

**Delivering the Recommendations of the  
Fraud Review 2006  
and the  
Paradox of Police Leadership**

**Context Statement**

**for the award of**

**Doctorate in Professional Studies by Public Works**

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**Professional Development Foundation  
in conjunction with  
Institute for Work Based Learning, Middlesex University**

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All views expressed in this research project are those of the author and do not necessarily reflect the views of the City of London Police, the supervisory team, Middlesex University, or examiners of this work.

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## Acknowledgements

First and foremost, I owe a great debt to my father, the inspiration for my career within the police; a true role model and a genuine leader.

My heartfelt thanks go out to my wife Sally, without her by my side I could not have hoped to have achieved a fraction of what is detailed within this context statement; Sally has supported me over the many years that these projects have ruled our lives, she has been my sounding board, a friend, a critic and a guide; believing in me, but keeping me grounded.

I would also like to thank the City of London Police and all of the police officers and support staff I have had the pleasure to work with; managers who placed immense trust and faith in me over the last ten years. Special thanks to David Clarke, who supported and encouraged me throughout this journey and always believed in my ability to deliver.

Because the City of London Police is the National Lead Force for Fraud I owe thanks, not only to the City and its staff, but to all associated organisations and partner agencies and personnel I have had the pleasure of working with and have supported the City in its work to establish the functions detailed within this context statement.

Without the many exceptional individuals who shared my vision and worked with me, devoting their time, hard work and dedication; none of what is reflected upon in this context statement would have been possible.

I wish to thank Professor David Lane and the team at the Professional Development Foundation, for their advice and support and for providing me with an opportunity to reflect critically and further develop professional practice.

Finally, I thank Professor Mary Watts, an inspirational academic and the catalyst for undertaking this Doctorate.

## **Abstract**

The purpose of this context statement is to investigate those factors which either contributed towards or impeded delivery of key recommendations from the Fraud Review, Attorney General (2006). These public works comprise three independent but intrinsically linked projects; the National Fraud Reporting Centre (NFRC), National Fraud Intelligence Bureau (NFIB) and the Economic Crime Academy (ECA).

Critical analysis shows how the success of each project influenced and contributed directly to the next project.

Examination is made of how, without vision and the continuity of leadership, these public works would either not exist today or would have failed to be as successful as they are. Reflection upon this, together with analyses of individual and organisational leadership styles, stimulated two unavoidable and fundamental questions to be raised:

- What does the Police Service now stand for?
- Is the current model of police leadership fit for purpose?

Critical analysis of the role of police leadership in the delivery of these public works led to a further, specific question:

- Is the police response to fraud appropriate?

This is because police responses to fraud often appear to be in conflict with Peelian Principles, ACPO (2012) and are more biased towards serving the criminal justice system rather than delivering social justice through interventions that are morally and ethically grounded.

On commencement of this context statement the intention was for it to be read by likeminded leaders and visionaries, those who do not fit the norm or stereotype of a typical police manager; as the context statement evolved so too has the intended readership.

Throughout reflective assessment and consideration of police leadership and today's performance culture, it became increasingly apparent that this subject should be core reading for police leaders of the future. However, on completion of the context statement, it is apparent that readership audience should extend beyond the Police Service and the policy makers within government and the Ministry of Justice. The real audience should be the public we serve, those with whose consent we police. Therefore, it seems logical that public should be the ultimate critical assessors of this contribution, together with the effectiveness and appropriateness of the current and ongoing culture of police leadership and the response to fraud.



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## The Public Works

The Public Works submitted for the award of this Doctorate in Professional Studies is the establishment of a National Lead Force for Fraud (NLF). The NLF consists of several work streams that, collectively, were intended to bring standardisation and professionalism to the United Kingdom's fight against Fraud.

The Police Service is a complex and hierarchical organisation, in which leadership, responding to political and social change, is turbulent and in a state of constant flux. This, together with the rapid development of information technology, has resulted in the police and fraud investigation in particular, facing a challenge of unprecedented scale. The leadership's and organisation's approach to understanding this, as Lane and Down (2010, p. 514) state, '*has failed to keep pace*'. For this very reason, this context statement and the story it tells is descriptive and, at times, critical.

My contribution to the creation of the NLF comprised three project work streams created in response to recommendations of the Fraud Review, Attorney General (2006). These work streams were developed and implemented between December 2008 and September 2014.

To support my claim for this prestigious award by public works, documentary evidence provided includes design plans, user guides, business cases and publications. This claim is based upon:

- i. Design and delivery of the '*National Fraud Reporting Centre*' (NFRC)
- ii. Creation of the '*National Fraud Intelligence Bureau*' (NFIB) system '*Know-Fraud*'
- iii. Creation, launch and establishment of the '*Economic Crime & Fraud Training Academy*' (The Academy), which is now the national Centre of Excellence for fraud training and dissemination of best practice.

Central to this claim is that leading on all three projects provided an opportunity to be innovative by designing and creating an entrepreneurial, financially sustainable enterprise that is unique within the world of policing. Although this claim consists of three individual public works, I will demonstrate how the delivery and success of each informed and shaped the next. Without the innovation and leadership I provided, the outcome may still have been successful but, nevertheless, separate deliverables from each work stream.

What started as a project concentrating on the threat of fraud to the UK has developed into a global business, developing an international capability focussed on combating all forms of economic crime; illustrated by:

- i. A critical review of each work streams.
- ii. Reflections on personal experiences of police leadership during development and delivery of project work streams and, an analysis of leadership paradigms that either enabled or inhibited progress and project success.
- iii. Evaluation of the potential impact of each work stream upon the policing response to fraud and its compliance with Peelian Principles.
- iv. Presentation of claim-supporting evidence, including the following:
  - a. Design and content for the NFRC.
  - b. Guide to the NFIB.
  - c. Business Case for the Academy.
  - d. First Academy Prospectus, 2012-13.
  - e. *'In-Focus'*, first international newsletter from the Academy.
  - f. Authorised Professional Practice for Fraud.

Similar to Schön (1983), throughout this context statement I have reflected upon my contributions to public works together with experiences, outcomes and interactions with senior leaders, both within the police and those of partner organisations. Then, through critical analysis and by drawing on prior understanding, I generated a new understanding with the potential to influence the direction of both my own future and the future of organisational leadership.

Kolb (1984) defines reflective practice as a process whereby knowledge is created through transformation of experience. In authoring this Context Statement I applied the process of reflective practice through 4 distinct phases.

These being:

- Concrete experience – what was my involvement or participation?
- Observation and reflection – what was my contribution or experience?
- Formation of abstract concepts and generalization – options for integrating my observations in to logical theory and, if I were to repeat this, would I change anything?
- Testing implications of the new concept – consider all potential outcomes and implement or hypothesize on impact.

Reflecting upon a single experience from a given moment or period can be an enlightening and fulfilling process. However, having to reflect upon, examine and conceptualise multiple experiences, both positive and negative, from a period spanning 8 years was not always enjoyable and, instead, was often testing. Similar to Brookfield (1986), I found the process of experiential learning to be filled with uncomfortable tensions.

Through the application of reflective practice and its translation into reflective writing I have been able to provide this Context Statement with a detailed description of my

experiences and, through critical analysis, I have questioned viewpoints, examined processes, products and my exposure to cultures of leadership within both the police and partner organisations. In the coming chapters I detail my contributions to the field of counter fraud, what I learnt on my journey and what I have now come to view as a paradox – a culture of police leadership lacking ethics, integrity and direction.

Content in this document is presented in chronological sequence. In essence, telling the story of my career, the plot being the journey I have travelled, highlighting professional contributions made personally to the national and international field of policing. The main characters of this story are not always at the forefront of the plot, although they, myself included, played essential parts, the stars of this story are the public works.

Because this is a journey of learning, reflecting upon my contributions to policing, the story is a personal one and the writing is detailed and descriptive so that the reader can experience the highs and lows, together with the challenges and successes, in essence, travelling with me on this journey of learning and reflection.

The use of story-telling to enable critical thinking (including reflection), as Fear (2013) believes, is a useful vehicle for delivering individual and organisational development. This context statement has therefore been a personal journey, one of great significance and substance. Through it the emotional highs and lows of each project are shared, examining the personal learning and contributions made to professional practice.

According to Gold et al (2002), in addition to critical thinking, story-telling is an effective tool for the development of managers and leaders by use of argument. As the public works at the centre of this context statement are a break from tradition (creating new methods of working and a new body of knowledge), story-telling provides an ideal medium for presenting contributions and the opportunity to reflect critically on my journey of discovery and delivery.

The story details a journey of leadership within a complex and hierarchical organisation where, at times, I was seen as an equal with a voice. While at other times, I was seen as a threat whose voice needed to be silenced, Lane and Down (2010, p. 516). The complexity of police leadership and my position within it is central to this context statement and a key theme throughout my learning and reflection.

Chapter One is a personal introduction to who I am and what I believe has contributed to my success, and ultimately, helped shape me as person.

Chapter Two continues with a focus on my professional career and my role within the police immediately prior to joining the Fraud Review Implementation Team.

In Chapter Three I present the public works in the order that they were delivered demonstrating how each project was more of an extension and continuation of the previous, building a solid foundation for the ethical entrepreneurial enterprise that is recognised around the world as The Academy.

Each chapter concludes with the learning and reflection I have taken from the delivery of these public works, the contributions they are making to international practice and my exposure to police leadership. At times, leadership was inspirational, empowering and motivating. At other times, it was intrusive and disempowering, inhibiting progress and success.

In Chapter Four of the context statement I conclude with a final reflection of the public works; drawing together the learning and reflection from preceding chapters and looking to the future from personal, professional and organisational perspectives.

# Quick guide to the content of this Context Statement

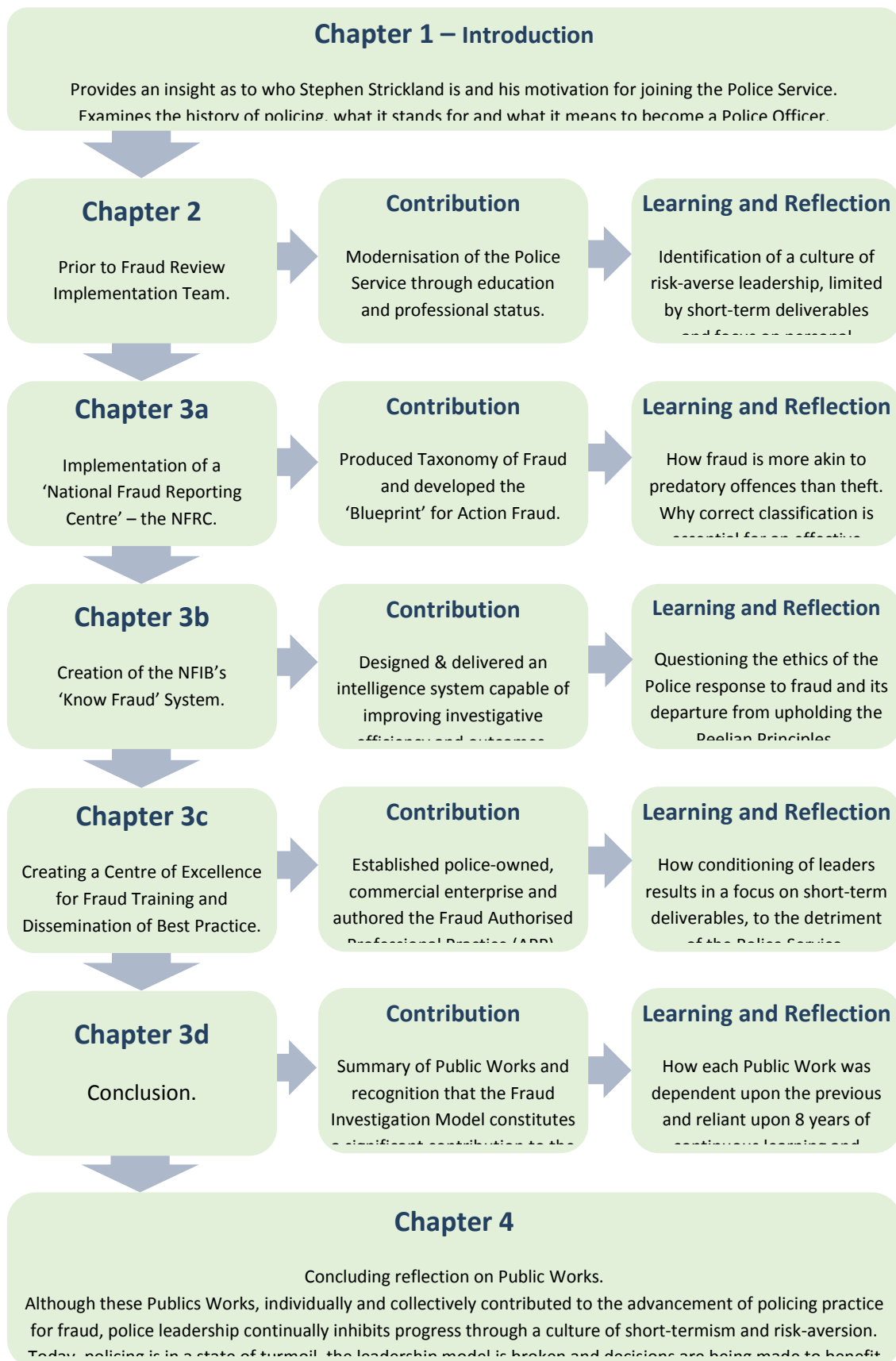


Figure 1: Quick guide to the Content of this Context Statement

## Chapter 1 – Introduction

Prior to leaving school, attending a careers event was hugely informative about options available, educational standards required, potential remuneration and the professional standing of individuals within certain occupations. What wasn't covered was an explanation of a choice which would require an individual to commit their life unreservedly to their chosen career. This is the path I eventually chose. It is one that has governed and shaped both the professional and personal aspects of the life of a police officer. Prior to becoming a police officer I was employed by a major international shop-fitting company and promoted to project manager. At the age of 20, one of the youngest in the business. Working a minimum 12 hours per day, at least 6 days a week, I quickly built a reputation as a person who could deliver the impossible; when other project managers either struggled or failed. I would be brought in to troubleshoot and 'save the day'. Consequently, personal life was always second and suffered as a result. A change of career to restore balance to my life came in August 1996 when I joined the Police Service as a Probationary Officer. It all started with:

*I Stephen STRICKLAND of City of London Police do solemnly and sincerely declare and affirm that I will well and truly serve the Queen in the office of Constable, with fairness, integrity, diligence and impartiality, upholding fundamental human rights and according equal respect to all people; and I will to the best of my power cause the peace to be kept and preserved and prevent all offences against people and property; and that while I continue to hold the said office I will to the best of my skill and knowledge discharge all the duties thereof faithfully according to law.<sup>1</sup>*

The declaration, , said in the presence of a Justice of the Peace, transforms a regular citizen into a Crown Servant and bestows powers and privileges reserved for those holding the

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<sup>1</sup> Subject to Section 29, Police Act 1996. This declaration was made in 2004 on transferring from Cambridgeshire Constabulary to the City of London Police.



office of Constable. From this point forward, any person who has made the declaration will thereafter only ever be known as either a police officer or a former police officer. A police officer, regardless of rank, role or position remains a Constable and holder of the office of Constable for the duration of their service. Contrary to popular belief, police officers are not employed, but are Crown Servants, working under warrant in the service of the Monarch. This unique position brings with it a number of expectations and restrictions to one's private life.

Officers must abstain from any activity considered likely to interfere with the impartial discharge of their duty or likely to give that impression. Police officers are restricted from taking an active part in politics. Officers must not reside at premises not approved by their chief officer and must not wilfully refuse, or neglect, to discharge any lawful debt. Restrictions extend further to include business interests incompatible with membership of a police force. These restrictions extend to the officer's family and relatives who have, or propose to have, any business interest that could be perceived as interfering with the impartial discharge of duty.

With such restrictions on an individual's private and family life, combined with a stringent Code of Conduct, setting standards and expectations while both on or off duty, begs the question: What is it that appeals to anyone considering a career in the Police Service?

Personally, the appeal was familial, having several family members either serving or retired police officers, I viewed the Police Service as a 'family business', a business dedicated to helping and protecting the public, a business I thought I understood.

So what is the business of the Police Service and does this bear any resemblance to the original vision of Sir Robert Peel, Member of Parliament and founder of the Metropolitan Police? The modern Police Service is founded on Sir Robert Peel's philosophy of what defined an ethical police force. The British model of policing by consent is unique and based upon the principle that police officers are 'citizens in uniform' who are only able to exercise their powers with the

implicit consent of the public they serve. The Home Office (2013) confirms, as with the Peelian Principles, that, policing by consent is only possible when the police are able to demonstrate integrity and transparency in the use of their powers. The question posed throughout this context statement is whether these principles and the model of policing by consent are still applied and operating in today's modern Police Service?

Parts of the United Kingdom, the City of London in particular, has had a form of policing dating back to the Roman occupation<sup>2</sup>. However, the concept of a disciplined professional Police Service wasn't introduced until 1822, when Sir Robert Peel became Home Secretary. He introduced the Metropolitan Police Act 1829, which led to the establishment of the first full-time police force known as the Metropolitan Police. On joining the Police Service, new officers were issued with 'General Instructions' containing the nine principles<sup>3</sup> of policing. These principles were framed within the context that the policing response would be by consent – citizens policing citizens. Even today, the Association of Chief Police Officers (2012) quote these principles as being not only responsible for the Police Service as we recognise it today, but for shaping the Police Service of tomorrow. Not surprisingly, the number one principal is the prevention of crime and disorder. However, surprisingly, it contains no mention of the principles of investigation of crime and disorder, nor the bringing to justice of those responsible. In fact, the principles actually specify only that “the test of police efficiency is the absence of crime and disorder, not the evidence of police action in dealing with them”.

This was at odds with the culture of policing that developed and was influenced by a Government viewpoint which measured success by using league tables to compare how well police forces performed, with a particular emphasis on criminal justice outcomes.

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<sup>2</sup> Wade (2008)

<sup>3</sup> Commonly referred to as the Peelian Principles

In 2012, this operating philosophy changed as a direct result of the Police Reform and Social Responsibility Act 2011. This Act introduced locally-elected Policing and Crime Commissioners (PCCs), replacing the role of Police Authorities and transferred power away from government by eliminating league-table-related national targets. This provided PCCs with the freedom to consult with their communities to create local Crime and Disorder Plan, for which they could hold their Chief Constable to account. It is too soon to measure the success of this change, or whether it will amount to a mere substitution of performance metrics.

On commencing my police career I did so with the belief that I was entering into a profession where I would serve the public – making the community safer, preventing crime and, where necessary, pursuing law-breakers and bringing them to justice. Over the years, I have come to question:

- Whether the Police Service provided personal opportunities envisaged originally?
- Has the opportunity been provided to make a difference?

Looking back on my career as an officer in turn triggered reflection upon what the Police Service represents and raised a further, much deeper question:

- Has the Police Service developed into the professional organisation that Sir Robert Peel originally envisaged or has it lost its way?

On joining the Police, the learning curve was steep but enjoyable. I discovered that I had a natural ability to learn and retain information, particularly the law. Whilst on the initial training course I completed the Honey and Mumford (2000) '*Learning Styles Questionnaire*'. Interestingly, the results showed me to be an almost a perfect blend of Reflector and Theorist;

being almost 40 % in each area, but only 10 % each in the remaining Activist and Pragmatist areas. This supported my own objective assessment, that I was a thinker, creator and visionary.

- My strengths, described herein, have driven me to be the professional I am. The reader is asked to please accept that this self-assessment is not one of conceit or arrogance, but comes from a place of humility and honesty.

A major downside of these characteristics is that I can lose focus very quickly once something has been achieved or delivered; I struggle with routine when there is no real challenge.

Before completing my probation, having developed a deep desire to learn, I commenced study for the police promotion exams. Rather than study independently, I organised a study group, produced a study schedule and hosted weekly workshops to consolidate and review the week's learning. Not only did I pass the exam but everyone in the group passed; the best result the force had achieved for a number of years. By running the study group I developed a reputation as someone who would go the extra mile to help others to learn and it was suggested that I should consider a future in police training.

