID, CSE development	Police	Avon & Somerset
Bristol CID, Investigation	Police	Avon & Somerset
Bristol NHT, Inspector	Police	Avon & Somerset
Bristol Organised Crime Team & St Paul's NHT	Police	Avon & Somerset
Bristol Performance department	Police	Avon & Somerset
Bristol Public Protection Unit	Police	Avon & Somerset
Bristol, Missing Persons Coordinator	Police	Avon & Somerset
Cambridge Police	Police	Other
Crime reduction partnership analyst	Police	Avon & Somerset
CSE Innovation Fund	Police	Avon & Somerset
CSE SPOC, Public Protection Unit	Police	West Midlands
Derbyshire and Merseyside Police	Police	Other
Doorstep Crime Team	Police	Avon & Somerset

Durham Police, OC team, FIB, NHT and chief constable	Police	Other
Easton NHT	Police	Avon & Somerset
Eastville, Fishponds and Fromevale NHT	Police	Avon & Somerset
Economic Crime Unit	Police	West Midlands
FIB Analyst	Police	Avon & Somerset
Financial Investigation and Economic Crime	Police	Avon & Somerset
Force Intelligence Bureau	Police	West Midlands
Force Intelligence Bureau	Police	West Midlands
Gangs Management Meeting	Police	West Midlands
Gangs Steering Meeting	Police	West Midlands
Gloucestershire Police	Police	Other
GMP – Operation Challenger	Police	Other
GMP Economic Crime Unit	Police	Other
Guns and Gangs Team	Police	West Midlands
IMPACT team	Police	Avon & Somerset
Incident Assessment Unit	Police	Avon & Somerset
Intelligence Department	Police	West Midlands
Kent and Essex Police, Serious Crime Directorate	Police	Other
Kent and Essex Police, Serious Crime Directorate	Police	Other
Lancashire Police, CSE analysts	Police	Other
Lancashire Police, CSE at College of Policing	Police	Other
Local management of OCGs seminar	Police	Avon & Somerset
Metropolitan Police Trafficking Unit	Police	Other
Neighbourhood A NHT	Police	West Midlands
Neighbourhood A NHT – Follow up interviews	Police	West Midlands
Neighbourhood A NHT – Follow up interviews	Police	West Midlands
Neighbourhood B NHT	Police	West Midlands
Neighbourhood B NHT – Follow up interviews	Police	West Midlands
Neighbourhood B NHT – Follow up interviews	Police	West Midlands
Neighbourhood B NHT – Follow up interviews	Police	West Midlands
Neighbourhood C NHT	Police	West Midlands
Neighbourhood C NHT – Follow up interviews	Police	West Midlands
Neighbourhood D NHT	Police	West Midlands
Neighbourhood D NHT Inspector – Follow up interview	Police	West Midlands
New Scotland Yard	Police	Other
NHT – Neighbourhood tour	Police	West Midlands

Organised Crime Offender Management Unit	Police	West Midlands
OCGM specialist	Police	Other
OCGM Workshop	Police	Other
Offender Management Unit	Police	West Midlands
Operation Brooke	Police	Avon & Somerset
Operation Liberal – National Intelligence Unit	Police	Other
Operation Bowler	Police	Avon & Somerset
Operation Bowler	Police	Avon & Somerset
Operation Breakthrough	Police	Avon & Somerset
Operation Breakthrough Visit	Police	Avon & Somerset
Operation Nexus	Police	West Midlands
Operation Sentinel	Police	West Midlands
Operation Trivium Visit	Police	West Midlands
Organised Crime Unit	Police	Avon & Somerset
Partnerships Analyst	Police	West Midlands
Partnerships Inspector	Police	West Midlands
Response officers	Police	West Midlands
ROCU and Force Intelligence Bureau	Police	Avon & Somerset
ROCU Foreign National Offending Team	Police	West Midlands
Scams and Fraud Team	Police	Avon & Somerset
Scotland Police	Police	Other
Senior Citizen Liaison Team	Police	Avon & Somerset
Serious and Major Crime Unit	Police	Avon & Somerset
Southmead NHT	Police	Avon & Somerset
St Paul's NHT Ride Along	Police	Avon & Somerset
SW Regional OC Team – Zephyr	Police	Avon & Somerset
SW ROCU GAIN Meeting	Police	Avon & Somerset
Tackling Organised Crime Conference	Police	Other
The Roma Project, police representative	Police	West Midlands
West Midlands Police – HQ Departments	Police	West Midlands
West Midlands Human Trafficking Single Point of Contact	Police	West Midlands
Chief constable, PCC, Head of ROCU, ROCU analysts, senior officers in Intelligence Department	Police & PCC	Avon & Somerset
Chief constable and PCC	Police & PCC	West Midlands
Bath Trading Standards	Trading Standards	Avon & Somerset
Bristol Trading Standards	Trading Standards	Avon & Somerset