Unlike identity in the professional environment I have found it necessary to examine and hypothesise who I am to set the context for this critical review. The process defined by Hollingsworth (1926) explains, that if I am to understand who I am I must examine what intellect and skills nature endowed me with together with what has been nurtured or learnt during my life. This is not an exact science, but my interpretation of what events in my life have made me who and what I am; identifying what I brought to the Police Service and what contributed to my success.

Reflecting upon my career I cannot recall a time when I would not consider myself to be a thinker, a creator and a visionary; at times a leader and an inspiration to others. I am not without fault, but on the whole, I believe my contributions in life provide for a good balance. So what is it that has given my life purpose, makes me get up in the morning, provides the motivation and desire to achieve and, ultimately, has defined who I am? In essence, it's the challenge, the challenge of creating, developing or achieving something original, something no one has done before; on occasions, trying to achieve the impossible.

In one of my annual appraisals, my supervisor commented *"Steve has a calming and inspirational influence over the shift, no matter how serious a situation he can be relied on to think through the situation rationally and consider all the options before acting"*. However, he did then go on to say *"Steve is so laid back, at times he is almost horizontal"*. Considering this appraisal, I started to understand how others may view me. The heuristic exercise, Jahari's Window, devised by Luft and Ingham (1950), when applied to my personal and public persona, has enabled me to understand and evaluate critically my different faces or facades. I have identified that what may have been perceived by some as a 'thoughtful and considered' communication style, could be perceived by others a reluctance to act.

Prior to commencing this context statement, to test my objective self-assessment (that I am a visionary, a creator and an inspiration) I completed the Myers and Briggs (1980) Type Indicator and conducted a 360 degree feedback and evaluation process with my supervisors, peers and subordinates. My Type Indicator, INTJ, has the hallmark '*Vision*', an individual who is independent and visionary, one that looks at global issues to meet the challenges of the future. This confirmed my reflective analysis, a lot of what I already believed to be so. However, of more importance personally is how I am viewed by others and, for this, I have drawn on the feedback from my 360 degree review. Themes common to all of the reviews are articulated best in the following statements:

*'You do not seek to elevate yourself above others and you are keen to share your learning and skills to enhance the experience and potential for all, a really admirable quality. Not only that, but you are always so enthusiastic and positive about where things could go / how they could evolve'.<sup>4</sup>*

*'You have a unique ability to visualise the future of the work environment; identify current and future obstacles to effectiveness and can 'engineer' solutions to overcome the obstacles'.<sup>5</sup>*

*'Steve has a capacity for work that often leaves others standing. Once he has an idea concept or vision he pursues it relentlessly! His ability to see the 'potential' is an overriding factor of his work ethic; he enjoys the challenge of setting up a new process, procedure or working environment. He has the energy and enthusiasm to motivate those around him'.<sup>6</sup>*

*'Steve has attention to detail and will utilise key experts to ensure his concept will achieve the results required, immersing himself in the research and collation of information. Steve will push the boundaries and is not afraid to challenge convention to achieve the outcome, but integrity is not compromised'.<sup>7</sup>*

Although this corresponds with my own analysis and the results of the Myer-Briggs Type Indicator, there can be a downside to being seen as a visionary, one who pushes boundaries; this is best articulated in the following statement:

*'The only weakness I can see is your strengths make you the perfect person to lead tricky, complex, and what for many in the police view as 'dull' projects of work – the*

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<sup>4</sup> Feedback from 360° Review Respondent SA

<sup>5</sup> Feedback from 360° Review Respondent DC

<sup>6</sup> Feedback from 360° Review Respondent JH

<sup>7</sup> Feedback from 360° Review Respondent JH2

*sort of things that law enforcement are notorious for messing-up because they don't get to grips with them or have the 'engineers' to deliver them! Whilst you can adjust to all environments you are not the stereotype senior cop and due to your intellect may be seen as a bit of a threat to some – leading them to stay at arm's length'.<sup>8</sup>*

Analysis of the above confirms the premise that I am a visionary leader, a creator who challenges the norm. However, the personality traits which have contributed to my success, may have, at the same time, restricted my progression and contributed to my being pigeonholed and stereotyped as a 'project' person.

In the following chapters, these personality traits, my relationship with senior officers, managers, peers and subordinates is examined in more detail and an assessment of today's police management and leadership ethos is provided.

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<sup>8</sup> Feedback from 360° Review Respondent DC2

## **Chapter 2 – Prior to Fraud Review Implementation Team**

This Chapter considers and details my work prior joining the Fraud Review Implementation Team and shows how the lessons learnt prepared me for future challenges and contributed towards the ability to manage people and projects.

At the heart of this Chapter is an attempt by the Police Service to be recognised as a profession and how it tried to move from militaristic and institutionalised training to a model of academically and vocationally accredited education; bringing the service, and its educational standards, in-line with other vocations and professional disciplines. This change was the result of over ten years of Best Value reviews conducted during the 1990s which concluded that the Police Service was not receiving value for money from its training provision.

Reviews are:

- 1989 Audit Commission: The Management of Police Training
- 1997 HO Efficiency and Consultancy Unit – Review of National Police Training
- 1998 Police Federation - Project Forward and South Wales Best Value Review
- 1999 Local Government Act (Best Value)
- 1999 HAC – Police Training and Recruitment
- 1999 Stubbs Report
- 1999 HMIC Managing Learning
- 1999 Consultation document - The Way Forward
- 1999 Police Federation – Police Training: What Next?
- 2000 Raytheon Report
- 2000 Government proposals - New arrangements



Resulting from all this activity, in 2001 the Association of Chief Police Officers (ACPO) and the Association of Police Authorities (APA) set up the Best Value in Police Training Project to enable Police authorities and ACPO to regain control of the training agenda. One of the key outputs from this group was 'Foundations for Change' (2003), which led to the Home Office (2005) change agenda. Although the case for change was sound, my opinion was that decisions were financially motivated and proposed changes were secondary to any efficiency savings that would be generated by decentralisation of police learning and training.

In October 2003, just as the Police Service appeared to have got a grip on the future direction of police training, the BBC TV *Panorama* broadcasted an undercover investigative expose into racism and sexism at a regional police training centre in Cheshire. The programme, '*The Secret Policeman*' provided evidence of how racist and sexist officers could infiltrate the service and complete their training undetected, adding to the public argument that the Police Service as a whole was institutionally racist and sexist.

ACPO produced a plan to tackle the issue but, for the Home Secretary, the problem was with the regional training centres which were isolated and militaristic, detached from the communities that they serve. As a result, the decision was made for new recruits to be trained by their own forces under a new programme, to be called the Initial Police Learning and Development Programme (IPLDP). When the concept of IPLDP was introduced to police forces, I was the Inspector of Learning & Development (L&D) and was tasked to lead the project. This involved designing and implementing a solution aligned to the ethos of the City of London Police (CoLP). Although this is the smallest police force in the UK, it packs a punch far in excess of its size.

IPLDP was delivered to forces as a framework of learning objectives and outcomes for which each force then had to design their own training materials, reflect local requirements and

align their programme to either National Vocational Qualifications (NVQ) at levels 3 and 4, or, to partner with an academic institution for the award of a Foundation Degree. The intention was for a single qualification but, at the time of implementation, no decision had been made by the centre as to whether this was to be an NVQ or a Foundation degree. Consequently, forces were left to decide for themselves, knowing that their programmes may have to be adapted or changed once a decision had been made on single national qualification. Regardless of the approach taken, the solution would be subject to Quality Assurance Review, conducted by the Central Authority, a function of Centrex, now known as the College of Policing.

Although supportive of the concept of IPLDP, I believed that, with such little guidance from the centre, there was a significant risk that the Police Service could become fragmented and disjointed due to variations in training and learning achieved by the implementation of various programmes. As the programme manager it was my responsibility to take this forward and deliver a solution suitable for the needs of the City of London Police. The Commissioner at the time, a graduate himself of City University, London, was supportive of academic study and, although he did not exert influence on my approach, my impression was that he hoped that our solution would be academically founded.

One of the greatest challenges faced in establishing the new, locally-owned and managed IPLDP programme, was to be in how to overcome the antiquated perception by the wider Police Service of academia. The common argument presented to me was that university-based police education would result in officers becoming theorists, thinkers and not doers. This argument originated because of policing often being referred to by those on the streets as a trade-craft and therefore could only be learnt by the practice of doing.

The Police Service wanted to be recognised as a profession but, the majority of its staff, senior management in particular, did not buy-in to the concept of professional education.

Instead, the preference was for a traditional model of vocational trade and skills-based training. For those who could see the benefit of professional education for the police, academia was the only option.

Because of these challenges, I concluded that the solution must be designed to satisfy those from both camps of thinking and so must satisfy requirements for both the NVQ and the foundation degree, being both educational and practical. This led to an increased burden for not only the programme design and accreditation, but also in its delivery and assessment – an approach which, at the time, was unique within UK policing.

With an average of 40 new recruits per year, any standalone solution other than an internally delivered and assessed programme was not viable. To overcome this restriction and enable the option for dual accreditation (to best fit both camps of thinking) I entered into negotiations with British Transport Police (BTP) for a joint-developed and delivered programme. BTP had always relied on the Home Office and Regional Training Centres for their training provision. Consequently, having insufficient estates and personnel resources to undertake such a commitment, BTP was ill-prepared to accommodate necessary changes. To overcome this significant obstacle, I negotiated a training partnership between CoLP and BTP to provide them with a managed solution, project managed by myself, together with a small team from the two forces. The partnership brought the projected number of new recruits to be trained each year to 350. This number would increase to exceed 500<sup>9</sup> within the first year of the programme.

CoLP had a long-standing relationship with City University, London, which, together with the fact that the Lord Mayor of London was the Chancellor of City University, made the choice of academic partners a logically, forgone conclusion. In November 2005, together with a small

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<sup>9</sup> Combined figure for Student Officers and Community Support Officers.

team of developers, I was seconded to City University working within the office of the Pro-Vice Chancellor for Learning and Teaching.

Of all 43 police forces of England & Wales, less than 10 had decided to follow the academic route. The remainder either opting for the NVQ or taking a holding position of 'no accreditation' until Centrex confirmed what the single national qualification would be.

As well as satisfying internal politics, my approach would ensure that whatever the decision for a single national qualification, the Student Officer Programme (as it would become known) would not only achieve this standard but surpass it with dual accreditation.

As forces started developing their own programmes, it was clear that most were simply 'shoe-horning' the old probationer training programme into a new accreditation framework without giving any thought as to how the new programme could be used as a vehicle to modernise and professionalise police education. Although universities had traditionally focused on campus-based programmes, there was a move within academia to embrace innovative programmes incorporating work-based learning, as stated by Brennan (2005). My perspective was that work-based learning was essential but, equally, students needed to be able to immerse themselves into the 'university experience'. Also, for the Student Officer Programme to be recognised as a quality undergraduate course of study, it must be on par with any other university prospectus offering.

Towards the end of 2005, to support the business case for a dual-accredited policing programme, I commenced a new research project, looking into international models of police education and, specifically, looking for examples of best practice from police and university collaborations.

In the December of 2005, my counterpart from BTP, the Pro-Vice Chancellor for Teaching and Learning and myself undertook a five-day research visit to Charles Sturt University, New South Wales, Australia. In 1998, New South Wales Police (NSWP) entered into a collaborative partnership with Charles Sturt University for the delivery of a Diploma in Policing Practice; the equivalent of the UK Foundation Degree. The Diploma was introduced as a prerequisite to formal employment by NSWP. Students were required to fund their own study and did not receive an offer of employment until they had completed the first two modules (year one) of the Diploma successfully. This differed from the majority of international programmes, where the delivery was outsourced but the students were employed and funded throughout their study.

The experiences of Charles Sturt University were examined by Chambers (2004), who concluded that, after six years and having enrolled over 7,000 students on the Diploma, the collaborative model provides a scalable and beneficial solution for police education. The solution implemented by Charles Sturt University was certainly considered widely to be one of the best and most innovative police programmes of the time. However, I would argue that it stopped short of achieving its true potential for transitioning from trade craft to professional education. This is something I would seek to address with the Student Officer Programme.

Upon returning to the UK, I had developed a clear vision for how I wanted the Student Officer Programme to look, but I also had an eye on the future. At that time, Her Majesty's Inspectorate of Constabulary (2004) were promoting a model of mixed-economy policing; increasing civilianised roles from the recently introduced Police Community Support Officers (PCSO) to include the new role of Police Staff Investigators (PSI). While the new, mixed-economy policing was establishing, the external face of the Public Police Service was changing with the rapidly growing role of private policing and security functions. As the police entered this period of internal change, Jones and Newburn (2005), suggested that UK policing was seeing a

transformation of a magnitude at least as great as occurred with the introduction of the New Police (Peelers) in the early nineteenth century.

Bayley and Shearing (2005) went a stage further and suggested that the police were entering a period of momentous change. This, they believed, was being influenced by the outsourcing of policing functions, resulting in the search by the police for a new identity. As Bayley and Shearing point out, policing is no longer monopolised by Home Office-funded police forces; services previously unique to the police are now being performed by private companies and by communities and residential groups on a volunteer basis. This has resulted in an identity crisis, some officers feeling threatened, believing that the public may have lost or could as a result of this change, lose faith in the ability of the police to control crime. Whether the police were comfortable with these changes or not, I decided that they would need to be an integral element of the new policing curriculum. Potentially, this would open course access to non-warranted officers and those performing policing functions within the private sector.

A significant challenge was to design a curriculum that would address both academic and vocational requirements. Generally, a curriculum is thought of as the subject matter of the course. According to Kelly (2004) this is a restricted view, because the curriculum encapsulates all activities which assist delegates in achieving their specified training objectives. Which, in the case of the Student Officer Programme, are to becoming efficient and effective police officers and criminal investigators. In this respect, when planning the curriculum, it was important to understand the needs of the Police Service, Student Officers and where centrally-delivered training had failed previously. With this understanding, objectives were refined, devising appropriate content for classroom delivery and post-classroom, work-based, real-life evaluation to ensure that the learning experience achieved required objectives.

The Student Officer Programme went live in June 2006, *Appendix 1*. Designed as a modular programme, with each core module lasting 3 weeks and themed for delivery to a wider section of the Criminal Justice Sector, rather than just police recruits.

When the programme was launched, it was the first in the UK to train police officers and PCSOs side-by-side on the same programme. The PCSOs would study the first 5 modules alongside their police counterparts before joining their Professional Development Unit (PDU) for the street skills training. If the PCSO later decided to join the police as a constable, they would re-join the programme automatically at the point they left, receiving full recognition of prior learning. Similar entry and exit points were established for PSIs, security and investigative partners from the wider criminal justice sector. Unfortunately, although the design allowed for inclusion of the rapidly expanding Criminal Justice Network, Centrex was resistant to the change and prohibited the Student Officer Programme, or modules of it, being offered to anyone other than a serving member of a Home Office-funded police force or certain 'approved' non-Home Office forces. There was nothing of a sensitive or restricted nature within the programme so, this move, in my opinion, was protectionism by the central authority and Centrex against the diversification of policing functions.

- This is a good example of how the Police Service typically resists change rather than trying to understand and ultimately embrace change that could/would benefit service delivery through joint working.

Regardless of this restriction, the Student Officer Programme was still unique and stood out from other university-based police programmes because of the approach taken in the design of the module assessment criteria. Again, reflecting upon negative perceptions of academia by a large proportion of the Police Service, I wanted to ensure that all assessment criteria were sound academically, but still focussed on the operational requirements of day-to-day policing.

To achieve this, I designed module assessments around operational requirements of 'Professionalising the Investigative Process' (PIP<sup>10</sup>), a national initiative implemented to raise the standard of investigations at every level of the service. For Student Officers this would be PIP Level 1, focussing on volume crime. On completing their probation, if Student Officers decided to pursue a career in criminal investigation as a detective, they would then complete a further training programme at PIP Level 2, focussing on more serious and complex crime.

Each of the classroom-delivered modules focussed on a specialist area of policing practice, starting with Neighbourhood Policing and progressing through Transportation and Crime Investigation to Terrorism and Major Incidents. By utilising the PIP as the vehicle for assessing each module, the aim was for students to be proficient at PIP Level 1 prior to independent patrol. Historically, this was something which had not been achieved before completing the 2-year probationary period. Each module would build in complexity and demand, testing the Student Officer's knowledge and application of an investigative mind-set.

This approach was a huge success because the final assessment, conducted prior to independent patrol (see *Appendix 2*, Counter Terrorism and Major Incidents), was perceived by some as taking officers to level of competence far in excess of PIP Level 1.

However, although a great achievement, it did receive some criticism from officers in CoLP Central Detective Unit. The claim was that Student Officers were being 'over-trained'. Once operational, Student Officers were considered to be operating at a level more akin to detectives at PIP Level 2 and thereby putting some of our own specialist investigators to shame. I refused to accept this position and believed that the outcome was one of improved professional practice,

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<sup>10</sup> PIP no longer exists as a standalone area of police practice or doctrine but is incorporated within Authorised Policing Practice (APP) available at [www.app.college.police.uk](http://www.app.college.police.uk)



not over-training as was being suggested. Pushing the boundaries of established practice and procedures was proving highly-effective and beneficial towards achieving policing objectives.

The innovative approach taken in the design of the Student Officer Programme attracted a lot of attention from other police forces and the associated trade press, *Appendix 3*. However, the real potential of the Student Officer Programme was yet to be realised. Applying lessons learnt from the initial research visit to Charles Sturt University, I designed the programme so that it could be adapted to be a model of Pre-Employment Police Education (PEPE). Thereby, bringing the Police Service into line with those professions where individuals are expected to qualify before gaining employment. I could see the potential for PEPE but the Police Service was yet to be convinced about the benefits and have fears allayed that this would impact on the ability to recruit the best possible staff from a diverse community.

In January 2008, I returned to New South Wales and, over a period of a week, conducted 18 interviews and discussion groups with members of the Charles Sturt University and NSWSP. Evidence was overwhelming that students were happy to pay for their own education, believing that it gave credibility to the police as a profession. More importantly, when viewed as a profession on par with other more established professions, *Appendix 4*, underrepresented groups considered the Police Service career pathway to be much more attractive than before.

In February 2008, drawing on over 2 years of research, I produced a combined Project Initiation Document and Business Case for the implementation of PEPE, *Appendix 5*.

Table 1, below, shows a summary of the financial case for this. Full financial analysis is shown in Appendix 6.

**Table 1: Summary of Financial Case for PEPE**

	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
Suitable for FE Delivery	Yes	Yes	Yes
Suitable for HE Delivery	Yes	Yes	Yes
Suitable for P/T Study	Yes	Yes	Yes
Suitable for Distance Learning	Yes	Yes	Yes
IPR Ownership	FE/HE	FE/HE or Joint	Joint
Delivery Responsibilities	FE/HE	FE/HE or Joint	Joint
Lead in time	Sep 2009	Sep 2009	Apr 2009
Curriculum Content (LPGs)	50 %	75 %	100 %
Operational Practice (PACs)	No	No	Yes (Specials)
Option for direct recruitment	No	No	Yes
Weeks saved	12	19	34
Weeks to Independent Patrol	21	15	1
Saving per officer (London)	<b>£19,000</b>	<b>£33,000</b>	<b>£41,000</b>
Revised Cost to Independent patrol Status (London)	<b>£40,000</b>	<b>£26,000</b>	<b>£18,000</b>
Saving per Officer (National)	<b>£17,000</b>	<b>£29,000</b>	<b>£36,000</b>
Revised Cost to Independent Patrol Status (National)	<b>£35,000</b>	<b>£23,000</b>	<b>£16,000</b>
<b>Additional BTP Savings</b>			
Tadworth	<b>Nil</b>	<b>Nil</b>	<b>£690</b>
London Accommodation Expenses	<b>£760</b>	<b>£760</b>	<b>£575</b>
	<b>£310</b>	<b>£310</b>	<b>£310</b>
Additional BTP Costs	<b>£1,380</b>	<b>£690</b>	<b>Nil</b>
Non-cashable savings (NCS) per officer	Limited	Limited	360 hrs policing as a SC = <b>£7,200</b>
Return on investment	FE 2010 HE 2011/12	FE 2010 HE 2010/11	FE 2009 HE 2009
Projected CoLP savings based on recruitment of 40 officers a year.	<b>£760,000</b>	<b>£1,320,000</b>	<b>£1,743,000 + NCS = £288,000</b>
Projected BTP savings based on recruitment of 150 officers a year.	<b>£2,743,000</b>	<b>£4,783,500</b>	<b>£6,264,000 + NCS = £1,080,000</b>

Referring to Table 1, the financial case for PEPE was overwhelming, with a projected range of savings<sup>11</sup> of between £19,000 and £41,000 per officer and a further non-cashable saving of £7,200 per officer from Option 3. Each Option demonstrates the programme's potential to provide considerable savings to the Police Service and the public purse.