Bristol Trading Standards	Trading Standards	Avon & Somerset
CenTSA (Trading Standards)	Trading Standards	Other
Coventry Trading Standards	Trading Standards	West Midlands
National Trading Standards, Doorstep Crime	Trading Standards	Other
South West Regional Trading Standards	Trading Standards	Avon & Somerset
Trading Standards – Regional Intelligence Analysts	Trading Standards	Avon & Somerset
Trading Standards Scams Team	Trading Standards	Avon & Somerset
Wolverhampton Trading Standards	Trading Standards	West Midlands

Appendix C: Keywords used to search police intelligence and crime systems

a) List of keywords used to search crime related incidents (CRIs) for organised crime data sample in West Midlands

Keyword
%OCG% [94]
%gang%
%trading% :and %standards%
%rogue%
%loan% :and %shark%
%slave%
%traffick%
%intimidat%
%exploit%
%organised%

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[94] Percentage signs indicate the use of a 'wildcard' search, ie traffick% would return 'trafficking', 'trafficker', 'trafficked', etc.

b) List of intelligence keywords used to search police intelligence for organised crime data sample in West Midlands

OC	Drugs	Illegal money lending	Fraud / scams	Firearms / weapons / violence
OCG	drug%	Illegal Money Lending	fraud%	firearm%
gang%	Class A	loan shark%	scam%	%gun%
organised :and crime	Class B	illegal :and debt%	identity fraud	pistol%
organised :and group	heroin	illegal :and loan%	identity theft	weapon
intimidat%	cocaine		phish%	knife
threaten%	crack		vish%	stab%
blackmail%	cannabis		lotter%	slash%
corrupt%	dealer%		rip off	blade%
bribe%	importation		rip-off	threat to life
coerc%	PWITS		conned	kidnap%
launder%	conspiracy		traveller%	tortur%
harassment	misuse of drugs act		bogus	ammo
extort%	cultivation		electricity	ammunition
OCG Names	vietnam%		skim%	bullet%
	methamphet%		ATM	armed
	ecstasy		crash for cash	arson%
	mdma		card factory	kill%
	cutting :and agent			murder%
				homicide
				hostage%
				shoot
				osman

b) List of intelligence keywords (continued):

Rogue trading	Acquisitive	Human trafficking / modern slavery	Sex market / CSE	Counterfeit
rogue trad%	commercial robbery	human trafficking	sex% :and exploitation	counterfeit
rogue	car key	modern slavery	prostitut%	illegal tobacco
rouge	distraction burglary	exploitation	pimp%	illegal alcohol
doorstep	cash in transit	slave%	abuse%	forge%
cold call%	armed robbery	forced labour	brothel%	illegal cig%
cold-call	asian gold	UKHTC	adult works	fake
roofing	dyed :and money	traffick%	sex work%	illicit
tarmac	dyed :and cash	gangmaster	massage parlour	HMRC
unsolicited	metal theft	debt bondage	clipping	duty :and alcohol
trading standards	bilk%	illegal% :and work%	whore	duty :and cigarettes
liberal	fuel :and theft	smuggl%	hooker	duty :and tobacco
deception	car :and ring%	traffik%	kerb%	boot leg%
		false document%	curb%	
		forced marriage	soliciting	
		false :and identity	red light :and district	
		fake :and passport	sex trade	
		false :and passport	UKHTC	
		withheld :and passport	child :and sex%	
		sham	CSE	
		illegal immigrant	groom%	
		recruitment agency	child :and porn%	
		work :and gang		
		trafficed%		
		facilitat%		
		illegal% :and UK		

c) List of sexual exploitation keywords used to search police intelligence in Bristol

Keywords	
prostitute	Crack House
prostitution	CSE
sex work	groom
pimp	child sexual exploitation
massage parlour	child exploitation
clipping	Barnardo
brothel	BASE
sex AND gang	Unseen
sexual exploitation	Operations
traffick / traffik	Op Breakthrough
slavery	Op Brooke
Trap House	Op Burlia

Appendix D: List of acquisitive offences used for custody analysis data sample

Offence name
Aid and abet handling stolen goods (receiving).
Attempt theft – other – including by theft 'finding'.
Attempt theft from shop.
Attempt theft from the person of another.
Attempt to handle stolen goods.
Conspire to receive stolen goods.
Conspire to steal from a shop.
Conspire to steal from another.
Conspire to steal from the person of another.
Going equipped for theft – not motor vehicle.
Handle stolen goods.
Receiving stolen goods.
Theft – other – including theft by finding.
Theft by walk-in (sneak-in).
Theft from a shop.
Theft from the person of another.

Appendix E: Estimates of proportion of offence types that are organised

Offence type	No.	Possible	Likely	Total	Lower estimate	Upper estimate
Theft from shop or stall	188	30	6	224	3%	16%
Assault occasion ABH	115	8	1	124	1%	7%
Theft from motor vehicle	60	23	1	84	1%	29%
Criminal damage to vehicle	69	4	2	75	3%	8%
Theft other	67	7	1	75	1%	11%
Common assault	66	2	–	68	0%	3%
Burglary dwelling	47	11	3	61	5%	23%
Burglary other building	41	5	3	49	6%	16%
Criminal damage to dwelling	42	1	1	44	2%	5%
Possess control drug-class b-cannabis	27	2	3	32	9%	16%
Theft of p / cycle	29	–	–	29	0%	0%
Malicious wounding	24	2	–	26	0%	8%
Other criminal damage	23	1	–	24	0%	4%
Theft from person	15	3	2	20	10%	25%
Robbery personal property	9	5	5	19	26%	53%
Criminal damage to other building	19	–	–	19	0%	0%
Theft of motor vehicle	12	5	1	18	6%	33%
Make off w/o payment	13	3	2	18	11%	28%
Fraud – non crime – normally recorded by Action Fraud	5	8	3	16	19%	69%
Harassment	14	1	–	15	0%	7%
Inflicting GBH without intent	12	2	–	14	0%	14%
Theft dwelling not machine / meter	10	3	–	13	0%	23%
Racially / religiously aggravated intentional harassment, alarm or distress	13	–	–	13	0%	0%
Attempt burglary dwelling	12	1	–	13	0%	8%
Sexual assault on a female 13 or over	12	–	–	12	0%	0%
Fear / provocation of violence	9	1	1	11	9%	18%

Arson	8	1	–	9	0%	11%
Cause GBH with intent	4	2	3	9	33%	56%
Interfere with vehicle	9	–	–	9	0%	0%
Breach of restraining order	8	–	1	9	11%	11%
Wilfully assault young person under 16	8	–	–	8	0%	0%
Cause intentional harassment / alarm / distress	6	–	1	7	14%	14%
Attempt burglary other building	6	–	1	7	14%	14%
Robbery business property	5	1	–	6	0%	17%
Putting people in fear of violence	4	–	1	5	20%	20%
Affray	5	–	–	5	0%	0%
Racially / religiously aggravated harassment, alarm or distress (s5)	5	–	–	5	0%	0%
Assault on a constable	5	–	–	5	0%	0%
Possess control drug-class a-cocaine	4	–	–	4	0%	0%
Breach of Anti-Social Behaviour Order	4	–	–	4	0%	0%
Attempted robbery personal property	4	–	–	4	0%	0%
Have offensive weapon in public	3	–	1	4	25%	25%
Possess control drug-class a-heroin	4	–	–	4	0%	0%
Rape of female 16 or over	4	–	–	4	0%	0%
Take motor vehicle w/o owner consent	4	–	–	4	0%	0%
Intimidate witness / juror	4	–	–	4	0%	0%
Harassment / alarm or distress	4	–	–	4	0%	0%
Possess drug w / i supply-class b-cannabis	1	–	3	4	75%	75%
Produce controlled drug-class b-cannabis	–	1	2	3	67%	100%
Racially / religiously aggravated fear / provocation of violence (s4)	3	–	–	3	0%	0%
Threaten a person with an offensive weapon on school premises	3	–	–	3	0%	0%
Theft by employee	2	1	–	3	0%	33%
Have article blade / sharp point public place	1	–	2	3	67%	67%
Owner/ person in charge of dog dangerously out of control causing injury person	3	–	–	3	0%	0%
Handle stolen goods (receive)	3	–	–	3	0%	0%
Arson w / i to endanger life	1	2	–	3	0%	67%