Shortly after the case for PEPE was presented to senior management in CoLP and BTP, a copy was passed to the lead officer responsible for the police modernisation portfolio in the Association of Chief Police Officers (ACPO). There, the case for PEPE grabbed the attention of senior members of the Police Service, Home Office and the National Policing Improvement Agency<sup>12</sup> (NPIA). This coincided with another project being undertaken by ACPO and the Home Office, exploring options for delaying the attestation of new recruits. Although my proposal was based upon the introduction of a model of pre-employment education, it provided an ideal solution for delaying attestation of any officer until prerequisite skills and knowledge had been learnt.

Linking the two project streams together, the NPIA established a National Working Group (NWG), of which I was a member and represented CoLP and City University. The NWG was given the remit to explore options for PEPE and develop a single model for national implementation. Although there was a degree of interest in what the NWG was doing, those in senior positions were not motivated to pursue or take seriously what they perceived to be such a radical change in police recruiting.

Back in 2008, UK policing was still in healthy state of repair. Funding was stable and every force in the country was on a recruitment drive. Senior management feared that if CoLP, or a small number of forces, implemented PEPE, the result could be failure to attract the usual

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<sup>11</sup> The projected range of savings was dependent upon the duration and type of programme already delivered.

<sup>12</sup> Centrex had been rebranded and became the National Policing Improvement Agency on 1<sup>st</sup> April 2007

high-calibre recruits, who might instead be attracted to alternative forces which still offered employed-and-funded educational programmes. I disagreed with this perceived fear because all of my research, *Appendix 4*, indicated the exact opposite.

- Research shows that a professional education system attracts higher calibre recruits and is more attractive to under-represented groups where established professional occupations are more culturally acceptable.

Unfortunately I was unable to gain support from senior management and, due to this lack of support, the project for PEPE was all but suspended to the point that most people thought it had been shelved, never to see the light of day again.

During 2008, the developed world was just starting to feel the impact of the global financial crisis which led into the 4-year, global recession of 2008 to 2012. For UK policing, this resulted in a budget and pay freeze lasting 3 years, followed by an average 20 % reduction in funding across forces. Budget cuts meant that police recruitment was suspended. Additionally, some forces were actively reducing their numbers, with redundancies for support staff and compulsory retirement for officers at 30 years' service. During this period, with no recruits and no budget for continuous professional development, programmes such as the Student Officer Programme came to an end and academic partnerships fell into disrepair. At the same time, forces were streamlining non-operational functions and Learning and Development departments were particularly hard hit, some losing up to half of their pre-2008 resources.

In 2012, emerging from the worst of the recession with less staff and a greatly reduced Learning & Development capability, the time was ripe for PEPE. The NPIA formalised a curriculum for pre-employment education, which they termed the Certificate in Knowledge of

Policing (CKP). This was aligned to the new College of Policing<sup>13</sup> (2013) Professional Entry to Policing Strategy. The Strategy was seen as the first step in establishing the police as a professional body with an educational model to match.

Although PEPE was considered ahead of its time in 2008, the CKP represents the first stage of PEPE, mirroring Option 1 from the Financial Case (Table 1). Although I like to think that I made a significant contribution to influencing national thinking leading to the introduction of PEPE, what I learnt from the process was invaluable.

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<sup>13</sup> The functions of the National Policing Improvement Agency moved to the College of Policing on 1<sup>st</sup> December 2012

## Learning and Reflection

During this phase of my career the greatest area of learning and reflection relates to management and leadership. Working within the management structure of the university I was able to compare and contrast police management and leadership styles with those in the university and the partner organisations I worked with. My exposure to, and experience of, senior police management was mixed and not always inspirational or motivational. This left me with the impression that the performance of senior management may, whether consciously or unconsciously, be inhibited by a developing culture of short-termism and risk aversion.

Police managers and leaders observed during this period seemed to lack the desire to focus on the future and long-term deliverables. More importantly, the future, for them and that of the Police Service, did not appear to extend beyond their next promotion board or period of tenure. Therefore, any project extending beyond this, or presenting significant risk to their personal future progression, struggled to gain support.

Reflecting upon my experiences of working with senior management, I have questioned whether the police may have been the architects of their own downfall.

I realised that the police, like many organisations, has created a performance review culture, underpinned by an appraisal system that requires individuals to focus on short-term deliverables and developmental objectives. These are often limited to what can be achieved within the period before the next scheduled appraisal.

Geal (2010) and McGregor (1960) have both questioned the validity of the performance appraisal system. Appraisals were originally intended as a means to drive organisational performance, but studies suggest that they are nothing more than a process for managers to use to control and direct staff. The logic behind this thinking is that to get people to perform, they must be told what to do, understand that their performance will be measured and that

they will be held to account. Therefore, performance appraisal becomes nothing more than a paper-based exercise for the command and control of staff, as I see it, being a 'Theory X' management tool, McGregor (ibid).

The negative consequences of badly managed appraisal systems can, according to Argyris (1957), compel people and organisational culture into being dependant, subordinate and submissive. With advancement and opportunities being linked directly to performance appraisal, it appears to me that those hungry for promotion, to the exclusion of all else, would avoid, or at least distance themselves from, long-term or high-risk activities that could reflect badly upon them at their next appraisal if objectives or outcomes are not delivered or not achieved.

My proposition is supported by the research into performance appraisal interviews by Asmuß (2008). Asmuß identified a link between supervisors believing negative assessments to be socially problematic and an employee's subsequent difficulty with accepting negative assessments.

Therefore, in my view, it is a logical and forgone conclusion that:

- To avoid the risk of negative assessments, employees focus on objectives and outcomes that are achievable easily within the appraisal period.
- Although risk management is a crucial aspect of many areas of business, the issue of appraisal-driven risk aversion is focussed on benefitting the individual (not always consciously), often to the detriment of the organisation.

On reflection, my understanding of police management and leadership changed during my time at the university, I stopped accepting it for what it was and started to question whether the culture of police management and leadership was fit for purpose. Having identified a

worrying culture of short-termism, however simple it may seem, this was to be one of my greatest assets in future projects. It enabled me to package projects and visions as short-term deliverables, making them more palatable to those who may have been conditioned by an appraisal-driven, risk-averse culture.

The IPLDP project was my first introduction to formal research, Bell (2005), utilising both quantitative (positivist) and qualitative (naturalist) methodologies. Research was essential to development of the Student Officer Programme and the business case for PEPE, but would also provide invaluable to my work on each of the National Lead Force (NLF) project streams. The IPLDP project also provided valuable learning and development for me in relation to partnership working, contract negotiation and project planning and management, again, transferable skills which have proved essential in the NLF project streams.

I am immensely proud of my achievements at City University with the Student Officer Programme and the establishment of the Centre for Investigative, Security and Police Sciences. Without the learning and experiences from my time there I do not believe that the following public works would look like they do, nor that this context statement would even be possible. I am disappointed that the programme and partnership with City University no longer exists and consequently not included as a public work. However, the research into PEPE was a significant contribution towards the creation of the new CPK and professional entry into the Police Service.



## Chapter 3 – Public Works

Early in 2008, whilst working on the PEPE project at City University I was approached by the European Anti-Fraud Office (OLAF) who wanted to commission a counter fraud programme designed for the Romanian Ministry of Interior; required as a condition of their accession into the European Union. While working on this programme, I was introduced to the Director of Programmes for the Fraud Review Implementation Team who was leading a number of projects emanating from the recommendations from the Fraud Review, Attorney General (2006). The management style within the implementation team was inspirational. The management and the team worked as a collective, always upbeat and positive about the work, speaking with genuine passion and belief. This culture struck me immediately as being a unique and rare example of inspirational leadership in the police.

This culture and leadership style triggered me to question and compare numerous management and leadership training programmes attended during my career. As far back as I can recall, the Police Service has promoted new models of leadership aimed at empowering staff with a trust-based ethos but, in my view, failed to tackle the traditional culture underlying police leadership. Neyroud (2014) supported his argument for change and the creation of policing professional body by pointing out that the current system of police leadership and training has its foundations rooted in the 1940s, when it was established to meet the demands of Post War Britain. Although it has evolved, the Police Service is still antiquated, militaristic and in desperate need of a radical overhaul. Any attempts to change or implement new, innovative models of operation are all too often undermined by mistrusting micro-managers unable to depart from the traditional model of intrusive management. This very much mirrors an organisation, as McGregor (1960) puts it, seeing itself as a 'Theory Y' trust-based organisation but is, in fact, 'Theory X' controlling and untrusting in practice.

Those within the implementation team were, in my opinion, 'Theory Y' managers and leaders. Unfortunately, within the police, 'Theory Y' managers are often criticised for not managing staff properly and for not knowing what they are doing every minute of the day. I argue that intrusive management is not the most effective way to manage and lead a team, and that the most effective teams are those inspired by their leaders, seeing themselves as equals within the team or the organisation.

This concept was considered by Secretan (2002), who questioned what caused followers to dedicate themselves to the work of some of the greatest leaders in the world, what he found was that they were inspired, not motivated. They did not have strategic plans or business cases; their philosophy was built on passion and inspiration. The role of the leader is to inspire. A leader who does not inspire is like a river without water; using this analogy, I would argue the police is suffering a drought, although one can find the occasional oasis, in the main the riverbed is dry.

To deliver successful projects, I strive to be an inspiration and a visionary – because they are essential leadership tools, selling the vision to others, getting them to buy into projects. Once they buy into the vision, they become responsible for it, co-owning it and, in essence, are inspired to lead and deliver in their own right. Although I would argue that this is an effective method of leading and managing a team, it has a major drawback. If the vision is lost and there is no vision to aspire towards, it becomes impossible to inspire others. This happened towards the end of 2008 when, after numerous iterations of the PEPE business case, the realisation came that the initiative was not going to gain project buy-in and sign-off by Chief Officers. It was clear to me that, although the Student Officer Programme was still operating successfully, I needed to find a new challenge and develop a new vision.

In December 2008, the opportunity came when I joined the Fraud Review Implementation Team, which was responsible for a number of work streams emanating from recommendation 43 of 2006 Fraud Review:

*A National Lead Force for fraud should be established with the following functions:*

- a) To create, develop and manage the National Fraud Reporting Centre and its analytical unit;*
- b) To disseminate intelligence and analysis to the network of Police Fraud Squads and, subject to appropriate protocols, other organizations investigating fraud (e.g. Serious Organised Crime Agency (SOCA) to help them target fraud investigations and anti-fraud work generally;*
- c) To act as a Centre of Excellence for fraud investigations, including organized training, disseminating best practice, general fraud prevention advice, advising on complex enquiries in other regions, and assisting with or even directing the most complex of such investigations.*

Recommendation 44 then went on say:

*The National Lead Force should be based around the existing City Of London Police Fraud Squad. (Attorney General, 2006: 310)*

It was a small team and, as with many police projects, it was under-resourced and overburdened with unrealistic expectations. Typically, most senior managers appeared to be keeping a 'safe distance' from the project in case it failed to deliver. The objectives-assessment-risk scenario seemed to prevail as described in the previous chapter.

I welcomed the challenge and during my time with the team was privileged to be given the opportunity to lead on the delivery of two key projects:

- I. The implementation of a '*National Fraud Reporting Centre*' (NFRC), and;
- II. The creation of '*National Fraud Intelligence Bureau*' (NFIB) system '*Know-Fraud*'

At the conclusion of my time on the team, following go-live of the NFIB system, Know Fraud, I was given my third project, which was delivered as part of the wider Economic Crime Directorate (ECD):

- III. Establishing a Centre of Excellence for fraud training and dissemination of best practice through the creation and launch of the '*Economic Crime & Fraud Training Academy*' (The Academy)

These three projects, their outcomes and their contributions to the field of counter fraud, collectively constitute the Public Work submitted for the award of a Doctorate of Professional Studies. I do not claim to be responsible individually for every aspect of these projects. After all, I was part of much bigger team, whose members all contributed to delivery and success. My claim is that, without my unique vision and individual leadership style, these projects would not have reached fruition or have been the success that they are today.

Although at the time of joining the team the NFRC and NFIB projects were running in tandem, I will show how delivery of the NFRC informed the design and build of the NFIB's intelligence system, Know Fraud. I will then examine how the Know Fraud system was developed and how, without the knowledge and experience gained by delivering the NFRC, Know Fraud may not have been delivered or been the success it was and is today.

The concluding text of these Public Works examines the development of the Academy as a unique entrepreneurial enterprise within policing. What started out as an internal training function, named '*Centre of Excellence*', was built-up to become a world-class provider of specialist education and training solutions, with a remit to:

- Build international capability to combat economic crime, and;
- Generate a much-needed revenue stream for CoLP.

Evidence presented in support of this claim includes project documents, design plans, conference literature, web content, operational guides, business cases, and the first prospectus issued by the Academy.

Supporting evidence is also included, such as newsletters, profiles, press cuttings and external reports. Where supporting documentary evidence from the public domain is available online only, web addresses are provided. Where evidence is online, but classified as Restricted and therefore not openly accessible, alternative evidence in support of this award is provided.

Evidence consists of co-produced and co-authored works. However, in each of the projects and the evidence supplied I performed a leadership role, responsible for managing and delivering each project stream.

### 3.a Implementation of a 'National Fraud Reporting Centre' (NFRC)

The scale and timeframes of the NFRC project were a little overwhelming. I was responsible for designing and producing the content for a new, online and telephone fraud reporting system, an area of policing which, at the time, I had limited knowledge of.

Before I joined the team a number of key decisions had already been made, including hosting provision for the NFRC which, at the time, was to be the Office of Fair Trading (OFT<sup>14</sup>). The OFT had already delivered both Consumer Direct and Scambusters, which were major sources of potential fraud data, and would later become a significant contributor to the NFIB's intelligence system, Know Fraud.

The project was subject to Terms of Reference set out by the Office of the Attorney General and, by December 2008, when I joined the team, the project had already failed to meet its go-live date target. After an initial review of the business case and project plan for the NFRC, I produced a milestones document, *Appendix 7*.

This document revealed and identified predefined milestone timescales, which required me to complete all of the following work within a mere 4 months:

- Complete detailed research into web reporting tools.
- Scope and identify all system design requirements.
- Scope and design a detailed process for the reporting of fraud.
- Write web content for all fraud typologies and prevention sections.
- Work with programmers constructing the web portal.
- Test the system; remediating and retesting as appropriate.

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<sup>14</sup> The Office of Fair Trading ceased to exist from April 2014 when its functions passed to the Competition and Markets Authority and the Financial Conduct Authority.

- Publicise and launch the system.

Although responsible for delivery of the NFRC, I was not responsible for the formal project management. The size and scope of this project required a project team consisting of a Project Director and Project Manager. This team would oversee each of the project streams and report back to CoLP Senior Management Team (SMT) and produce progress reports for the Attorney General's Office and the Home Office, who were funding the projects. Although I embraced the principles of project management in the NFRC delivery, having this team to support me meant I was able to focus on deliverables without the additional burden of having to project manage the process formally. As with all my projects, I had to be able to visualise what the NFRC solution would look like, create a plan and then deliver the solution. Creating or solving the problem twice, as Covey (2004) puts it, first there's the mental creation, the vision, then there's the physical creation, the solution. The key to creativity is to begin with the end objective in mind, with a vision and a blueprint of the desired result.

I would argue that this is why the Police Service and other areas of the public sector struggle or even fail to deliver so many projects<sup>15</sup>, or on time and/or within budget. More often than not, these organisations have the technical expertise but lack, or are afraid to embrace, the potential of dreamers and visionaries. Without a vision, such a project would be like a new journey, but without a map; there may be a destination, but there is no clear route of how to get there or what to expect when the destination is reached.

For the NFRC, I formalised a research project with the following objectives:

- Identify examples of best practices of UK online crime/fraud reporting systems.

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<sup>15</sup> <http://www.theguardian.com/society/2013/sep/18/nhs-records-system-10bn>  
<http://www.bbc.co.uk/news/uk-scotland-19413916>

- Identify examples of best practices of international online crime/fraud reporting systems.
- Conduct a consultation exercise with fraud investigators to identify weaknesses and gaps in traditional crime reports when used for fraud.
- Create a framework of fraud offences and unique reporting requirements for each crime type.

Although timeframe was short, the research project was completed quickly because, at the time, there were so few examples of online crime/fraud reporting systems and, no single solution to provide a representative example of best practice or suitability upon which to model the NFRC. A major issue that I discovered with the current offering of online crime reporting was the use of 'free text' fields, which allow users to enter words of their choosing. These caused issues with data consistency and, in almost every case, required each report to be scrutinised and assessed manually to understand the scale of what had happened, or even whether a crime had happened at all.

I identified examples of online fraud reporting systems used by the United States Internet Crime Complaint Centre (IC3) and the Canadian Phonebusters Centre. Although both operations were well established, like the systems in the UK, they were heavily biased towards use of free text. Data collected by the NFRC was to feed directly into the NFIB, where it was envisaged that the new intelligence system would include a form of automated data extraction, mapping and assessment. Critically, this required consistent data and, therefore, minimal free text fields. Where used, any free text fields should contain supplemental information only, not data used for automated analysis.

Consulting with fraud investigators confirmed that the existing form of recording fraud was not fit for purpose. In most criminal activities, the location of victim (for example) has direct correlation to the location of the offence. However, in fraud, the two can be completely



separate, even in different countries. In fraud, crime scenes may have no relevance to either the victim or the suspect and some crime scenes may be 'virtual' or in the 'cloud'<sup>16</sup>. This, together with the fact that the majority of information available from victims of fraud would probably be false or misleading, raised the first issue of:

- How to ensure data accuracy suitable for automated analysis, mapping and assessment?

As research progressed, I started to understand better the scale of the project and produced a brief to the NFRC Design & Implementation, *Appendix 8*, clearly setting out requirements, objectives, audience, content and project delivery methodology. Key objectives that I had to deliver were defined as:

- Contribute to increased volume and better targeted fraud investigations in the UK.
- Encourage increased reporting of fraud.
- Provide fraud prevention advice for consumers and industry stakeholders.
- Create a fuller, more intelligent picture of fraud trends throughout the UK.
- Prevent fraud.
- Increase public satisfaction with law enforcement's response to fraud.
- Provide an online reporting centre for victims of fraudulent activity.
- Collect comprehensive data on fraud.
- Feed data to the National Fraud Intelligence Bureau.
- Identify where investigations into fraudulent activity are appropriate.
- Provide fraud prevention advice to the public.

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<sup>16</sup> The term 'the cloud' refers to cloud computing infrastructures and is often used to refer to software, platforms and infrastructures sold as serviced solutions via the internet.

- Provide signposting for victims having specific issues and who may benefit from being assisted by another expert agency.

By the time the brief had been agreed it was January 2009 and the first deliverables were due. Fortunately, I had been running several strands of the project in tandem and trying to stay one step ahead of all agreed milestones and deliverables. The most important deliverable, and critical to the design solution, was the identification and classification of the offences that would be recorded by the NFRC.

This proved to be much more difficult than anticipated, because data collated by forces and supplied to the Home Office classified all fraud crimes under their legislative offences such as, fraud by false representation and thereby made no distinction in how each false representation had occurred. There was no way of knowing whether a victim had been targeted by a fraudulent investment scheme or subjected to an online sales scam. This reinforced findings from the Fraud Review, Attorney General (2006), that, fraud was misunderstood and not considered to be a policing priority. The Review identified a number of barriers preventing the public from reporting fraud to the police.