Threaten to damage property	3	–	–	3	0%	0%
Possess controlled drug – class c	3	–	–	3	0%	0%
Possess drug w/i supply-class a-cocaine	1	–	2	3	67%	67%
Pass counterfeit currency note-genuine	–	3	–	3	0%	100%
Go equipped for burglary	1	–	1	2	50%	50%
Blackmail	2	–	–	2	0%	0%
Send communication/article conveying indecent/grossly offensive message	2	–	–	2	0%	0%
Racially/religiously aggravated common assault	1	1	–	2	0%	50%
Possess control drug-class b-amphetamine	2	–	–	2	0%	0%
Attempt theft from shop/stall	1	1	–	2	0%	50%
Attempt to cause GBH w/i to do GBH	2	–	–	2	0%	0%
Threats to kill	2	–	–	2	0%	0%
Theft conveyance not m/veh or p/cycle	–	1	–	1	0%	100%
Racially/religiously aggravated harassment without violence (s2)	1	–	–	1	0%	0%
Theft from other vehicle	1	–	–	1	0%	0%
Produce class b – synthetic cannabinoid agonists	–	–	1	1	100%	100%
Attempt murder-victim 1 yr old or over	–	–	1	1	100%	100%
Racially/religiously aggravated (s47) assault and malicious wounding	1	–	–	1	0%	0%
Theft from auto mach/meter	–	–	1	1	100%	100%
Attempt theft other	1	–	–	1	0%	0%
Possess control drug-class a-methadone	1	–	–	1	0%	0%
Rape of female child under 13 by a male	1	–	–	1	0%	0%
Possess criminal property – money laundering	–	–	1	1	100%	100%
Rape of male child aged 13-15	1	–	–	1	0%	0%
Abstract electricity	1	–	–	1	0%	0%
Assault on a female 13+ by penetration	1	–	–	1	0%	0%
Possess/control articles for use in frauds	1	–	–	1	0%	0%
Assault prisoner custody officer	1	–	–	1	0%	0%
Possess control drug-class a-ecstasy	–	–	1	1	100%	100%
Attempt kidnapping	1	–	–	1	0%	0%

Bomb hoax-communicate false information	1	–	–	1	0%	0%
Assault w/int to rob-personal property	1	–	–	1	0%	0%
Ill treat/wilful neglect a person lacking capacity by carer	1	–	–	1	0%	0%
Agg vehicle take drive – not cause death	1	–	–	1	0%	0%
Assault w/i to rob-business property	1	–	–	1	0%	0%
Possess/control a false/improperly obtained/another person's identity document	–	–	1	1	100%	100%
Threaten person with offensive weapon in a public place	1	–	–	1	0%	0%
Sexual assault on female child under 13	1	–	–	1	0%	0%
Exposure	1	–	–	1	0%	0%
Sexual activity with female under 16 – offender 18+ penetration	–	–	1	1	100%	100%
Wilfully neglect young person under 16	1	–	–	1	0%	0%
Sexual activity with male under 16 – offender 18+	1	–	–	1	0%	0%
Dangerous driving	1	–	–	1	0%	0%
Grand total	**1121**	**142**	**60**	**1323**	**5%**	**15%**

Appendix F: Breakdown of fraud categories

Fraud typology	Description/*modus operandi*	Fraud types in this category
Identity frauds	Frauds which used methods to steal and/or use a victim's bank or financial details. These include frauds in person, on the phone, or online.	Account takeover ATM skimming/cloned card Card not present fraud Card theft Identity fraud Mandate fraud Phishing Vishing (inc. courier fraud) Unauthorised payments
Fraudulent sales	Frauds which occurred when the victim was trying to buy or sell goods or services. These were often (although not always) through online auction and selling websites. Frauds of this type related to both buyers and sellers of goods.	Bogus buyer Bogus seller Counterfeit/faulty/stolen goods Escrow scam Refund fraud Rental fraud
Mass-marketing	Mass-marketing frauds involved fraudsters making contact with victims via email, letter, phone or advertisements. These frauds exploited mass communication in the hope of reaching as many victims as possible.	Advance fee Charity fraud Computer software fraud Fake debt Fraud recovery Lender loan Premium phone lines Money Mule Counterfeit cheques/currency/documents
Fraudulent sales in person	Frauds occurring primarily when victims were buying or selling goods/services, specifically in person. These frauds affected both individuals and businesses, although small businesses were disproportionately targeted.	Counterfeit coupons Distraction fraud Refund fraud – in person Rogue trader
Abuse of trust	Frauds involving suspects who specifically played on the trust of a victim and used their authority (either within a company or within society) to take advantage of individuals, systems and processes, for personal or financial gain.	Abuse of power Corporate employee fraud Dating scam
Fraudulent applications	Frauds involving perpetrators who deliberately misrepresented themselves or their situation for personal gain. This included individuals who lied on application or claim forms, or made use of counterfeit documents to misrepresent themselves. Only organisations or businesses were victims of this category of fraud.	Application misrepresentation fraud Insurance claim fraud
Investment fraud	Frauds involving the investment or movement of large amounts of money. These frauds often relied on high pressure sales techniques to persuade victims to make quick and risky decisions.	Investment fraud Pension liberation fraud Pyramid scheme

Appendix G: Glossary of fraud types

Fraud type	Description	Example
Abuse of power	When someone abuses their position of authority or trust against another person	Carer who has power of attorney withdrawing money from victim's bank account
Account takeover	Account taken over by fraudsters	Victim's PayPal account is taken over and money transferred to another account
Advance fee	Fraudsters target victims to make advance or upfront payments for goods, services and/or financial gains that do not exist	Victim is told that they have inherited a large sum of money, and are later asked for various fees to release the non-existent inheritance
Application fraud	Fraudster misrepresents themselves on applications	Fraudster uses fake qualifications on a job application to obtain a position of employment
ATM skimming / cloned card	Fraudsters use electronic devices to steal personal information from victim's bank card, as well as their PIN number	Victim withdraws money from ATM machine and unwittingly uses counterfeit card reader. PIN number is recorded with secret camera
Bogus buyer	Fraudsters use fake or stolen payment methods to buy goods or services from legitimate sellers	Victim is selling an item on Ebay and is contacted directly by a buyer. Buyer sends a fake PayPal email claiming to have paid the money, victim sends item to fraudster before realising they have not been paid
Bogus seller	Fraudsters advertise goods or services that do not exist, and receive money from legitimate buyers for them	Fraudster is selling item on Gumtree and encourages buyer to send them payment for the item directly. After payment the fraudster can no longer be contacted and the victim does not receive the item
Card not present fraud	Use of stolen or fraudulent credit card details, where the physical card is not required for the transaction (ie on the phone, or the internet)	Company receives payment for goods over the phone and ships goods to buyer. Payment turns out to have been made with stolen credit card details. Victim of the stolen card details receives recovery for the transaction from their bank, however the victim company suffers the loss of their shipped goods with no payment
Card theft	Use of stolen credit card, where the physical card is required for the transaction	Victim has card stolen but does not realise until they notice unfamiliar transactions on their bank statement
Charity fraud	Fraudsters pose as a charity in order to get donations from victims, this may be via email, phone or even in person	Victim is called by a fake charity asking for donations for a recent earthquake, gives a donation and bank details over the phone leaving them vulnerable for further frauds
Computer software fraud	Fraudsters pose as a computer software company claiming that the victim has a virus on their computer, which they will fix for a payment	Victim is called by a company purporting to be Microsoft, claiming that the victim's PC has a virus. Victim gives fraudsters remote access to their computer, and pays a fee for them to fix the non-existent virus
Corporate employee fraud	Fraud committed against a company by one of its employees	An employee of a company claims expenses for journeys that were not made
Counterfeit cheques / currency/documents	Cheques, currency or documents manufactured to look genuine	Suspect enters a bank and attempts to cash a fake cheque, victim is the bank