These included:

- A lack of understanding by the police of exactly what constitutes fraud and how to categorise it.
- A lack of willingness by police forces to accept reports of fraud outright.
- Where a fraud has occurred across force boundaries, forces have been known to not accept the report and try to send the victim to another force.

Button et al (2009) believed the problem to be greater than this and expanded on the reasons for low reporting by including situations where a victim may not know they have been defrauded, or are too embarrassed, or do not believe their case justifies reporting because of

the low value of the loss. Similar to the Fraud Review, Attorney General (2006), Button et al (ibid) identified the most significant barrier to reporting as being the attitude of the police and the reluctance to record crimes that are resource-intensive to investigate. These crimes often remained unsolved and, ultimately, impacted badly on a force's crime figures.

To compound issues, no formal guidance existed, either to the public or, for that matter, to police who may be asked to investigate an offence that they had never heard of and probably didn't understand. Additionally, because of lack of guidance, numerous offences were known by different names. Often this related to where individuals worked, the local culture and what knowledge of fraud existed. On conclusion of my research, I established the scope of 'known' fraudulent activity, both here in the UK and overseas with partner agencies in the United States, Canada and Australia. I standardised terminology and taxonomy and produced an outline of the fraud types and their suitability for recording by the NFRC.

A victim of fraud may think that the first point of contact should be the police or the NFRC but, for example, when a victim's credit card is cloned by criminals, the most appropriate place to report this is to the issuer, who would be able to stop transactions and thereby protect both the card holder and the financial institution from financial loss.

Issues such as this were further complicated by the fact that there was no requirement for a victim to report their crime to the police. In the case of fraudulent credit card use, if a victim is told by the issuer of the card to report fraudulent usage to the police, this generally indicated that the issuer believed the card holder was implicated in the fraud, possibly responsible for the usage and was trying to avoid liability by claiming that the usage was the result of card cloning or theft.

My research revealed that victims often commenced a report without all of the necessary information being available, then leaving the report only part-completed and lacking

in the detail required by investigators. This caused frustration with investigators because, in almost every case, they would then first have to contact the victim to clarify what was being reported and then collate the correct information required to establish whether there were any possible investigative leads to support commencement of an investigation. Additionally, if correct information was not collated, then the automated intelligence system, that was to form the heart of the NFIB, would not function as intended and could fail to identify crime links, networks or potential lines of enquiry.

Identifying best practice and lessons learnt from my research, in the first draft of the NFRC Functional Design I stated the following as essential to the design solution:

- The triage page(s) to be entirely mouse-driven (i.e. specific choices, no free text)
- System requires user registration / login to enable reports to be completed over more than one session online.
- The form to be updated by the victim (using original login) if further information comes to light.
- A unique crime reference number to be issued for each report.
- Email confirmation/verification of report submission.
- Facility to register for the Fraud e-Newsletter.

As the design progressed, so did the engagement with OFT, who wanted the solution or service to be designed to integrate with their existing business operating model. The NFRC potentially providing a lifeline to OFT call centres, which were under review with the potential threat of reduced services, closure and redundancies. Although we were open to their suggestions and welcomed any existing infrastructure that would help deliver the NFRC more effectively, the solution had to deliver best value, meet the quality of service specified by the Attorney General's Office and provide the quality of data needed by the NFIB.

During this phase, a member of the National Fraud Authority (NFA<sup>17</sup>) was seconded into our team to assist with negotiations and delivery of the system. The NFRC was critical to the role of the NFA and, to some extent, their existence; without the NFRC, they would be unable to measure fraud losses accurately nor provide the core function it was created to deliver.

During March 2009, I continued to work on the content for the reporting portal, producing draft content to make sense of fraud definitions, and develop fraud prevention advice to help the general public and victims, *Appendix 9*. Although the definitions and prevention advice had been informed by considerable research already conducted, it was envisaged that, following go-live of the NFRC, we would seek to continually update information on fraud typologies and the resulting prevention advice provided. Thereby informing and protecting the public from further risk and harm. In essence, fraud definitions and prevention advice would be a living element of the NFRC.

The NFRC Functional Design had been tested at every stage of its development with the project team and, by March 2009, was ready for its first national consultation and testing with a representative sample of police forces from across the country. However, such consultation and testing would not enable feedback to be provided regarding 'technical' functionality. What was required was an assessment of how the report had been designed, whether it was easy enough for victims to follow and whether it would result in correct information being collected. It was not going to be possible to produce an electronic version of the report, so I designed a paper-based report that would, hopefully, achieve the same outcome and, without the smart navigation would still be simple enough to complete, *Appendix 10*.

Testing was a success and feedback from the event proved that the design solution was fit for purpose. However, the event identified issues within forces where there was a lot of

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<sup>17</sup> The NFA ceased to exist from April 2014 when its function where passed to the National Crime Agency and the City of London Police.

speculation, misinformation and misunderstanding about the function that NFRC would provide and how this would relate to NFIB. In part, this was because the project team had decided to keep communication to a minimum, at least until there was firm indication that we could deliver to truly meet the Review's recommendations and implement a suitable solution for both the NFRC and NFIB.

I had identified that across the country there were pockets of forces banding together, either in support of, or against, the NFRC and NFIB projects. There was also resentment towards those areas of CoLP transitioning to the NLF. Some police forces could see the sense in CoLP being made NLF for fraud because of having essential expertise in the subject but, more importantly, in policing the City, the financial centre of the UK, and therefore having existing relationships with key stakeholders who could either make or break these projects. Those who were opposed saw the creation of the NLF with the NFRC and NFIB projects as a threat to their own business portfolios and status within the policing hierarchy. The Metropolitan Police, who, at the time, were the lead force for e-crime, was one such area of resistance. This country-wide division prompted a rethink of our communications strategy, to consolidate support across forces and eliminate any misinformation that could undermine the project. With the functional design virtually complete I then had time for additional responsibilities and so took on the responsibility of lead for project communications. This work started with the planning and co-ordination of a national event to communicate the work of the project and the progress that had been made to date.

Progressing with the final version of the functional design, I started to focus on solutions for addressing national buy-in and support from forces for each of the NLF functions. Having just left a role working within City University, I had become a regular on various conference circuits and suggested that we consider holding a national fraud reporting and intelligence conference. The three-day event was to be divided topically, with the first day focussing on strategic

implications for senior officers and the second and third day dedicated to tactical and managerial implications for those involved in operational implementation.

Senior management viewed the event as a great opportunity to 'showcase' CoLP. However, considering feedback from the consultation event, I argued that the conference should be presented as a national project, not a CoLP project. It would therefore be beneficial if the conference was backed or promoted by an ACPO officer from outside the City. The Deputy Chief Constable of West Midlands Police was a great supporter and sponsor of the work being done by CoLP and committed both his support for the event and his time to act as conference chair.

Considering project communications, Charvat (2012) makes an analogy between Star Trek and Communications, suggesting that the 1960's television series Star Trek understood the concept of communications, constantly referring to 'The Prime Directive' as a master plan governing every aspect of the crew's mission. My communications plan for the NFRC was no different, with my 'Prime Directive' being to communicate the mission, progress and deliverables of the various project streams, I developed a theme for the conference. Keeping with the Star Trek analogy, I named the event '*Fraud: The Financial Frontier*', a play on words but, within policing, it was very apt. Fraud was very often the frontier that police officers would rather avoid than confront.

As counterparts in United States and Canada had featured greatly in my research and the functional design of the NFRC, I secured speakers from IC3, Federal Bureau of Investigation (FBI) and the Royal Canadian Mounted Police (RCMP) which, together with independent industry and academic speakers, I hoped would help to minimise perceptions that the conference was nothing more than a CoLP roadshow. To further reduce the perception of this being a CoLP roadshow I decided that the NPIA training centre in Warwickshire would be the ideal venue.

With services delivered at cost recovery, this venue provided both an ideal, geographically-central location and best value for money.

In designing and planning the conference and supporting literature, including the conference brochure, *Appendix 11*, I took every opportunity to maximise channels to communicate the 'Prime Directive'. In the conference brochure, I incorporated a forward by ACPO, comprising a summary of the Fraud Review findings and recommendations followed by information on both NFRC and NFIB projects. Within policing, it is rare to come across a conference that has been planned and presented in such a manner. For me and for this event, my experience at City University had proved invaluable.

The project team, myself included, considered the conference to be a success with nearly 100 delegates attending from around the country, including several attendees from the Scotland and Northern Ireland – even though the NFRC and NFIB projects were only applicable to England and Wales.

- The objective of the conference had been achieved, with the message delivered and misinformation quelled.
- Forces that we had been warned were joining together in a front against the NFRC and NFIB were sold on the projects and were keen for the messages delivered at the conference to be taken on the road and delivered to their chief officers, colleagues and business partners.

While the communications work stream progressed, the relationship with OFT stalled due to a procurement issue. There was no option but to go out to tender for a service provider to build and host the online reporting portal and provide the telephone call centre, almost certainly delaying the delivery of the NFRC. The NFA stepped in, suggesting that use of the government's approved supplier system would enable a streamlined procurement process to be



run in a fraction of the time that a full EU procurement process would take. It was at this point that responsibility for the NFRC was passed from CoLP to the NFA, with specific caveats that I would provide the final functional design, *Appendix 12*, and provide technical support and guidance to developers (upon their appointment).

While the new service provider for the NFRC was being sourced, the Project Director decided that I would take the NFRC and NFIB communications work stream on the road, as requested at the conference. During the following months I visited the majority of police forces in England, Wales and Northern Ireland, providing briefings, advice and guidance regarding the implementation of the NFRC and NFIB. Where forces had disbanded their fraud teams, or had no capability or capacity to manage such changes, I worked with them to develop business cases for re-establishing their teams or for increasing capacity and capability. Hampshire Constabulary, an enthusiastic supporter of the project, was one such force.

- As a result of the work we did together on developing a business case for a new fraud team, Hampshire established what is now one of the largest provincial fraud teams in the South of the country.

Central to the business case, and one of the key questions that forces wanted to know, was what the potential workload was going to be once NFRC and NFIB were fully operational, receiving, analysing and disseminating crimes and work packages. The general consensus was that there was no way to predict this accurately because of historic issues associated with the underreporting of fraud. The most accurate data available was from CIFAS<sup>18</sup> and their Identity fraud studies. I argued that, if there was a correlation between the level of identity crime and fraud, a theory supported by my research, which showed that false identity was a common theme in a large proportion of reported frauds, then, the CIFAS data detailing regional variations

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<sup>18</sup> CIFAS is a not-for-profit UK fraud prevention service

and percentages of identity crime could be used to predict the potential level of fraud in each county realistically. To assist forces in establishing capacity and capability I produced three separate ranges so show minimum, average and maximum potential crimes and disseminations, *Appendix 13*. This data was used to produce presentations tailored specifically for each force.

For a few forces there was a reduction in the volume of fraud they would receive but, for most, there was a significant increase, suggesting a need to increase resources and capability. Most importantly, presentations and projections I delivered got fraud and the NFRC and NFIB projects onto the agenda for Chief Constables and into the media.

- In an article from the Yorkshire Evening Post on 2<sup>nd</sup> August 2009, *Appendix 14*, the Acting Chief Constable for Humberside went on the record stating that, “the NFRC would impact on Humberside, resulting in an increase of reported crime which the force did not have the capacity to deal with”.

While I continued with the communication work stream, the NFA awarded the contract for the NFRC web portal and call centre to the BSS Group; a specialist call centre and communications provider. Work commenced on the design of an interim reporting system, to be tested by call centre staff prior to go-live of the public website and reporting portal. To meet the new delivery deadline, BSS were required to make compromises in the design solution. These compromises were in relation to the first iteration only, while the essential criteria would be implemented in future iterations of the website and web portal.

I continued to work with the NFA and BSS, informing the build of the solution and testing several pilots until the final solution was approved. The NFRC was officially launched in April 2010, when it was rebranded ‘Action Fraud’<sup>19</sup>.

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<sup>19</sup> <http://www.actionfraud.police.uk/>

In a review of the fraud justice network, Button et al (2012) noted that, during its first year, Action Fraud received over 150,000 calls for advice or to report fraud crime totalling £75 million. The finding predicted that such a positive take up in the service was promising for its future potential.

Although this was a huge success, the volume of fraud reports received by Action Fraud continues to increase and for 2013/14 recorded losses from fraud to the value of £2.5 billion, with over 70 % of reports relating to cyber dependent/enabled crimes<sup>20</sup>. In March 2014, the management of Action Fraud passed back to CoLP and in the first quarter under new management by CoLP, Action Fraud received 265,694 reports of fraud, being recognised, within policing, as the most successful web-based crime reporting system to date.

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<sup>20</sup> Cyber-dependent crimes include the spread of viruses and other malware; hacking and DDoS attacks. Cyber-enabled crimes related more to traditional crime types that are now committed with the use of technology and includes offences such as cyber-enabled fraud and theft.

## Learning and Reflection

In the previous chapter, delivering the IPLDP, I experienced risk-averse police leadership which resulted in a culture of short-termism. Whereas, on the NFRC project I was amazed at the level of trust and confidence placed in me in to deliver. There was no intrusive or micro-management, very much the opposite. For me, this reconfirmed that when staff are trusted, empowered and given autonomy to deliver, yet know that they have the support of senior management, they will push themselves, not wanting to let those down that believe in them. Management and leadership styles I encountered assured my success and, in turn, success of the project.

My research helped me develop a level of understanding of fraud that is often absent within policing and the criminal system. To understand fraud and provide an effective response, it was important for me to understand not only the criminal typology but also the methodology or 'modus operandi' used in the commission of the offence. It is commonly accepted that fraud is a deception or false representation practiced to secure unfair or unlawful gain.

Within policing, most would refer to fraud as simply a theft committed through trickery or deceit. Although this may be correct when considering the application of the law and the classification or typology of the offence, it would be wholly inappropriate to consider this classification when devising an investigative or disruptive intervention. In this regard the police response is often misdirected, not taking time to understand the methodology used in the commission of the fraud.

- From a modus operandi perspective, rather than comparing fraud to theft, a more appropriate comparison is, in my view, paedophilia.

My proposition is based upon analysis and comparison of both criminal methodologies. Paedophiles generally create a false identity and then use this to create a false online profile.

Using this profile, they then identify potential targets, engaging with them, building trust and grooming targets until sufficient trust has been built to follow through with the criminal act. When the target is finally victimised, this is not the end of the criminal conduct, the paedophile will often have other targets at various stages of being groomed in preparation for victimisation.

- Paedophilia is a 'live crime', where the threat of harm is ongoing; it does not end with the first victim.

By understanding the criminal methodology used by paedophiles it is possible to draw parallels with many different fraud types, in particular, those committed via the internet, and, similarly, it is possible to understand how victims are selected, drawn in and eventually victimised.

For me, the process of delivering the NFRC reinforced the importance of not only recording crime details but the necessity of understanding the crime itself. If information on fraud is not collected properly – that is, accurately, consistently and contextually – it becomes difficult to shape the correct level of response.

As detailed above with the comparison to paedophilia, it is not just the crime itself that must be recorded, it is the complete lifecycle of communication and interaction between the victim and the suspect. Without this, the methodology used in committing the fraud cannot be analysed properly and it becomes virtually impossible to develop anything resembling an intelligence-led solution.

For me, the project and, in particular, research into national crime recording systems, identified that the police are not always the first point of contact for victims of crime. Although there is a duty for the police to accept and record reports of crime, there are many situations where this may not happen and therefore not reported to the police.

Because of this anomaly, police intelligence and crime systems do not present a complete picture of fraudulent activity. Therefore, to enable a detailed picture of what is happening to be developed, it is essential that these systems are complemented by information held by other organisations across both public and private sectors.

The collective learning gained from this project made me the ideal candidate to lead on the design and implementation of the NFIB's intelligence system, Know-Fraud.

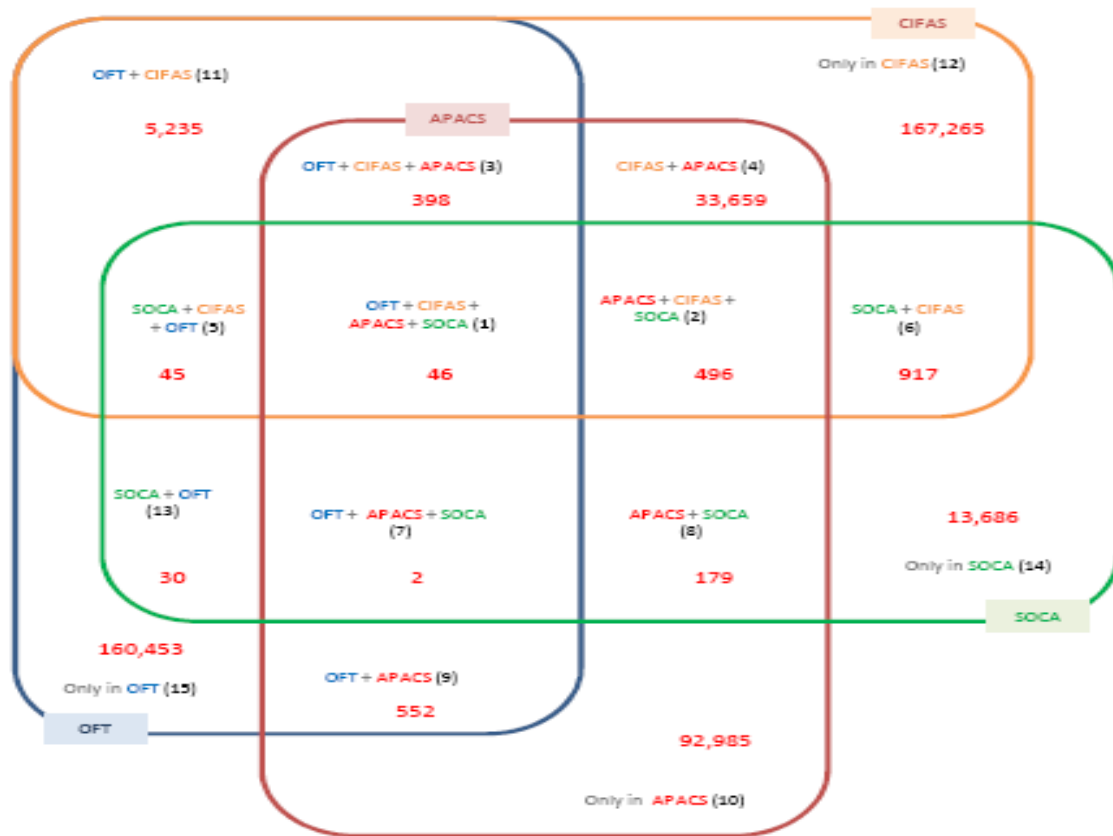
### **3.b The creation of NFIB's 'Know-Fraud' system**

Towards the end of 2009, I found myself being lined-up to take over as the lead for delivering the NFIB's intelligence system, Know Fraud. Initially, I was not happy with this decision because I knew that a lot of people within the police and government believed that what was being asked of the project team was unachievable and I felt as though I was being setup to be the 'fall guy'. I was not selected – I was assigned because nobody else wanted the project. Despite my reservations, I accepted the project but realised fully that this was a high-risk venture and that most of my colleagues believed we would fail to deliver. A Proof of Concept (PoC) had already been completed, which focussed on three main deliverables:

- Secure transfer of a data to a central hub of various other hubs.
- Cleanse and structure multiple data sources in compliance with National Crime Recording Standards (NCRS).
- Data to be compared and matched across various data sets.

The product of these three deliverables combined to produce a central hub with maximum added value.

The PoC was conducted using four data sets: OFT, SOCA, UK Payments and CIFAS, totalling 434,389 records. It was a success in each of the three deliverables. Most importantly for the project team, the PoC produced significant linkages across these data sets, as detailed in figure 2. Although the PoC was successful, it was clear that a simple data hub was insufficient to provide a suitable solution to help counter fraud. What was needed was a scalable, integrated search, analytics and investigation tool having the ability to predict emerging threats, assess and prioritise investigations automatically. This would minimise manual data processing and physical resources, something that would be new to the world of police intelligence.