Counterfeit coupons	Coupons or discount vouchers manufactured to look genuine	Suspect has photocopied and re-used a Tesco voucher which is intended for single use
Counterfeit /faulty / stolen goods	Fake, stolen or faulty goods sold that are passed off as originals	Victim buys washing machine from someone on Gumtree, gets home and finds it does not work. Seller can no longer be contacted
Dating scam	Victims are contacted by fraudsters through dating sites, who slowly gain their trust before asking them to send them money for various reasons	Victim develops relationship with someone online over a period of time. Fraudster asks them to send money so they can come and visit, but then makes excuses and asks for more money
Distraction fraud	Fraudsters use in person distraction techniques to defraud victims	Victim is approached by fraudster outside Tesco, and agrees to buy a laptop from them. Fraudster shows them the laptop, but changes it when victim is not looking. After victim has paid, they realise that the bag does not contain a laptop, but the fraudster has already left
Escrow scam	A type of bogus seller fraud, where fraudsters ask for payment from the victim via a fake self-operated escrow service, allowing the fraudster to blame the escrow service for not sending the item	Victim wins a bid for a car on Ebay and is asked to pay via a secure escrow service. Escrow service is fake closed down shortly after the fraudster receives the money. Victim never receives item, and fraudster blames this on the escrow company
Fake debt	Victims are contacted by fraudsters with an invoice for a service they did not use, or for goods they did not purchase	Victim company is contacted by a fake advertising company, asking for payment for an advert the victim company never placed
Fraud recovery	Fraudsters deliberately target previous victims of fraud, telling them they can recover the money they previously lost, for an admin fee	Victim is contacted from a company claiming that they can recover the money they lost from a previous fraud. They request an admin fee, and then do not recover any money
Identity fraud	When personal details are stolen and those details are subsequently used to commit a fraud	Suspect has set up mobile phone contract in victim's name using stolen personal details. Victim then receives bill for contract
Insurance claim fraud	When suspect makes a fake or exaggerated claim on their insurance, or gives false information in order to reduce their insurance premium	Suspect pretends to have been burgled, and fraudulently claims insurance on a number of expensive items
Investment fraud	Victims are cold called and pressured into buying shares that are worthless or non-existent	Company selling worthless gold investments calls victim and sells shares using high pressure sales techniques
Lender loan	Suspects offer fake loan that requires an advanced payment	Victims are searching for a loan online, and are then subsequently contacted via phone offering a loan. Suspects request an advanced payment in order for the loan to be released, and no loan materialises
Mandate fraud	When someone gets you to change direct debit, standing order or bank transfer mandate, by purporting to be a genuine organisation	Victim receives contact that appears to be from a genuine company, notifying a change of payment details
Money laundering	The movement of money relating to fraud	Victim is contacted online and offered a job where they are requested to transfer a large sum of money to a number of other accounts via Western Union

Not fraud	Not a fraud	Eg Stolen cards, bilking, theft, disputes between companies
Pension liberation fraud	Fraudsters promise to convert victims' pension into cash and then invest that money in shares that are worthless or non-existent	Victim is cold called by suspects who offer to reinvest their pension before the age of 55. Victim's money is invested in high risk unregulated investment structures, and the victim is liable to 55% tax and a range of charges for illegally moving their money
Phishing	Victim is tricked by suspects into handing over their personal details	Victim receives a fake email from the bank containing a link to a fake website that is used to harvest their username and password
Premium phone line	Victim is tricked into calling premium phone line	Victim responds to a job advert on Gumtree and is asked to call an 07 mobile number, that is a disguised premium phone line
Pyramid scheme	An unsustainable business model which rewards people for enrolling others into a business that offers a non-existent or worthless product	Suspect convinces a number of victims to become involved in an investment scheme, in which they are rewarded for enrolling others. Any money generated is passed up the chain of investors to the original suspect
Ransomware	A form of malware that attacks a person's computer, locking them out and demanding payment in the form of a 'fine' to have it unlocked	Victim is browsing the internet when the computer becomes locked and a pop-up appears from the Met Police. The pop-up alleges that the computer has been locked because it was being used for terrorist activities, and a fee is required to unlock the computer
Refund fraud	Counterfeit cheques or currency are used to purchase items from sellers, but are not detected by the bank until after the money appears in victim's bank account, by which time the victim has already shipped the goods. Chargeback is then debited from victim's bank account leaving them out of pocket	Victim is selling an item on Ebay and fraudster pays using a counterfeit cheque, which shows up in the victim's bank account. Victim then ships the item, before the bank identifies the cheque as fake and debits the money from the victim's account
Refund fraud – in person	Victim using a receipt from a previous purchase, to return an item from the shelf or counterfeit goods	Victim enters Boots with a receipt for some perfume they previously bought. Victim selects new perfume from shelf within the shop and claims a refund using the receipt
Rental fraud	Victims pay deposit for property that doesn't exist, or has been rented out to multiple victims at the same time	Suspect advertises property on Gumtree, and multiple victims are asked to pay upfront deposit. When victim arrives at property, the current occupants know nothing about this
Rogue trader	Suspects trick victims into paying for unnecessary or vastly overpriced work on their home	Victim pays £2,500 for suspect to install a shower. Job was never completed and victim can no longer contact suspect
Unauthorised payments	Victim orders items online and their card is subsequently charged again without authorisation	Victim orders diet products online for a set fee. Victim checks bank statement and finds that money has been charged on a monthly basis without their permission
Vishing	Victim is tricked by suspects into handing over their personal details over the phone	Victim receives a cold call from suspects pretending to be from the bank. Victim is tricked into giving the suspects their credit card details

Appendix H: List of fraud types with lower and upper estimates linked to organised crime

Fraud type	Total no. of incidents	% linked to OC	
		Lower estimate	Upper estimate
Fraudulent sales	**266**	**23%**	**34%**
Bogus buyer	55	24%	29%
Bogus seller	133	22%	36%
Counterfeit / faulty / stolen goods	29	10%	28%
Escrow scam	16	63%	63%
Refund fraud	19	16%	21%
Rental fraud	14	21%	36%
Mass marketing fraud	**251**	**38%**	**59%**
Advance fee	122	37%	62%
Charity fraud	3	0%	0%
Computer software fraud	63	40%	52%
Fake debt	20	35%	65%
Fraud recovery	5	80%	80%
Lender loan	28	43%	68%
Money mule	6	17%	17%
Premium phone line	4	25%	25%
Identity fraud	**72**[95]	**13%**	**25%**
Account takeover	10	0%	0%
ATM skimming / cloned card	1	0%	0%
Card not present fraud	22	5%	23%
Card theft	3	0%	33%
Courier fraud	2	0%	50%
Identity fraud	5	0%	0%
Mandate fraud	7	14%	14%
Phishing	4	0%	0%
Unauthorised payments	12	50%	67%
Vishing	5	20%	20%
Investment fraud	**67**	**69%**	**70%**
Investment fraud	20	90%	90%
Pension liberation fraud	23	22%	26%
Pyramid scheme	24	96%	96%

[95] There was missing data for the specific type of identity fraud in one case.

Fraud type	Total no. of incidents	% linked to OC	
		Lower estimate	Upper estimate
Abuse of trust	**33**	**12%**	**21%**
Abuse of power	13	8%	15%
Corporate employee fraud	15	13%	27%
Dating Scam	5	20%	20%
Fraudulent sales in person	**32**	**16%**	**38%**
Counterfeit cheques / currency	1	0%	0%
Counterfeit coupons	4	0%	25%
Distraction fraud	5	0%	60%
Refund fraud – in person	12	8%	17%
Rogue trader	10	40%	60%
Fraudulent applications	**10**	**30%**	**50%**
Application fraud	9	22%	44%
Insurance claim fraud	1	100%	100%
Grand total	**731**	**31%**	**45%**

Appendix I: Indicators of exploitation in each brothel in Bristol

Indicator type	Indicator	Commercial	Residential	Pop-up brothel
Strong exploitation indicators	Signs of psychological trauma	0% (0)	3% (1)	0% (0)
	Injuries apparently a result of assault or controlling measures	0% (0)	5% (2)	0% (0)
	Restriction of movement and confinement to the workplace or to a limited area	14% (2)	16% (6)	0% (0)
	Unable to produce passports or documents, including no bank account	43% (6)	16% (6)	0% (0)
	Lack of access to medical care	0% (0)	0% (0)	0% (0)
	Limited social contact	7% (1)	11% (4)	0% (0)
	Limited contact with family	0% (0)	5% (2)	0% (0)
	Perception of being bonded by debt	7% (1)	18% (7)	0% (0)
	Threat of being handed over to authorities – including being illegal, or threat to tell family	14% (2)	11% (4)	0% (0)
	Threats being made against individual or family – including fear and intimidation	0% (0)	8% (3)	0% (0)
	Being placed in a situation of dependency – including not being paid	14% (2)	3% (1)	0% (0)
	No or limited bathroom or hygiene facilities	0% (0)	0% (0)	0% (0)
	Having tattoos or other marks indicating ownership by exploiters	0% (0)	3% (1)	0% (0)
	Person forced, intimidated or coerced into providing services of sexual nature	21% (3)	21% (8)	8% (1)
	Person subjected to crimes such as abduction, assault or rape	14% (2)	8% (3)	0% (0)
	Very young looking girls / underage	7% (1)	0% (0)	0% (0)
	Works while menstruating / without a condom / while pregnant	14% (2)	0% (0)	0% (0)