**Figure 2: Data matching from Proof of Concept**

With a very small team of analysts, I commenced the Technical Application Development (TAD) with developers from Detica<sup>21</sup>, for a system based on the NetReveal<sup>®</sup> platform<sup>22</sup>. The platform was classed as a Custom Off-The-Shelf (CoTS) solution. In essence, the framework was there and the challenge was in defining how it was going look and perform. Most versions of NetReveal<sup>®</sup> are designed as document-centric white data systems, often ingesting only a single or small handful of data sources. An example of a document-centric white data system would be such as that used by a bank or insurance company, where daily application or transaction data is processed with a view to identifying anomalies or suspicious transactions.

<sup>21</sup> Detica was purchased by BAE Systems in 2008 and on 1<sup>st</sup> February 2014 was renamed BAE Systems Applied Intelligence.

<sup>22</sup> NetReveal<sup>®</sup> is an enterprise risk-management solution that uncovers networks of suspicious behaviour by identifying, scoring and visualising networks from multiple data sources.



With these systems, the data is consistent and the majority of what is processed is genuine and accurate.

With the NFIB's solution we would ingest 'black data' (crime data) from as many different sources as possible and having little or no data consistency. From what I learnt while designing the NFRC, I knew that the majority of information recorded about fraudsters would be false. Additionally, the NFIB solution was to be entity-centric rather than document-centric; focusing on unique entities, such as people, places, emails, websites, bank accounts, and so on, making the solution more complex than anything Detica had delivered previously.

The NFIB's solution also had the following additional restrictions and requirements which are not applied to standard, commercial solutions and so made the design solution even more complex:

- Compliance with Home Office Crime Recording Standards.
- Process of black data only and not used for fishing exercises.
- Compliance with Management of Police Information (MOPI) requirements.
- Export of networks, for evidential use.
- Multiple rules sets, to allow switching between policing priorities.

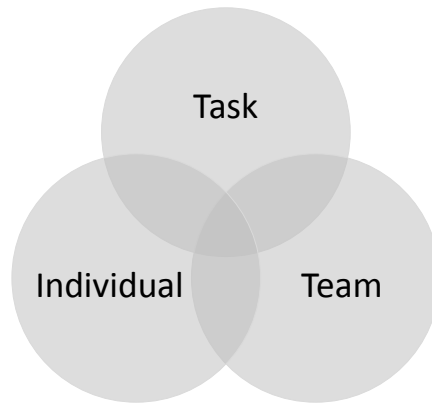
I felt overwhelmed, out of my depth and could not believe I had taken on such a project or that the Director had faith in me to deliver it. I started to think that the scaremongers were right and that this may be a Bridge Too Far for me and the team. I could see the very real possibility that we may very well fail to deliver.

Hope and Frazer (2003) believe that once we establish a mind-set, we must achieve a certain outcome. We then limit our focus to that outcome to the exclusion of all else and become blinkered to alternatives and so increase further the potential for failure.

Listening to scaremongering troubled me greatly and I was then on a psychological roller-coaster, experiencing extreme highs and lows, going from motivated to demotivated and disillusioned in a heartbeat. If I didn't regain my focus and vision, there was a real risk that I would be responsible for derailing the project. Reflecting upon my state of mind at the time, by understanding what motivates me it was possible to understand what could cause me to lose focus and become demotivated.

McClelland (1988), when discussing his motivational needs theory contrasted achievement-motivated people with gamblers to help dispel the misconception that achievement-motivated people are risk takers. Achievement-motivated individuals are the high-flyers who will often focus their skills and abilities towards goals which they are able to influence. Although challenging, the goal is considered achievable, being results-orientated such high-flyers tend to focus on outcomes rather than individuals, pushing their staff too hard. From this theory it is clear that, once a project appears to be unachievable, there is loss of motivation. However, the theory itself does not provide a solution for overcoming the lows or for regaining the vision and motivation necessary for success. For a leader to be successful it is clear that vision and a positive persona is essential. If managers and leaders cannot convince their team that all is good with the world, how can they be expected to be motivated and positive about their work in hand?

Although I can see a lot of myself in motivational-needs theory (ibid), it is not a perfect model. Personally, I would never ask more of my team than I was willing to give myself. In fact, I would do more myself to minimise impact upon the team. If anyone were pushed too far and suffer during delivery of a project, I would ensure that the only victim would be me. Considering the potential conflict of motivational needs, I believe that through the use of Action Centred Leadership, Adair (1988), one can achieve a more balanced approach to successful leadership.



***Figure 3: John Adair: Action Centre Leadership®.***

Although Action Centred Leadership (ibid), is a common component of police management and leadership training, I would argue that within senior management, a balanced, action-centred leadership style is relatively rare. In my experience, a number of senior managers would dismiss contributions of an individual or the team, to receive personal recognition for a successful task themselves. Or, as is often the case, the individual or team would be sacrificed when a task is not delivered or there is no recognition or consideration of the part that the managers and leaders played in the process.

I began to analyse what was being asked and whether I had the correct skills engaged within the team to achieve project delivery. My priority was to look after the team and protect them from being used as scapegoats and, equally important, protect the management and wider team who entrusted me to deliver.

The first thing I identified was that I had been looking at the project from the wrong direction. I was thinking of it as an IT or coding project – skills I did not possess. This was actually the responsibility of Detica; the organisation which was engaged to deliver the functionality required for the project. Therefore, what I needed to do was inform them how we wanted the system to function and perform. The system was not intended to be one of Artificial Intelligence (AI) but, as soon as I started to think of the solution as AI my mission became clear:

- If I had access to all available data, what would I do with it?
- How would I make sense of all that data?
- How would I identify and prioritise one crime or network over another?

And, most importantly;

- How would I present this information so that others could make sense of it?

As simple as it seems, thinking like a computer programme, instead of as a designer or programmer, was all it took to turn the situation around and realise a clear vision of what needed to be delivered and how to achieve it.

From my work on the NFRC, I had a unique understanding of fraud, how fraudsters operate and what information was likely to be reported by victims of fraud.

With this in mind, I tasked the team to start by mapping out reports of potential fraud, assessing information to identify which content was most likely to be either correct or false and identify which sources of information were available to clarify or verify the accuracy of what was known and compare this with what we needed to know.

Armed with the in-depth understanding of fraud I had developed from the NFRC project, I created a virtual information map, overlaying crime reports with industry data. The team were then tasked to consider individually what information they had and what they would do with it, detailing every step of the process, no matter how small or insignificant it may seem.

After each team member had completed their tasks, I brought together and overlapped individual process maps to first identify commonalities, options and alternatives and then create 'must', 'should' and 'could' lists for how data should be processed. This was then used to define not only what the resulting information product should look like (presentation), but what information it should contain and which answers it should be expected to provide.

While mapping the data it was necessary to challenge the need for even having the system. Would it deliver the Holy Grail of fraud intelligence that had been promised? Similar to the process I went through with the NFRC, understanding the true nature of what was being reported, now I needed to understand the true value of multiple data sources and how aggregation and association would add further value. It was not going to be enough simply to map data. Data had to be represented and analysed in-line with three key factors essential to establish a successful counter fraud intelligence system, ensuring the correct data was ingested and that the data adds value to the central hub when combined with other data sources.

The three factors which would define not only the success of the counter fraud response, but that of the IT solution itself, were identified as:

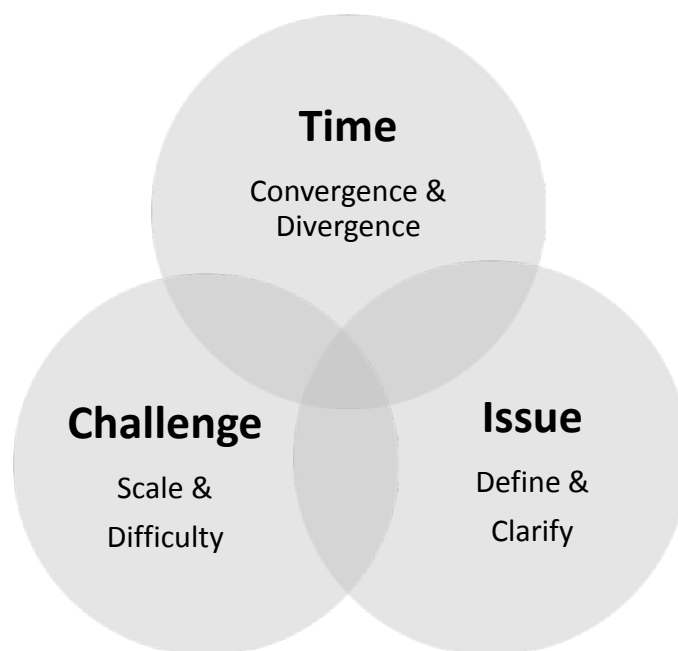
- **Time** – I classify this as the ‘Divergence and Convergence’ factor. While observing entities within a fraud, when the police interact with those entities, there is ripple effect. If focus is on an incorrect entity, the correct entity may be alerted, causing a divergence and thereby distancing the true subject or entity from our focus. Conversely, while observing growth of a fraud network, additional entities or networks may become associated with the original network, causing a convergence. This may add value to intelligence or a resulting investigation, or it may confuse and distract the focus away from the primary objective.
- **Challenge** – I classify this as the ‘Scale and Difficulty’ factor. It is common for a challenge to be misunderstood and incorrectly classified. Investigators may classify fraud as difficult to investigate when, in fact, it is not difficult. It is just the scale of the fraud that is difficult to comprehend. Investigative tactics are relatively basic. It is the cumulative effect that can cause confusion between scale and difficulty.

- **Issue** – I classify this as the ‘Define and Clarify’ factor.

It is necessary to question:

- Why is this fraud data needed?
- What is the data telling us?
- How is the data going to help combat fraud?
- When considering the police response, is the data necessary and how will the data add value to the police response?

These and many other factors and questions were being asked constantly to help clarify and shape system requirements – providing a blueprint for the solution. The three factors of time, challenge and issue are represented in the following figure:



*Figure 4: The ‘Three Factors’.*

What seems like a simple process was in fact an intensive and time-pressured piece of work. With the deadline for the final design solution set for Christmas week, the programmers were waiting for instruction. I passed my findings to the programmers who then soft-coded

them into a development environment so that the team could then test the system and measure the impact of our instructions upon analysis of data.

I found that what was a logical and natural process when completed by a police officer or analyst, adding value to an enquiry, often had the opposite effect when coded as an inflexible rule within an automated intelligence system. The intelligence system could not use common sense or instinct. Instead, the system applied those rules and/or questions precisely as I had asked of it. By understanding this, two challenging questions evolved:

- Which of all potential questions must be asked to obtain contextually-relevant, meaningful, answers?
- Which of all potential answers must be available to provide contextually-relevant, meaningful responses to those questions?

Superficially, these may appear to be the same question, but there are many ways a question can be posed to obtain the same answer. Therefore, it was necessary to first identify answer required and then work backwards from each answer until the correct question could be identified with certainty. By working one answer at a time, defining and refining, question-by-question, the design solution appeared to be thinking and operating more like an investigator, producing intelligence products containing meaningful answers. This was a major improvement compared to simple data results, which posed more questions than answers.

The approach was a success but no one was prepared for just how effective the system would be and the volume of criminal networks it would identify from what was previously unconnected and apparently disparate data.

As a result, the next logical challenge was to design a set of rules for the assessment and prioritisation of individual crimes and criminal networks. In essence, this would automate the

work of crime reviewers or, at least perform the initial triage for the crime review process. Resources could then be used more effectively by the NFIB, focussing on those fraud crimes and fraudsters identified as causing most harm.

Again, what initially seemed like a simple task became a complex problem to solve and raised difficult questions:

- How to define harm?
- What represents greater harm?
  - Loss of several million pounds by a bank that makes billions of pounds profit every year? Or;
  - An elderly investor defrauded out of their entire £2,000 savings?
- Should harm severity be rated according to the impact of the crime upon a single person, or the harm it has on many?
- A relatively low-level fraud, committed using an online auction site, for example, could defraud hundreds or thousands of people out of only a few pounds each. In such a case, the harm to any of those individuals may be relatively negligible, so should this warrant police attention and resources?

Analysing the problem, or rather the challenge presented by these questions, it was apparent to me that a single set of rules would not be enough and, therefore, a single form of data analysis and visualisation would not satisfy the needs of the NFIB nor fulfil the requirements of the Fraud Review.

As I interrogated the system and started to understand the solution better, I concluded that results data should be run against various sets of rules to meet the needs of different policing priorities. Results must then be visualised in a variety of workspaces, complying with



particular policing priorities. I determined that this required individual rules and workspaces to be developed for each of the following:

- Real-time crime having clear investigative leads.
- Crimes targeting elderly and vulnerable victims.
- Offences and networks involving Organised Crime Groups (OCGs).
- Networks containing high volumes of crime and persistent offenders.
- Networks which connect to live police operations.

This solution would allow the NFIB to structure its operations and staff with resources dedicated to each specialist area, recognising the needs of victims unique to each area so that resources and responses would not be limited to one particular type of harm.

A similar approach to how we defined the initial set of rules – how we wanted the system to think – was used to develop a scoring and prioritisation matrix for each work area. As before, each scoring and prioritisation matrix required extensive, iterative development. Each iteration required coding, evaluation and refinement until, after several weeks of intensive development and testing, the matrix was honed to perform to the same standards expected of an experienced crime reviewer.

The vision was that, post go-live, the system would continue to grow, taking in new data sets and live operational data, until the system could receive, hold and analyse every conceivable data set of known fraud.

However:

- This presented a major drawback because, before each new data set could be ingested and processed, it must first be hard-coded, manually, according to pre-

agreed schema (format) that, once coded, could not be changed without breaking the data ingest and nightly build of the system.

This caused an issue in that any new data set could not be pre-tested or evaluated to assess the value it would add to the system. Additionally, there was no way of importing live data from police operations. A substantial fraud could have literally hundreds of addresses, telephone numbers, email addresses, bank accounts, people, and so on. Using a traditional approach of searching systems manually for entities in each operation could take days or even weeks to complete and, with the system taking in new data daily, any check would only be relevant to the day it was conducted.

The challenge:

- To enable me to ingest operational data into the system in real-time and test any new data sources, I wanted the system to be able to import data without first needing the source data to be coded.

The solution:

- By ingesting live operational data and not having to perform manual checks, I could save the valuable resource time of analysts and researchers. The system would then perform these checks automatically and repeat them every night checking for new data and matches.

The answer came through the design of an 'operational spreadsheet'. By identifying key data fields – those producing tangible links across the current range of data sets – the need to ingest the bulk of the data could be eliminated, allowing focus upon key fields only. By using a simple Excel spread sheet, a simple cut and paste command from almost any data source was

possible. Data could then be imported directly into the system and incorporated in that night's build.

As the December deadline approached, we had built a development environment which proved that the system worked; not only delivering on the initial requirements, but exceeding those expectations with additional functionality not considered at the outset.

Over Christmas, we reviewed final proposals and specifications and contracts with a view to commencing the development of the final solution in January 2010. There was a lot of pressure from both the Attorney General's office and the Home Office for the system to be live by the summer, resulting in a seemingly unrealistic go-live date of June 2010.

From the remote development site in Gloucestershire, my team and the team of programmers worked hand-in-hand. As soon as programmers hard-coded functionality, we would test and ultimately try to break the system. This was to ensure that no matter what the NFIB's users did, the system would not fail.

In spite of all the hard work and achievements, a real and significant risk remained. I knew that senior management would need to see the benefits of the system from an operational perspective. This system was unlike anything they had seen before and if they could not see the benefits and how it would relate to day-to-day operations and outputs, none of its sophisticated functionality would mean anything. To remedy this risk I decided to focus my time on testing the operational use and outputs of the system, establishing potential benefits to the public and UK law enforcement.

The Fraud Review, Attorney General (2006), proposed that the combined functions of the NFRC and NFIB would be used to deliver an intelligence-led policing solution. Ratcliffe (2003) describes this as being the use of criminal intelligence to enable crime reduction and prevention

through effective policing interventions. Similar to the Peelian Principles, intelligence-led policing does not talk about operations or investigations. The focus is crime reduction and prevention. To validate the system and its use an intelligence-led policing solution, I invited a number of partner agencies to our development site to interrogate the system and assess its suitability as a single, national fraud data hub.

The first test of the system was with an officer from a small fraud team in the south of the country:

**Table 2: NFIB Case Study 1 – reducing ‘blue on blue’.**

<p><b>Situation</b> - Core data from the live operation was provided which was fed into the Know Fraud system which, following the nightly build, produced links to two live operations, one being conducted by Operation Amberhill within the Metropolitan Police focusing on false identity factories and a second by the fraud squad of the Ministry of Defence Police who were investigating a case of public sector corruption.</p>
<p><b>Contribution</b> - The linkages between these investigations was previously unknown and by putting the investigators in touch with each other and providing them with evidence or investigative overlaps, duplication of effort was reduced (blue on blue<sup>23</sup>) and the three investigations were aligned for efficiency and effectiveness.</p>
<p><b>Benefits</b> - It was possible to harmonise the three operations, reducing the impact of the blue on blue activities whilst ensuring that the individual cases, when presented at court were representative of the entirety of the criminal activity taking place.</p>

Operational benefits were easy to see. What I needed to do was to produce hard facts to demonstrate benefits and gain support from, not only our senior management, but from sceptics around the country. I focused on three operations and used them as case studies to evaluate and compare processes prior to, and post, NFIB implementation.

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<sup>23</sup> ‘Blue-on-Blue’ is a term within policing, used when two or more investigations are being conducted into the same individual or criminal enterprise and the investigators are blind to each other’s investigation. This results in duplication of effort and unnecessary demands on time and resources and, eventually, when such cases are tried, the Court sees only a partial snapshot of the wider criminality. By reducing Blue-on-Blue, the investigative process is streamlined, money, time and resources are saved. Then, when cases are tried, the Court is more fully informed and so able to assess the true extent of criminal endeavours and therefore better placed to apply appropriate sanctions.

**Table 3: Operational Benefits, Case Study 1 – Mandate Fraud**

**Situation** - The case was an investigation by a public sector body into a criminal network that had committed a £1.5 million mandate fraud (redirection of payments to suppliers) against the sector.

A team which included an investigator, an analyst and a researcher spent 9 months building the case against the group, just prior to commencing a surveillance operation against the prime suspect he was arrested for a murder which had occurred whilst the team were building their case.

**Contribution** - With a basic abstract of the original data, in less than a day, all of the data had been checked against that in the Know Fraud development environment, producing results and networks in excess of that which the initial investigation had taken 9 months to develop.

**Benefits** – Calling on the expertise of the investigators in the case, using their estimates of time committed to the investigation, I calculated the following efficiency saving if the system had been available at the commencement of the investigation:

- Working on a ratio of 10 % of the team’s time being dedicated to this investigation over a 39 week period, this equated to 58.5 days effort, the same was achieved in less than 1 day by 1 person on the Know Fraud System, a saving of 57.5 days.
- Opportunities for prevention and disruption were available on day 1, having identified the fraud methodology, organisational weaknesses and enablers used by the fraudster.
- Early enforcement opportunities could have been possible if the NFIB and the Know Fraud system had been available and the case had been passed to us at the beginning of the investigation. The same results (as a minimum) would have been available in 24 hours in comparison to 39 weeks or 195 (working) days it took the investigation team to achieve.
- In considering the potential reduction in harm and loss, a serious offence may have been prevented if Know Fraud had been presented with case at commencement of the investigation. Offences were still being committed for 9 months whilst the investigation team built their case. This activity would have been targeted and disrupted within the first few days of receiving the case.

**Table 4: Operational Benefits, Case Study 2 – False Identity Fraud**

**Situation** – A northern police force had drawn a blank with an international investigation, the case involved the importation of fake identity & financial documents from West Africa to a person/address in the UK, neither of which were previously known to the police.

Local police had 2 police officers and 2 financial investigators research the person and address for 4 days, they had been turned down for a warrant and had drawn a blank with no further reasonable lines of enquiry.

**Contribution** - With only two pieces of data, the delivery address and name of the addressee, in less than 10 minutes Know Fraud had produced a network of criminality linking the person and address to multiple frauds. When this information was passed back to the officer a further request for a warrant was submitted which was now granted, on execution two persons were arrested and a wealth of fraudulent materials seized.