Indicator type	Indicator	Commercial	Residential	Pop-up brothel
Medium / weak exploitation Indicators	Distrustful of authorities	14% (2)	5% (2)	0% (0)
	Expression of fear or anxiety	29% (4)	16% (6)	15% (2)
	The person acts as if instructed by another – including giving same 'story' about how they arrived here	21% (3)	5% (2)	8% (1)
	Doesn't know home or work address	0% (0)	5% (2)	0% (0)
	Money is deducted from salary for food or accommodation	7% (1)	5% (2)	0% (0)
	Sleeping on work premises	57% (8)	13% (5)	15% (2)
	Only being able to speak sexual words in local language	0% (0)	3% (1)	0% (0)
	Someone other than the potential victim receives money from clients	0% (0)	3% (1)	8% (1)
	Health symptoms	0% (0)	3% (1)	0% (0)
	Substance misuse	14% (2)	11% (4)	0% (0)
	Someone else speaks on their behalf	0% (0)	5% (2)	8% (1)
	Adultworks profile controlled by someone else	0% (0)	13% (5)	15% (2)
Trafficking	Evidence of control over movement – and recruitment	29% (4)	29% (11)	31% (4)
	Adverts for sexual services offering women from particular ethnic or national groups	14% (2)	16% (6)	0% (0)
	Movement of women between brothels or working in alternate locations	71% (10)	26% (10)	69% (9)
Serious and Organised Crime	The involvement of more than one offender linked to the management of the establishment	100% (14)	39% (15)	23% (3)
	Offenders linked to the management of more than one establishment	71% (10)	26% (10)	8% (1)
	Offenders involved in other organised crime activity (eg drugs supply)	71% (10)	24% (9)	0% (0)

Appendix J: Illicit sex trade harm framework

Victim	Family and peers	Local community
Health (incl. Mental Health)		
• Fear and intimidation / threats from offenders • Emotional abuse and manipulation from offenders • Sexual violence from offenders • Physical violence and force from offenders • Lack of access to medical care • STIs (Chlamydia, Crabs, Human Papilloma Virus, genital warts, Herpes, Syphilis, Trichomonas) • Unwanted pregnancy / miscarriages / abortion • Pressure to have sex while menstruating / without a condom / while pregnant	• Substance abuse • Exposure to domestic violence • Physical and emotional neglect of off-spring • Physical injury and aggression from victim • Depression • Anxiety	• Some sex workers found to be registered sex offenders • STIs (Chlamydia, Crabs, Human Papilloma Virus, genital warts, Herpes, Syphilis, Trichomonas) • Other disease (inc. Hepatitis, HIV / AIDS)
Social and behavioural		
• Lack of support during National Referral Mechanism or when returning to home country • Lack of support from establishment against customers • Increased likelihood of having abusive relationships • Prosecution for immigration offences • Lack of work place security / no contracts • Restricted freedom / barrier to exiting sex work • Restriction of movement and confinement to the workplace or to a limited area • Poor accommodation and hygiene facilities • Social isolation and limited social contact	• Looked after status of off-spring • Recruitment of off-spring into sex trade or other criminality	• Crime against customers (such as robbery) • Exposure of sexual behaviour to young people in community • Increased community tension over immigration • Sex litter near to establishments • Antisocial behaviour linked to its role in night-time economy • Loss of confidence in authorities • Loss of respect for the law • Complicity of local business • Customers approaching locals in sexual manner • Normalisation of sex trade leading to hidden victims of exploitation

Victim	Family and peers	Local community
Economic		
• Theft by customers • Money lost through drug addiction /substance misuse • Debt or perceived debt to traffickers (high levels of interest) Low job prospects • Inflated payment for provisions – eg accommodation and food • Not receiving payment for work		• Money stolen from customers • Money laundering • Money from sex trade used by offenders to buy legitimate businesses in community • Finances diverted from local economy to underground market

Appendix K: National Advisory Board members

Sir Bill Jeffrey – The Police Foundation, Chair of the Board of Trustees

John Long – Avon and Somerset Constabulary

Matt Iddon – Avon and Somerset Constabulary

Will White – Avon and Somerset Constabulary

Larisa Hunt – South West, Regional Child Sexual Exploitation Coordination Unit

Nigel Woods – South West Regional Organised Crime Unit

Kenny Bell – West Midlands Police

Stephen Scarrott – National Fraud Intelligence Bureau

Tom Bucke – Organised and Cyber Crime Research and Analysis, Home Office

Sara Skodbo – Strategic Centre for Organised Crime, Home Office

Helen Evans – Strategic Centre for Organised Crime, Home Office

Charlie Edwards – Royal United Services Institute

Martin Hewitt – Deputy Assistant Commissioner, Metropolitan Police Service

Ian Davidson – Association of Chief Police Officers

Andy Cooke-Welling – National Crime Agency

David Connelly – HM Inspectorate of Constabulary

Richard Humphrey – Local Police Commander, Slough

Jonathan Martin – South-West Trading Standards

Mike Pigrem – Central England Trading Standards Authorities

Sandra Peaston – Credit Industry Fraud Avoidance Service

Fiona Mclean – College of Policing

Mark Norris – LGA Policy

Mike Levi – Cardiff University

Anthony Bottoms – Cambridge University associate

Nick Tilley – University College London