Communications data obtained, as a result of the arrests, were passed back for checking against the Know Fraud system for any further criminal linkages; in less than 30 minutes the system had identified 6 additional criminal networks spanning the UK, identifying a serious and organised criminal network previously unknown to the police.

Again, this information was passed back to the officer before the first interview with the suspects had even taken place. Within 24 hours, the suspects had been interviewed and the primary suspect was charged with multiple offences and presented to the court where he was remanded in custody pending trial.

**Benefits** – The efficiencies for this case were easier to calculate because it was a live case:

- The initial intelligence package produced was done 76.8 times quicker with a positive outcome, when compared to the time spent on the case by local investigators.
- Early prevention & disruption of a national organised crime network was possible with opportunities to takedown telephone and email accounts associated with the fraudulent activity
- Early enforcement opportunities were only possible because of the warrant which was obtained on the back of intelligence supplied (previously declined) which led to the two arrests.
- There was a further reduction in harm and Loss following the communications checks which identified 6 linked criminal networks that were suitable for prevention and disruption interventions.
- The primary suspect was remanded in Custody pending trial preventing any further fraudulent activities.

**Table 5: Operational Benefits, Case Study 3 – Online Sales Fraud**

**Situation** – Live fraud reports were received through the trial of the Action Fraud reporting centre. The fraud reports alleged an online sales outlet was targeting Christmas shoppers, the retailer offering non-existent discount designer clothing.

When compared to other fraud data sources the system identified an identical network of fraud from the previous year and a third network of charity clothing fraud linking the three together.

The three networks were then linked to a 'legitimate' company possibly involved in laundering the criminal proceeds.

**Contribution** - Traditional intelligence gathering would probably not have identified the scale and extent of the linked criminality, a team of experienced investigators and analysts estimated that traditional processes and intelligence systems would have meant a similar product would have taken in the region of 6 months to develop.

The product produced by Know Fraud and the development team was prepared for action in four days by only one person.

**Benefits** – The efficiency savings for this case were calculated using the same ratios and criteria as case study one:

- The efficiency savings used the ratio of 10 % of an initial investigation team's time being dedicated to this investigation over a 6 month or 26 week period which equated to 39 days effort, the same was achieved in 4 days by 1 person on the Know Fraud System, a saving of 35 days.
- Early prevention & disruption opportunities would be available through a sound understanding of modus operandi enabling targeted awareness campaigns and alerts at areas and times to minimise the impact of future or linked threats.
- Early enforcement opportunities would have been possible with identification of the earlier fraud, unfortunately this data which was held by a partner organization had not been analysed for enforcement action. If the NFIB and Know Fraud had have been live when this had occurred and the information had been passed to Know Fraud there was sufficient information to disrupt and take action at the point of the first offence 13 months prior to development of the resulting investigation package.
- Considering the potential for the reduction in harm and loss, in this case 13 months of harm and loss could have been prevented from two linked frauds had the data been shared and Know Fraud had been operational.

The above case studies were compelling, clearly demonstrating the main benefits of a central fraud hub and the Know Fraud system.

By aggregating results from the above case studies, I produced a simple guide to highlight the potential savings and operational benefits from the NFIB and Know Fraud, a summary of which are below:

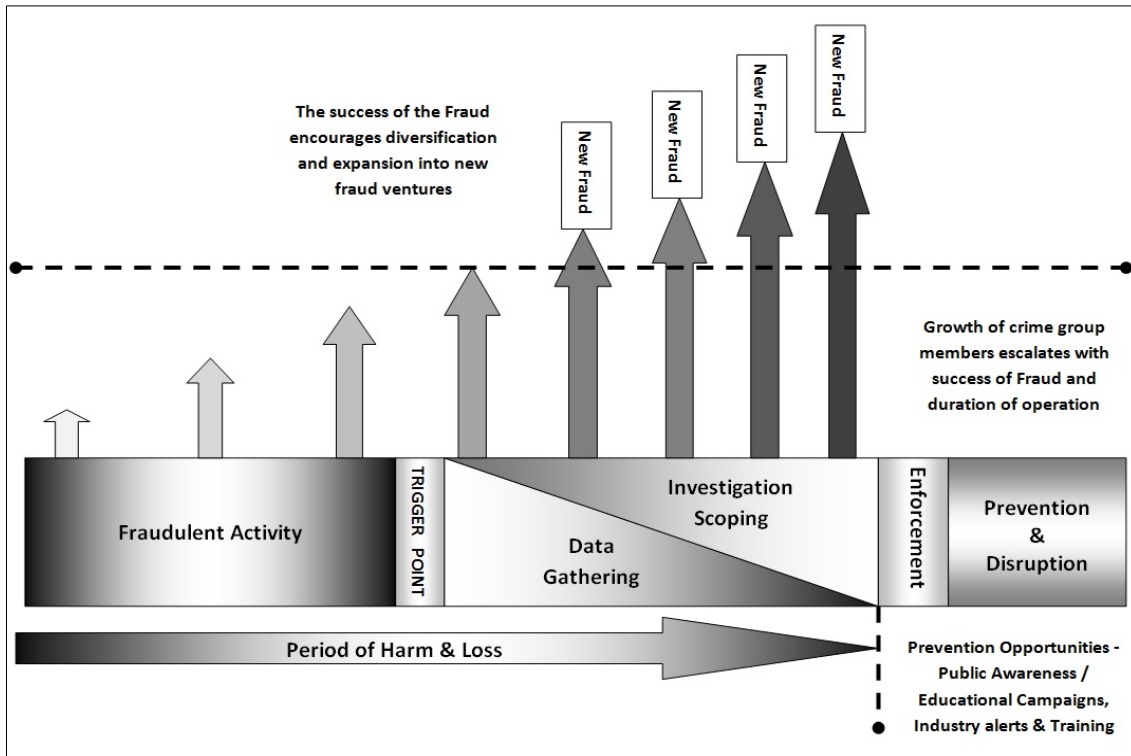
**Table 6: Summary of Operational Benefits**

<b>Efficiency</b>	The average efficiency gain for identification and action was 48.4 times quicker than traditional intelligence methods.
<b>Disruption</b>	Real time opportunities for the identification and deployment of disruption interventions.
<b>Prevention</b>	Automated problem and subject profiling of fraud methodologies enable real time targeted awareness and educational campaigns.
<b>Enforcement</b>	Earlier and prioritised enforcement activities were possible on average 212 days earlier.
<b>Harm &amp; Loss</b>	There was a clear reduction in the duration of the harm and loss timeline through the identification and implementation of disruption, prevention and enforcement activities.

To support findings from the above case studies, I produced two models to demonstrate differences between the Traditional Fraud Landscape (prior to the NFIB with information held in silos and the negative impact that this had on law enforcement action) and the Data Sharing Fraud Landscape, and so illustrate benefits of the Know Fraud system.

The Traditional Fraud Landscape is illustrated on the next page.





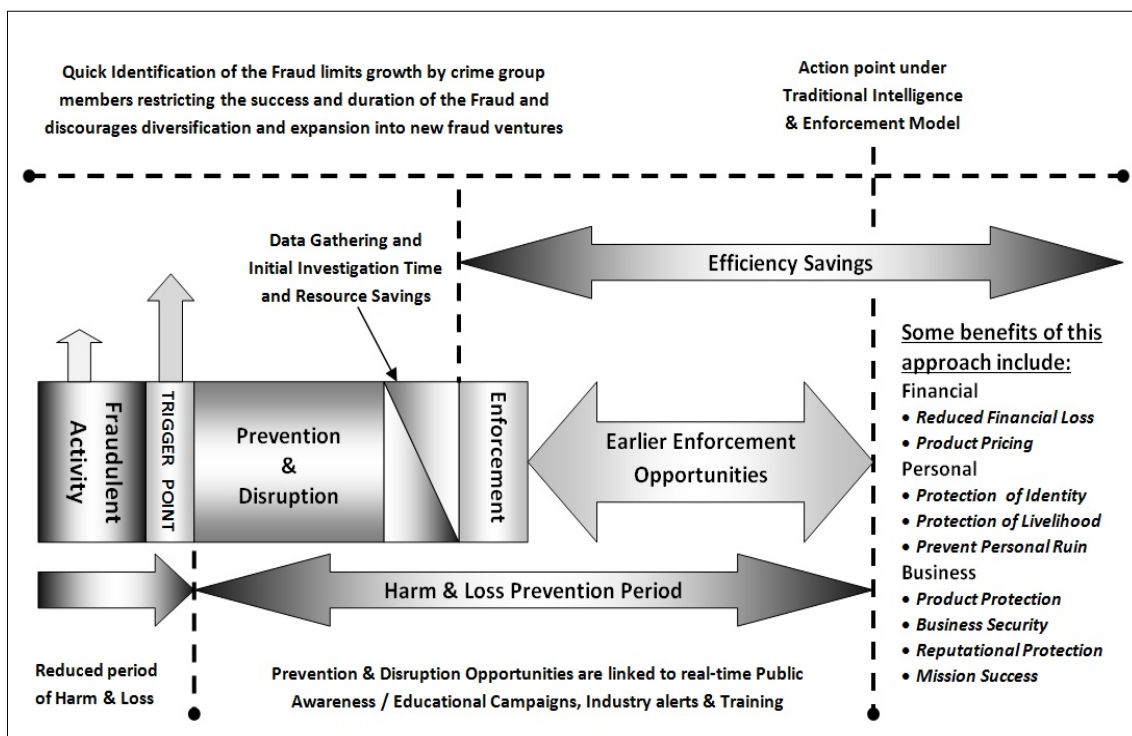
**Figure 5: NFIB Traditional Fraud landscape**

The Traditional Fraud Landscape illustrates that fraudsters are generally entrepreneurial and take every opportunity to maximise the profitability of a particular fraud, or diversify into further fraudulent enterprises before investigators fully understand the initial crime. Often, fraudsters’ business plans include the inevitable involvement of the fraud investigator and contingency plans for diversification to avoid identification and prosecution. For this reason, fraud is considered to be a ‘live’ crime – where the criminal is active and there is potential for further victims to be targeted before action is taken by an investigator.

The Traditional Fraud Landscape also demonstrates the effect of the investigator upon a fraud when a traditional investigative process is adopted. From the ‘Trigger Point’, investigative activity is focussed on identifying potential information sources (prior to the NFIB, there was no central hub of fraud data). While data gathering and investigative scoping is being conducted, there is potential that the fraud is still operational. Those involved are becoming more proficient and, potentially diversifying into new activities, either connected to the original crime, or as a new, standalone, criminal enterprise.

The risk with this approach is that investigators become so focused on building their case that they lose sight of the fact that harm is still ongoing and the growth of the criminal activity could quickly outpace that of the investigation. This situation conflicts with the Peelian Principles, ACPO (2012), by allowing criminals to operate and target further victims while a criminal case is built.

Having mapped the Traditional Fraud Landscape, I then set about mapping how this would look after go-live of the NFIB and Know Fraud and whether a model of policing fraud could be introduced that would be more compliant with the Peelian Principles, ACPO (ibid). The following model is my interpretation of what the Landscape looks like now:



**Figure 6: NFIB Data Sharing Fraud Landscape**

The new, Data Sharing Fraud Landscape is based around a central fraud data hub, the NFIB's Know Fraud. This provides automation of 'Trigger Points', enabling law enforcement to prioritise prevention and disruption activities. Ultimately, these reduce the period of harm and

loss, returning to a model of policing more compatible with the Peelian Principles, ACPO (2012); and as demonstrated by my case studies.

With the central repository of fraud data, the potential for enforcement activity occurs much earlier because the search for data (material/evidence) is greatly reduced. With the trigger point automation and early identification of potential criminal enterprises, law enforcement can disrupt and restrict fraudulent activities, thereby limiting the success and duration of a fraud and discouraging diversification and expansion into new fraud ventures.

By this stage of the project, I confirmed to senior management that we were going to meet the deadline. We knew that we had developed something really special, something unique, which would make a difference to UK policing but, more importantly, something that would proactively help protect victims from harm and financial loss from fraud.

Communicating the role of the NFIB and the Know Fraud system was going to be one of the toughest challenges. This was not just another intelligence system, this is the future. This is what is possible if one dared to think differently.

Once again, I worked with the team's Technical Documentation Specialist and together we produced a guide to the NFIB, *Appendix 15*. This guide was distributed to all our force contacts, uploaded to our website and that of the National Fraud Authority. This guide demystified the function of the NFIB and the role it would play through the use of Know Fraud, supporting forces with fraud intelligence and investigative packages.

In the days approaching go-live, senior management engaged with the project more actively, now reassured that we were going to deliver on time, under budget and with functionality exceeding what had originally been envisaged.

- What had once been high-risk was now certain of success and would reflect well upon those involved, potentially assisting careers and advancement through the ranks – especially if linked to individual performance objectives.

As we prepared for go-live, I trained the new NFIB team on the system and various platforms so that, from day one, they would be ready to capitalise fully on all benefits it could deliver.

Not everything was plain sailing though. There were a number of technical issues, not with the system, but with our internal infrastructure, including problems with firewalls and bandwidth limitations over the secure police network. However, all of these were resolved swiftly and the system quickly became the heart of NFIB operations.

The success of the Know Fraud system was well publicised and, over the coming months, I hosted visits and demonstrations to senior representatives from the Federal Bureau of Investigation (FBI), Australian Crime Commission (ACC), Royal Canadian Mounted Police (RCMP), Interpol and many others from UK and international governments and law enforcement agencies.

For me, the highlight came in August 2010, when I was invited, with my Directorate Head, to give a live demonstration at the House of Commons to an Inter-Ministerial Group, chaired by the Attorney General at the time, Baroness Scotland. The demonstration and talk was a great success and the Attorney General concluded that if this was possible for fraud, why could the same not be achieved for other crime types? For me, this was all the recognition that was needed – I had delivered what was asked of me, and the project was successful on every level.

Detica, the solution provider, was also proud of the success of the system, which was a first for them on many levels. To celebrate success of the system, they produced an NFIB Case Study, *Appendix 16*, outlining some of the system's key features. More importantly:

- Detica concluded their case study with a short outline of a real-life case, where the solution had been used to process intelligence which led directly to the prosecution and conviction of a prolific fraudster – in less than 37 days – a significant first within the world of fraud investigations.

What had initially been envisaged as a traditional police intelligence system quickly became the centre of a multitude of counter-fraud initiatives. Information now available from real-time fraud reporting enabled the NFIB to implement one of the most effective fraud disruption initiatives in the world:

- By autumn 2011, disruption interventions were preventing an estimated £1 million of fraud crime per month, *Appendix 17*.
- By the first quarter of 2013/14 this had increased to nearly £10 million per month, *Appendix 18*.

The table below demonstrates how the scale and effectiveness of disruption interventions increased exponentially, with the value of disruption increasing to an average of £37 million per month for the first quarter of 2014/15:

**Table 7: Summary of NFIB Disruption Interventions**

	Q1 2013/14	Q2 2013/14	Q3 2013/14	Q4 2013/14	YTD 2013/14	Q1 2014/15
<b>Bank A/C (Volume)</b>	2,844	8,397	8,514	8,522	<b>28,277</b>	9,624
<b>Bank A/C (£m)</b>	25.0	73.9	74.9	75.0	<b>248.9</b>	84.7
<b>Website (Volume)</b>	311	321	253	255	<b>1,140</b>	235
<b>Website (£m)</b>	3.1	3.2	2.5	2.6	<b>11.4</b>	2.4
<b>Telephone (Volume)</b>	72	188	25,276	27,199	<b>52,375</b>	28,545
<b>Telephone (£m)</b>	0.1	0.2	21.5	23.1	<b>44.8</b>	24.3
<b>Total (Volume)</b>	<b>3,227</b>	<b>8,906</b>	<b>34,043</b>	<b>35,976</b>	<b>82,152</b>	<b>38,404</b>
<b>Total (£m)</b>	<b>28.2</b>	<b>77.3</b>	<b>99.0</b>	<b>100.7</b>	<b>305.1</b>	<b>111.3</b>

For the remainder of 2010, I continued to manage the ongoing development of the Know Fraud system, evaluating new data sources, ingesting a wide range of operational data from police forces and partner agencies, keeping Know Fraud and the work of the NFIB at the cutting edge of counter fraud operations. Once again, this project had been one of trust-based management and leadership, where I had been empowered and given autonomy to deliver what was probably one of the most significant projects that CoLP have ever been entrusted with. Although I had for a time lost my focus, the trust placed in me ensured that I would not give up. I succeeded, not for me, but for those who placed their trust in and believed in me.

## Learning and Reflection

As I reflect upon this period of my career and upon delivery of the Know Fraud system, this was possibly the most significant stage of my career, not for what I had contributed to the Police Service, but for my perception of fraud, what intelligence was capable of and how it could be used to protect the public and prevent crime.

To help convey how the Know Fraud system changed me and how it empowers the Police Service to take a more positive stance to reduce the harm and loss committed against victims of fraud, I have drawn parallels with the London Riots of August 2011, or more importantly, with the failure to prevent those riots occurring.

The Riots (Damages) Act 1886, specifies that, where damage is caused by people "riotously and tumultuously assembled", local police authorities are required to compensate victims. The Act rests upon the principle that the police are responsible for maintaining law and order and should be held to account if law and order breaks down and a resulting riot causes damage to property. In essence, failing to maintain the Peelian Principles. Police authorities (now the Police and Crime Commissioners) are then liable to pay compensation to owners of properties that have been damaged. The Act provides for claims against the police to be on a strict liability basis:

- If a claim meets criteria specified in the Act, compensation must be paid and the claimant is not required to prove that the police were at fault.

The law of England and Wales relating to police-negligent liability is highly restrictive and does not appear to be cognisant of the Peelian Principles. As Jamil (2013) explains, following the House of Lords decision in *Hill v Chief Constable of West Yorkshire*<sup>24</sup>, 'de-facto' immunity from prosecution continues to be the norm in actions against the police for negligence in the

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<sup>24</sup> *Hill v Chief Constable of West Yorkshire* [1989] AC 53.

investigation or prevention of crime. Sir Robert Peel, through the concept of policing by consent, established the fundamental role of the police to protect the public and their property from harm. However, this does not translate into a tort of negligence. For a tort of negligence to be successful, it must be established that there is a duty of care, or rather, a failure in relation to that duty of care. I would argue that as the modern Police Service was established to uphold the Peelian Principles, this duty of care not only exists but is at the very heart of every policing function.

*Caparo v Dickman*<sup>25</sup> is the test case for a duty of care and the House of Lords established a 'three-fold-test' to determine whether a duty of care arose in negligence:

1. Harm must be reasonably foreseeable as a result of the defendant's conduct.
2. The parties must be in a relationship of proximity.
3. It must be fair, just and reasonable to impose liability.

There is no common law duty to rescue another or to protect another from harm inflicted by a third party, Jamil (2013). Unlike the Riots (Damages) Act 1886, which focuses on the failure of the police to maintain civil order resulting in damage to property, the majority of case law and research into police negligence focuses on the protection of life, not the prevention of crime per se. I argue that the police have not only a legal but a moral and ethical obligation to society to prevent crime, thereby:

- Allowing crime to occur, to secure better evidence to support a criminal justice outcome, is unethical and in conflict with the Peelian Principles.

Examining the principles of criminal liability and the social and ethical responsibilities of the police to prevent crime has never been more timely. The College of Policing (2014), in the new Code of Ethics for the policing profession reiterate the role of the Peelian Principles and the

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<sup>25</sup> *Caparo Industries plc v Dickman* [1990] 2 AC 605.



duty to protect the public and to prevent to crime. Unfortunately, the Code focuses on the minutia, the ethical conduct of the individuals, not the organisation which, in my view, fails to recognise the importance of the role of the organisation as a whole.

I believe that:

- For the Police Service to be viewed as a profession, the service in its entirety must act ethically, not just those individuals within it. In doing so, it must act in the best interests of society and the public it serves, not as a conduit feeding the criminal justice system.

Within the context of the NFIB, an example of the conflict between serving the public and the criminal justice system can be shown by examining a City of London Police investigation into a 'Boiler Room' (fraudulent shares sales). When the investigation, Operation Sound-wave, commenced, it was estimated that total losses to victims exceeded £20 million over the two year period that the Boiler Room had been operating. The Boiler Room continued to operate for a further 3 months and 13 days while the police case was built to support the arrest and prosecution of suspects.

- If the £20 million estimate was correct, then it could be argued that a further £3.5 million would have been lost by those new victims who were targeted while the case was being built by the police.

Although this was heralded as successful investigation, with all arrested suspects receiving custodial sentences, it does raise the questions:

- Who was the operation a success for – the police, the judicial system or victims?
- If police could have intervened and shut down the Boiler Room within hours of identification and so prevented £3.5 million in losses, would those individuals who were targeted and suffered losses after the police investigation

commenced consider that justice was served, and that the police fulfilled their professional responsibilities to protect the public and prevent crime?

Relating this back to my observations from delivering the NFRC and the comparison between fraud and paedophilia, I would argue that it would be wholly unacceptable, to both the police and the public, to not act to prevent an identified paedophile from targeting and abusing any further victims in order to secure best evidence.

- If this is so, then, why would it be deemed acceptable to not intervene to prevent any further victims from being defrauded out of their life savings (for example) in order to secure evidence in pursuance of criminal investigation and prosecution?

Many would argue that the harm from paedophilia is far greater than that of fraud but, according to research by Ganzini et al (1990), who compared victims of fraud with those of violent crime, many were afflicted with depression as a consequence. Deem (2000) found that, to some, the effects of fraud can be comparable to that of having been raped. In a study into the impact of Robert Maxwell's pension fraud, Spalek (1999) identified anxiety, stress, fear and depression as being common emotional reactions. The study also found that a number of deaths were considered premature as a result of the fraud.

To support this position:

- Operation Archway<sup>26</sup>, a CoLP initiative, received a call from a distressed member of the public whose husband had taken his own life because he could not face the consequences of being a victim of a fraud; in this case, a Boiler Room.

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<sup>26</sup> Operation Archway preceded the NFIB, NFRC and the Know Fraud project.

In my view, it is therefore wrong to classify harm from fraud as being any less severe than that caused by any other type of crime. Treating fraud crime or its victims as being less important would be an injustice and in conflict with the Code of Ethics for the Policing Profession, College of Policing (2014) and the Peelian Principles.

Looking back on what I learnt from both the NFRC and NFIB projects, it is clear to me now that not only had my knowledge and understanding of fraud increased, but I had also changed as a person. I had started to focus less on the police and the criminal justice system and more on the needs of victims and the need for social justice.

I had developed a depth of knowledge into fraud that needed to be shared with others. Although I didn't know it at the time, I would be able to use the combined knowledge from these projects to help shape the future of the police response to fraud, minimising harm and loss and bringing the response to fraud back into line with the Peelian Principles.

### **3.c Establishing a Centre of Excellence for fraud training and dissemination of best practice**

In January of 2011, I took over CoLP's fraud training capability, by then named the Centre of Excellence. The development of the Centre of Excellence came from the same recommendations within the Fraud Review as the NFRC and the NFIB. When I took over management of the Centre I inherited three staff. None were trainers, their role was to support administrative functions. When I reviewed the structure of the Centre, I discovered that there was no library or lesson bank, no lesson plans or curriculum documents, only a collection of PowerPoint presentations. I had to question what it was I was really taking on – was it a Centre of Excellence or a poisoned chalice?

I attended the National Fraud Investigators' Course run by the Centre while I was on the project team back in 2009. Unfortunately, my assessment of the course was not complimentary. The course was completely unstructured from a pedagogical perspective. There were no learning objectives or outcomes and the entire course was made up of a carousel of external speakers, lacking structured content and professionalism, most speakers were promoting and trying to sell the services of their own organisations.

The previous incumbent had tried to establish the Centre with no experience of learning and development. Everything was outsourced and, in most cases, the external providers owned the intellectual property rights but delivered the courses under the banner of the Centre of Excellence. For me this did not sit right. If CoLP was promoting itself as a centre of excellence for best practice and training in fraud, I would have expected there to be at least a prerequisite level of expertise within the Centre and any courses offered to follow a structured format with clear, objective-led, learning outcomes.

This was going to be an uphill battle with many challenges. Management perceived the Centre as one of CoLP's success stories but, unfortunately, it was a story without substance.

Before I could do anything with the Centre, I would need to dismantle what had been created and rebuild it from new foundations.

My first challenge was to redress the staffing balance and replace some of the administrative staff with experienced trainers and learning developers. As I was working to get the Centre into some sort of shape and capable of delivering its own training, worthy of being considered a Centre of Excellence, I was called to a meeting with the new Commissioner of the City of Police. The Commissioner was not taken in by the hype of the Centre of Excellence, but he did believe that there was the potential to create something real, provided the demand was there and we had the correct people engaged to deliver what was needed.

I commenced research into all options for the Centre, with the aim of producing a business case for its development, to deliver what the Fraud Review had originally envisaged. First, I needed to understand what people expected from such a centre of excellence. Researching the subject, I found an appropriate definition by George (2010), who defined a centre of excellence as being an entity that provides leadership, best practices, research, support and training for a particular area.

Around the country there was resistance to what was happening within CoLP, its lead force status and the extra money it was drawing down from the Government for these functions. With this in mind, and understanding what the expectation of a Centre of Excellence was, I felt uncomfortable with the name and believed that by calling ourselves a Centre of Excellence we were setting ourselves up for a fall. It was a real case of 'Smoke and Mirrors'. I would have to live with the name while I developed the business case, but I had made the decision that the name would go, along with the old ways of working.

In parallel to the business case and building on what I had learnt from delivering the NFRC and the NFIB Know Fraud system, I decided that I wanted to increase my understanding

of how fraud investigation differed from regular investigation. Was the current model of investigation effective and was the police response appropriate? I needed to understand what caused various issues and problems within fraud investigations and why they were so protracted. Fraud was a difficult area of policing to recruit into because of the lack of subject matter knowledge and the perception that investigations take not months but years to get before a court. Investigators struggled with such lengthy investigations and, harking back to the psychology of the ingrained 'objectives/performance culture', described earlier, naturally preferred performance-enhancing, career-advancing, swifter deliverables.

Although a historical view of fraud investigations would help me understand what the issues were, I doubted that there many who understood how the NFIB and Know Fraud were changing the fraud landscape and how this could reshape the approach to fraud and investigation. Therefore, my research focussed on the following objectives:

- Review a range of cases for factors contributing to either success or failure at court and identify barriers against effective investigation of fraud.
- Map organisational learning against the traditional model of investigation and the new fraud landscape, to create a new model for investigation that would support NFIB operations and underpin the Centre's products and training delivery.

While developing the concept for the new model of investigation, I also created the first draft of the business case for the Centre. Having researched national and international offerings around fraud training and having spoken to a great deal of contacts within local businesses and financial institutions, I was amazed at the level of support for both what I was doing and looking to offer going forward.

The business case had to be more than simply an estimate of the market and what we might be able to take of that business. We were in the middle of the global economic crisis (GEC) and the Government was in full swing with the Comprehensive Spending Review (CSR). For CoLP and most forces in the country, this would mean a reduction in central funding by around 20 %, with some forces implementing compulsory retirement for officers at 30 years' service and redundancies for support staff.

In CoLP, every part of the force was under scrutiny. Recruitment had been cancelled for the foreseeable future, resources were being scrutinised for whether individuals and roles were necessary to achieve delivery of an effective policing service. This was done under the banner of City First, which was intended to deliver the efficiency savings required by CSR cuts and prepare the force for a leaner and more efficient future. Going against the grain of City First, I developed a business case, looking for upfront investment and recruitment of additional personnel, some of which would come from outside the force and so adding to our headcount and operating costs rather than reducing them.

I needed to present a case where any upfront investment would be repaid through revenue generated from the sale of training. Ongoing delivery of the Centre's functions would, at worst, need to be cost neutral, with the ultimate aim being to generate income that would go into the central pot to help offset the reduction in government funding. This was a unique proposition within the police, capitalising on a policing function as a commercial profit making enterprise. I knew there would be resistance and those that would predict its failure from the outset – I could deal with them. The biggest risk to the concept would be if management tried to manage it as they did policing operations, the bureaucracy and internal politics would kill it before it got off the ground.

In addition to internal politics and communications that would be required to broker support for the project, consideration had to be given to the public's perception. They might question the use of police officers for generating a profit from a commercial enterprise. If this was to succeed and have the public support, it was essential to deliver a benefit cognisant of our policing priorities.

The approach was structured around the following principles:

- Services provided to public sector organisations would be delivered at-cost.
- A profit margin would be added only to services provided to private sector organisations.
- Any profit generated would be reinvested into core policing functions for CoLP.
- All services provided must be focussed on counter-fraud capability being built-up within both public and private sectors.
- Ultimately, the work of the Centre should help protect the public and promote confidence in the City and the UK being a safe place to invest and conduct business.

Considering how to sell this internally and externally, I started by pitching the concept as an ethical business model. Many studies have been done on the subject of business ethics, however, most studies tend to focus on the concept of Corporate Social Responsibility (CSR); Leonard and McAdam (2003: 27) believe that CSR is generally understood as being *'a balanced approach for organisations to address economic, social and environmental issues in a way that aims to benefit people, communities and society.'* Although there are elements of this which resonated with the business case and principles for the Centre, it did not reflect the unique position of a police force seeking to deliver one of its functions as a commercial enterprise. I therefore coined the term 'Ethical Entrepreneurial Enterprise', which is defined as follows:



- **Ethical** – No profiteering off the public sector purse, profit being generated from private sector clients only. No shareholders or individuals in the Centre benefiting from revenues. All monies reinvested into core policing functions.
- **Entrepreneurial** – Identified gap in the market, presenting the opportunity to start a new, police-owned and managed business, bringing in required resources, while accepting both the risks and rewards associated with the venture.
- **Enterprise** – To be a bold and unique undertaking. The first of its kind within policing, capitalising on the brand and access to expertise, operational learning and real-time fraud diagnosis from Action Fraud, NLF, NFIB and Know Fraud, providing a unique business advantage to the centre.

Understanding what was required for an effective operating model and an achievable share of the market, I delivered my business case to the Commissioner on 4 April 2012. Although the business case was well received, the Commissioner was under the impression that it was too conservative. If this was going to work, it had to be a lot more ambitious. I was given until May to refine the business case and present it back to him, ready for review by key members of the Police Committee. As requested, the business case was refined; projections were made more ambitious, as where the levels of staff and resources required. It was resubmitted on 23 May 2011, *Appendix 19*.

The business case was written using a public sector template, which the Commissioner had requested, to present the case to the Police Committee. Following an initial consultation with select members of the Police Committee, feedback was that the business case was compelling, except that, prior to formal submission to the Committee, consultants should be brought in to test the case and produce a more commercially recognised business case. Over the next 3 months, independent consultants pulled the initial business case apart, scrutinising

the estimates, financials and market projections. At the conclusion, they delivered a commercial case which backed up the original business case but with far more robust financial projections and alternative business models.

While the case for the Academy was progressing, Neyroud (2013) was undertaking research into police leadership and training, believing that the Police Service needed to make the transition from a service that simply acts professionally, to one that is recognised as a professional service in its own right. This, he believes, is achieved through the setting up of a police professional body, eventually being supported by Royal Charter. This, it is envisaged, will replace the antiquated, militaristic structure that exists for overseeing police leadership and training. The aim is for ACPO to merge with functions of the professional body, providing executive direction and leadership. The success of this initiative, in my view, is heavily dependent upon ACPO having the necessary skills and expertise to deliver the vision of a professional body. As students, or rather, alumni of the current system, the suitability and capability of ACPO to undertake this role is questionable.

There were many parallels between the Academy and what is being proposed. Neyroud (ibid) argues that, in the future, the majority of police training will be externally delivered, commissioned from external/commercial providers. The Academy, as a public sector commercial enterprise, was seeking to do just that, to sell police training to forces across the country. Unlike Neyroud, who believes that this would provide significant opportunities to reduce the substantial training estate and overheads for the Police Service, for CoLP, this was an opportunity to generate income and offset the effects of the CSR and cuts to the police budget. Based upon my experience with the IPLDP, I would argue that, if decentralisation of training is not done correctly, it will almost certainly place an additional financial and resource burden on local forces, with the potential for inconsistent approaches to training and ultimately policing

standards. This would result in the opposite to what is proposed through the creation of a professional body for policing.

Capitalising on potential opportunities arising from decentralisation of police training and the new Professional Body for Policing, the Academy entered into a relationship with the NPIA to undertake joint research into volume low level fraud. Findings would be embedded into core learning programmes for call handlers, first responders and those investigating volume crime. By embedding fraud into these foundation programmes it was envisaged that the overarching police response to fraud would be improved and CoLP and the Academy would benefit from:

1. Increased demand for training, with core learning programmes providing a feeder route into the Academy's more specialist offerings.
2. Improved understanding, helping to dispel myths about fraud investigation and overcoming some barriers to the recruitment of specialist investigators.

With the support and backing of the NPIA, I continued with rebranding and delivery of the new Centre. Unfortunately, data within the commercial case was still thought to be questionable and, after several months of inactivity, the Commissioner decided that another group of independent consultants should be brought in, this time to review both the original business case and the new commercial case. On conclusion of this, the second round of independent consultancy and the submission of a further commercial case, CoLP employed a project manager to review all three cases and develop a definitive business case and operating model. After 18 months' work and various iterations, the project manager delivered a business case and operating model but, once again, this was found to be lacking and so, towards the end of 2013, a new commercial director was employed to deliver another business case and operating model and to lead the team going forward. All my fears were being realised. The

Centre was suffering from paralysis by procrastination. A risk-averse senior management team was inhibiting progression, while bureaucracy was preventing the Centre from operating efficiently and competing with our more agile competitors.

Most of this I had predicted back in 2011. Fortunately, this impacted upfront investment only. While the consultants were busy researching and writing their commercial cases, I was busy understanding the business, mapping course requirements from enquiries and previous offerings. In December 2011, I renamed the Centre the 'Economic Crime and Fraud Training Academy' and launched our first official prospectus, *Appendix 20*.

The fraud training curriculum was designed adopting modular, blended learning techniques. Based upon latest operational analysis, including case studies from the NLF and NFIB, delegates progressed through their learning as members of simulated investigation teams. Toohey (2002) discusses some of the advantages and disadvantages of a curriculum structured to support the role of the learner. By immersing learners as active participants in the learning process, they are able to focus on the experience in its entirety, encouraging a culture of critical reflection. However, an obvious disadvantage is that it can be costly by being resource-intensive and time-consuming, to design, create and deliver.

In January 2012, I prepared an 'options and progress' paper for the Commissioner, because I needed to know in which direction I was expected to take the Academy's development. Interest from the private sector had spiked and bookings for courses from police forces had increased three-fold, so my projections were proving accurate. The Police Committee required further development of the commercial case. However, the Commissioner was still supportive and wanted me to continue, but this time, growth and investment would be linked directly to income generation. There would be no upfront investment at this stage; this was to

come in April 2013, provided that the commercial case was developed and the business operating efficiently.

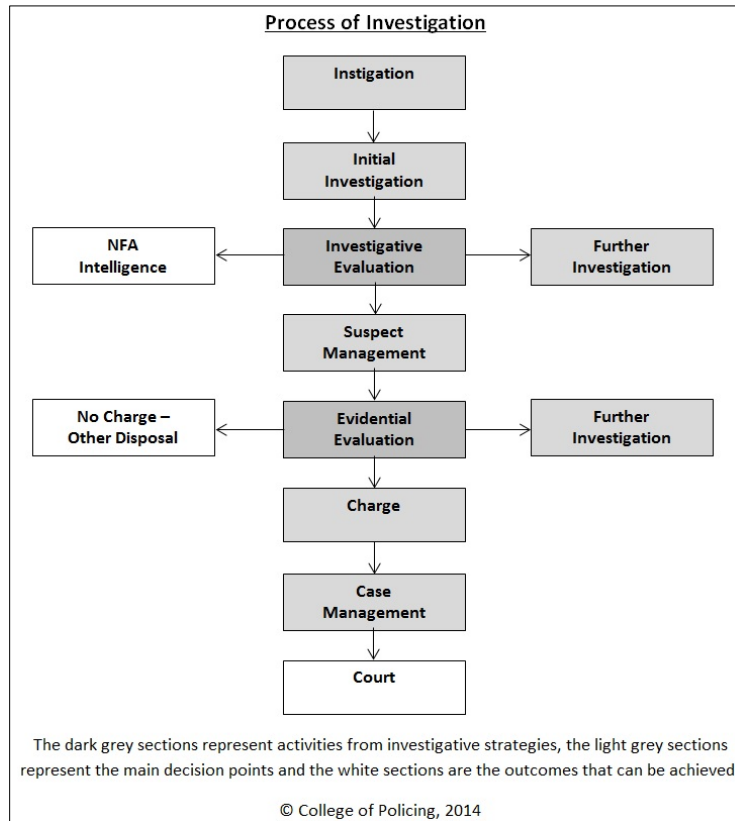
On April 15 2012, before the business case and operating model had been finalised, the Commissioner gave an interview to the Financial Times, discussing the vision and potential for the Academy. The Commissioner was quoted as saying that CoLP was establishing a multi-million pound Academy to teach investigators from around the world. Income generated, which he stated would be £2 million, within 2 years of start-up, would fund 40 additional frontline officers.<sup>27</sup> If nothing more, this reconfirmed the Commissioner's support for the project and his belief in its potential to deliver real value back to CoLP as a new entrepreneurial enterprise.

My research into the process of fraud investigation was to be central to the Academy's course offerings. I learnt that the traditional model of investigation was contributing significantly to the excessive time consumption of investigations. This encouraged investigators to create unnecessarily large and complex cases, conditioned by an approach focussed on criminal prosecutions. This is not always necessary if appropriate investigative methodology is applied and consideration given to alternative sanctions and outcomes. The model used to investigate most crime has the ultimate goal of getting a defendant to court or, in certain cases, an alternative criminal disposal. The traditional model of investigation is effective when applied to the correct type of investigation, applicable to more than 99 % of all crime. Unfortunately, this model of investigation is not complimentary to that of a fraud investigation.

The traditional model of investigation, known as the Process of Investigation is illustrated below:

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<sup>27</sup> <http://www.ft.com/cms/s/0/be2c3690-870c-11e1-ad68-00144feab49a.html#axzz36kiEYedM>



**Figure 7: Process of Investigation<sup>28</sup>**

Interviews with investigators and prosecutors identified a commonly held belief that the problem with this method, when applied to the investigation of fraud, was that it could add unnecessarily to the intricacy of the investigation and so result in an overly complex case to manage and present to court. The traditional model of investigation also does not consider the entrepreneurial ingenuity nature of fraudsters, who seize every opportunity to either maximise the profitability of a particular fraud, or diversify into further fraudulent enterprises, before investigators have full grasp of the original crime; as detailed in Figure 5: NFIB Traditional Fraud landscape, on page 72.

For this reason, I classified fraud as a 'live' crime. As with the comparison to paedophilia, where the criminal is active and there is ongoing threat of further harm to the original, or new victims, before action is taken by the investigator.

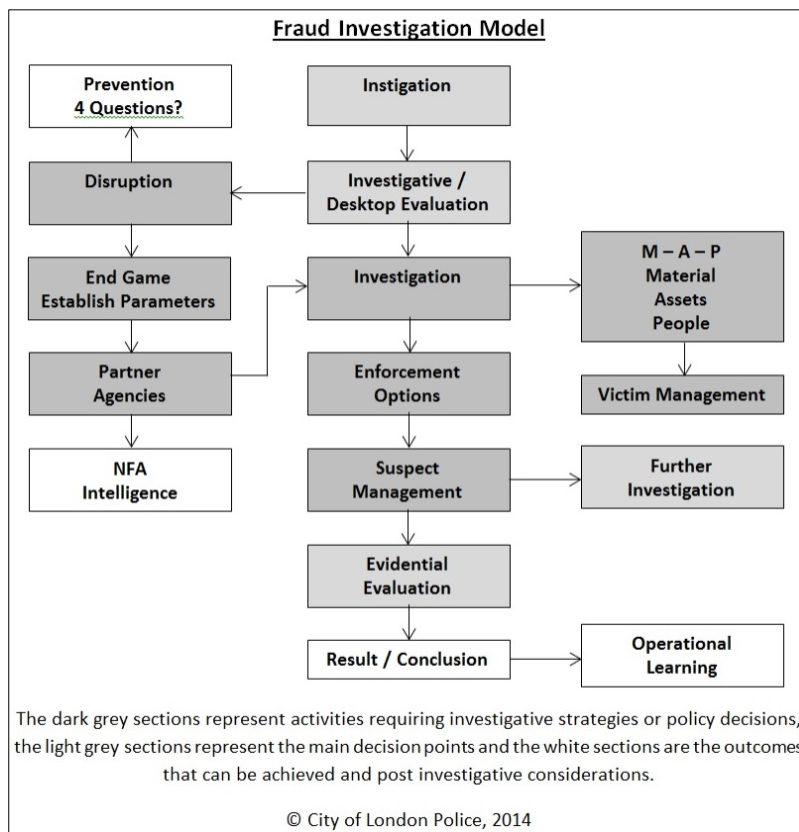
<sup>28</sup> <http://www.app.college.police.uk/app-content/investigations/investigation-process/>

An effective model of investigation needed to be aligned to the NFIB Data Sharing Fraud Landscape, Figure 4, otherwise, benefits of the Know Fraud system would not materialise. At the time of inception, the model was intended as a concept to underpin the need for specialist fraud investigation training, thereby supporting the business case for the new Academy and ultimately providing the basis for the new portfolio of courses.

This raised the question:

- If investigations for fraud crime and 'regular crime' are no different, then why would an Academy dedicated to such training even be needed?

As the Fraud Investigation Model took shape, I realised that its use might increase the efficiency of investigators and their ability to bring cases to successful conclusion. The Fraud Investigation Model is illustrated below:



**Figure 8: Fraud Investigation Model**

The Fraud Investigation Model was not a radical new approach to investigation, it resulted from identification and collation of best practice and from innovative strategies and tactics that fraud investigators and intelligence operatives were already employing on an informal and unstructured basis. The model formalised these techniques into a more structured and consistent approach that could be applied by all.

Most importantly:

- The model placed prevention or reduction of harm at the very heart of policing operations.

When I compare Academy training to the training of regular detectives, historically, a detective's primary training would have focused on the ultimate aim of securing a criminal prosecution – learning their way around the criminal justice system, cutting their teeth on volume and priority crime. Having been taught to think and act as criminal investigators with a tight focus on arrest, charge and conviction, their mindset was acclimatised to adhere to a traditional investigative process. The key point here is that investigators, before undertaking Academy training, could be pre-conditioned by their role as a detective or police investigator. As they progress through the learning process, the aim being that, according to Knowles et al (2005), their point of reference and perspective changes as they are introduced to new methods of working, with alternative methodologies, that may be alien to police investigator mentality.

Having introduced the Fraud Investigation Model into the Academy's core curriculum, on conclusion of a National Fraud Course, a Detective Sergeant, in his reflective assignment, explained how he *thought* he had provided effective supervision and management to one of his team involved in a large mortgage fraud. But that, in fact, having been introduced to the Fraud Investigation Model, he now recognised how he had actually failed as a supervisor, in this instance, by allowing the investigation to grow unnecessarily large and complex when it could it



have been kept much simpler and completed much earlier – if the model had been utilised and more appropriate investigative parameters had been established.

The following case study demonstrates the impact on efficiency savings and operational effectiveness of the Fraud Investigation Model when compared to traditional investigative practices.

**Table 8: Operational Benefits, Case Study – Extract from a post-course reflective assignment**

<p><b>Case Study – Extract from a post course reflective assignment:</b> ‘Using the models, theories and practice that have been covered in the National Fraud Course, identify a case and discuss how your approach would now change in light of this’</p>
<p><b>Situation</b> - The subject of the investigation was an East European OCG, who had committed a wide range of frauds and related offences. The OCG was involved in Gangmaster Offences and had links to Human Trafficking.</p> <p>The investigative approach used was a traditional one adopting a standard methodology. The enquiry expanded exponentially as the scale of the OCG and their offending behaviour came to light.</p> <p>The arrest phase required approximately 183 officers to trace and arrest 22 suspects at 15 locations. The subsequent enquiries took 18 months and resulted in a number of re-bails and further interviews. Eventually a substantial evidence file was submitted and 12 suspects were charged for a range of offences.</p>

**Table 8: Operational Benefits, Case Study – Extract from a post-course reflective assignment**

**Contribution** – An area which has challenged the standard policing mind-set has been that the police are only a small part of the national investigative response to fraud, and the need to demonstrate a true multi-agency approach. By changing the mind-set to consider disruption as a positive result, will in turn open a substantial range of tactics to tackle fraud.

This model moves away from the standard linear approach to fraud investigation. One of the earliest considerations is what the final aim is and what success looks like. By adopting this approach the investigation can be tailor made to achieve this outcome and speed up the time taken to get a positive result. It will also ensure that policing resources are used more efficiently and that will ensure a greater number of offences per year are investigated.

The enquiry team initially had five suspects with strong evidence against them. If they had dealt with those and ring fenced the enquiry then they would still have been able to disrupt the OCG. Once the OCG was mapped it was established that the leader of the OCG was amongst the original five suspects arrested. The eventual outcome has been only 12 suspects charged although the evidence against some is stronger than others. Therefore, there is a firm case to show that the additional investment in time and resources is not proportionate to develop seven further suspects to the evidential threshold for charge.

**Findings** - A more efficient method would have been to prosecute the original five suspects and then collapse the OCG by disrupting the criminal activities:

- Just dealing with the original 5 suspects would have saved approximately £22,930.16 on the search and arrest day alone.
- Although the police stand to obtain some remuneration through the incentivisation scheme, the value of this is unlikely to match the cost of the additional investigative work required to increase the prosecution of five suspects to twelve.
- The standard investigation model was inefficient and failed to maximise the use of partner agencies, as such the Fraud Investigation Model is a far more efficient methodology to investigate fraud and would have greatly benefited this case had it been used.

The Fraud Investigation Model was adopted widely and, in 2014, provided the foundation for the development of the new Authorised Professional Practice (APP) for Fraud. Development of the majority of the APP was achieved through the collation of existing doctrine, standard operating procedures (SOPs), manuals of guidance, codes of practice, policies and professional manuals, each relevant to the area of policing concerned. The aim of APP is to deliver a consolidated product which links to core, specific and other reference knowledge materials, which collectively, would be required to maintain a professionalised operational delivery for policing.

- Fraud was one of the few areas of policing where there was no existing knowledge base, no doctrine, nor guidance.

I received a commission to develop the new APP for Fraud. By incorporating my knowledge of the NFRC, the NFIB and the Fraud Investigation Model, this consolidated knowledge provided the foundation for the development of a single national framework for combatting fraud. The effectiveness of this new investigation model, together with the combined functions of the NLF, is demonstrated by a multitude of case studies. An extract of the APP relating to use of the model is attached, as *Appendix 21*. The APP for Fraud was approved by ACPO Crime Business Area on 2 December 2014.

Throughout 2012, I focussed on growth of the business through creation of a foundation client base. Following a targeted marketing campaign and distribution of the new prospectus, bookings were up 60 %. In February 2012, following a successful bid through the public procurement process, the Academy won the contract for delivering investigation training for the OFT. Although relatively small in commercial terms, the contract created a stir within policing, as no one knew whether, legally, the police could enter into a tender process to bid for work. Fortunately, the City Solicitors and Comptrollers Officer confirmed there was nothing within

legislation or regulations to prevent the police from entering into a competitive tendering process with the aim of winning work – it had just never been done before.

Although great progress was being made, CoLP was unknowingly undermining the effective operation of the Academy. By the middle of 2012 I was on my fourth line manager<sup>29</sup>, most taking responsibility reluctantly with limited understanding of learning and development functions, but each one wanting to make their stamp on the Academy. This was, after all, a headline project for the Commissioner and no one wanted to be at the helm and responsible for it failing. With constant changes in management came changes in direction, focus and strategy, life in the Academy had become two steps forward and one step backwards. The Police Service is a rigid hierarchical organisation requiring recognisable reporting lines. Unfortunately, there was little understanding of the importance of the role and the need for leadership, which is not constrained by public sector or policing mentality. From a personal perspective, I was constantly being undermined by ineffective and intrusive senior management and feeling disempowered and untrusted. By trying to shoehorn a commercial enterprise into a model of police management and leadership, the organisation was putting the whole concept of the Academy in jeopardy.

Despite distractions caused by continual changes in senior management, I was making great progress with the Academy and the client base. Courses for the OFT were progressing well and I had won new contracts with NHS Protect and the Foreign and Commonwealth Office (FCO). As the Academy expanded its operations, other police providers gradually disbanded their fraud investigations training services, leaving CoLP and the Academy as the sole provider of specialist fraud training to the Police Services of England, Wales and Northern Ireland. Although some would consider this a commercial monopoly, as an Ethical Entrepreneurial Enterprise, there was

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<sup>29</sup> By September 2014 the Academy was on its 8<sup>th</sup> Director

no profit to be made from the Police Service but, as the single national provider, there was a real opportunity for the Academy to influence and standardise operational and investigative practices for the better throughout the country.

The reputation of the Academy was spreading and towards the end of 2012 I received a request from the Department for International Development (DfID) to deliver a 5-day international, anti-corruption course for North African countries, as part of an EU-funded project, Euromed Police III. The event, delivered in December 2012, to high-ranking officers from Algeria, Egypt, Israel, Jordan, Lebanon, Morocco and Palestinian Authority, was a huge success and signified the start of the development of the international arm of the Academy.

From the humble beginnings in 2011 with no training staff, by 2013 the Academy team had grown to a respectable size, employing 10 specialist fraud trainers and 2 training administrators. Business was increasing on the commercial front with the development of new industry-focussed programmes for the insurance, financial and aviation industries. Interest was also growing in our provision of Anti-Bribery training and, in the summer of 2013, the Academy entered into partnership with the British Standards Institute (BSI) to design and develop training that would underpin the BSI 10500 Anti-Bribery Management Systems<sup>30</sup> standard. This was another first within policing, entering into a commercial partnership to develop training for commercial organisations seeking to achieve a standard, which would be a legally-recognised defence against criminal proceedings for failing to prevent bribery.

This initiative started to reshape the Academy's thinking. If the Academy was to protect potential victims, a more holistic view was required. The BSI 10500 training would help

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<sup>30</sup> <http://www.bsigroup.com/en-GB/BS-10500-Anti-Bribery/Training-Courses-BS-10500/Requirements-of-BS-10500/>

businesses prevent themselves from falling foul of acts of bribery, making it safer for them to conduct business both at home and overseas.

Applying this thinking to how we protect the City and UK businesses from fraud, I realised that to be effective, resources would need to be focussed on those areas of greatest weakness. Looking at data coming out of the NFIB, a substantial amount of reported fraud was now cyber-enabled, with a large proportion of it being committed from overseas locations. If our partners in international law enforcement did not have the knowledge or skills to tackle the threat of fraud and corruption within their own countries, how could we expect them to tackle offences directed towards the UK or against UK businesses operating within their countries? By up-skilling our international partners, increasing their capability to tackle economic crime, it would, by design, not only protect the UK, but reduce the threat of what has become a global pandemic.

Analysing data within Action Fraud, it was clear that a large proportion of fraud was still being committed by individuals from West Africa, in particular Nigeria. So it was, in July 2013, that a small delegation from the Academy training team delivered a 5-day commercial fraud programme to specialist investigators from the Nigerian Special Fraud Unit, *Appendix 22*. Following the success of this programme, there has been regular demand for international programmes tailored for local agencies and commercial organisations from across Africa, Asia Pacific, Middle East and now Latin America, establishing the Academy as truly international provider, *Appendix 23*.

## Learning and reflection

As I reflect upon this period of my career, it could be argued that the Academy causes a conflict for those leaders responsible for the 'identity' of the City of London Police. Its position as a 'public' (not-for-profit) sector organisation is no longer clear, operating part of its business as a 'private' (for-profit) sector function. This adds to the complexity and turmoil of what the role of the 'Public Police' stands for and how it balances needs of public interest and economic growth through increased profitability. As complexity theorist Stacey (1996) has shown, we can only hope that within this unstable period of change, a new paradigm for private-public sector organisations that generate profit for the public interest will emerge.

Despite the turbulence this has created, in the four years since I took over fraud training, I have created something which is deserving of the title, Centre of Excellence, and a first for a commercial and truly entrepreneurial enterprise within the police. Although the concept for the Academy was originally focussed on income generation, for me, it provided the opportunity to refocus policing response to fraud, as I have reflected upon in previous chapters, balancing the needs of the victim with those of the criminal justice system.

Relating this back to the Code of Ethics for Policing, College of Policing (2014), this confirms for me that the Code has missed the point, by focusing only upon the conduct of individuals, not organisations themselves. This is reinforced by Gordon, et al (2009), who found that the effectiveness of ethical responsibility, when limited to individuals within organisations, was limited.

As I consider the challenges I have faced, it is hard to comprehend how much was achieved in a relatively short period of time. In comparison to previous projects, where senior managers inspired, motivated and empowered, the management imposed on the Academy had the opposite effect.

In the beginning I was trusted, my managers empowered and supported me, giving me a voice and a place at the senior management table, recognising the importance of the skills and expertise I brought to the project. As the Academy took shape and my managers changed, a sense of managerial paranoia set in. Pacifying the Chief Officer Group became the primary objective, again, encouraging the short-term, risk-averse culture.

As management decisions became more at odds with the vision for the Academy, my voice was no longer welcome and my seat at the senior management table was withdrawn. I was not saying what management wanted to hear, I could not 'tow the party line'. I could only be honest, something that managers did not always welcome. This is contrary to what Hackman et al (2007) suggest, in that, contrary viewpoints contribute to greater creativity. Unfortunately for the Academy, the management ethos became one of conformity, stifling creativity. Like Kahane (2007), I also believe that in complex and hierarchical organisations, such as the police, change occurs in unfamiliar and unpredictable ways. Managers and leaders see things from different perspectives, so problems become polarised and stuck, often leading to conflict and isolation.

With the constant changes to senior management and their need to reinvent the business and its direction, progress was made despite their influence, not because of it. Surprisingly, it has been easier to reshape national thinking and practice in relation to the investigation of fraud than it has been to get management to think in new and creative ways.

Leadership within such a turbulent organisation, one where, at times, I was disempowered and lacking a voice at the senior management table, was a challenge. To deliver the Academy I could not rely upon 'rational decision making', Stacey (1996), but instead had to maximise the use of 'political decision making', using negotiation and diplomacy to achieve results. An approach at odds with the organisational culture of control and dominance.



Thinking on my experiences with the Academy and the shortcomings of police leadership, I revisited the concept of short-termism once again. Examining the system of talent management, which, until 2014, for the police, was the High Potential Development Scheme (HPDS), I believe that the organisation may have inadvertently reinforced a culture of appraisal driven short term risk aversion.

Officers on the HPDS are those destined for the most senior ranks in the organisation. Their careers are mapped-out from a very early stage, to ensure they are exposed to key areas of policing within the shortest period of time.

Within policing, this is known as the 'Butterfly Effect'. Those on the HPDS bypass normal promotion procedures and are fast tracked through to the rank of Chief Inspector on the back of an evidential portfolio of their performance and achievements in each role.

Although talent management is an essential tool within most modern and progressive organisations, reflecting upon the time spent tutoring and mentoring those on HPDS, I now believe that its use has been, and continues to be, mismanaged by those who neither understand nor comprehend the limitations of short-term performance focus.

I believe mismanaged talent management and a poor appraisal processes have compounded problems of police leadership, because many of those in the most senior positions are often those who have been conditioned similarly, from the beginning of their careers, to focus on low risk, short-term, achievable objectives.

Most research into short-termism focuses on capitalism and the financial markets. However, Mullins (1991), defined short-termism as the actions of an individual, or an organisation, to secure short-term results to the detriment of long-term achievement. This definition is confirmed by Laverty (1996).

For me, evaluating the impact of the Academy, together with the development of the Fraud Investigation Model and APP for Fraud, reinforced the importance of looking at the complete lifecycle of information management.

All three of these public works constitute a continuous cycle of learning, where fraud reporting informs the intelligence function. Intelligence informs prevention, disruption and investigative interventions. Ultimately, these functions, in turn, inform development of Academy products and shape the future of police response. Break the cycle at any point and the national response to fraud is weakened drastically.

### **3.d Conclusion**

In this Chapter I have presented my Public Works and my contributions through three individual, but intrinsically linked projects, demonstrating their significance and their impact, both nationally and internationally. Collectively, these Public Works have probably been responsible for making the single most significant contribution to the fight against economic crime this century. Through the story of my career, I have detailed and examined the original, ground-breaking work I contributed towards the professionalisation of the Police Service, through modernisation and education. From initial police training to national fraud reporting, intelligence and training of specialist fraud investigators – changing how fraud is viewed as a crime and the service provided to victims.

Although I didn't consider it at the time, these public works were the culmination of the knowledge and learning acquired from my time developing innovative educational programmes at City University, together with delivery of the NFRC and the NFIB intelligence system, Know Fraud. This, together with the creation of the Academy, has constituted a learning curve lasting nearly 8 years.

City University provided me with the skills necessary to undertake international research projects, identifying best practice, leading to the design of new educational programmes that break with the norm – programmes both academic and vocational. International research into fraud and fraud reporting helped me develop an understanding of fraud extending beyond that normally associated with policing and questioning how fraud is classified and whether the police response is appropriate and compatible with the Peelian Principles. Developing the NFIB system, Know Fraud, enabled me to make optimal use of intelligence, providing the police with a unique opportunity to target fraudsters, with alternative interventions to minimise the harm and loss. With this combined knowledge, following research into the investigation of fraud, I designed a new model of investigation which, together with the APP, is delivering efficiencies and

operational improvements to investigations, aligned to both criminal and social justice. The success of each project can be linked directly to the previous. Any deviation from this journey of learning may very well have led to these NLF functions looking very different than they do today, some of which, including the model of investigation and the APP, may not even exist.

Although I have not included my work at City University as part of these Public Works, my work there was critical to my personal and professional development, contributing significantly to my success in delivering the NFRC and the NFIB's Know Fraud system and in establishing the Economic Crime & Fraud Training Academy. The business case I produced for Pre-Employment Police Education (PEPE), which estimated a potential national saving from probationer training of between £148,818,194 and £230,427,424, was considered to be 'ahead of its time', but is now an accepted model and been implemented by nearly all police forces in England and Wales.

The projects I delivered at City University provided a great foundation for the research into the scope and impact of Fraud in the UK and around the world, enabling me to produce the first taxonomy of fraud this century. The taxonomy, which was subsequently used as the basis for the new Home Office Counting Rules for fraud, almost overnight changing what we understood about fraud, its impact and the scale of harm it causes.

Through the study of online crime reporting systems in the UK, US, Canada and Australia, I identified examples of best practice and produced the blueprint for the National Fraud Reporting Centre. Working with the National Fraud Authority and using the blueprint, I informed and directed the construction of what is now Action Fraud, which is currently the only national crime recording system in operation in the UK.

Heading up a Fraud Engagement Team, I provided advice, guidance and consultancy to UK police forces preparing for the roll-out of Action Fraud. As a result of this work, a number of

forces reversed the downsizing of their fraud teams by recruiting new staff. I supported one force (which had previously disbanded its fraud squad) in securing funding and support from its police authority to re-establish a fraud squad and, in doing so, created what is now one of the best staffed units in the region.

As lead for the Technical Application Development (TAD) and operational implementation of the NFIB's technical solution, Know Fraud, I delivered a system which was instantly recognised as being the most powerful fraud intelligence system in the world. This system revolutionised how fraud intelligence was gathered, analysed and investigated.

My evaluations<sup>31</sup> of the system, using case studies from across the public and private sectors:

- Established operational and organisational benefits from intelligence products actionable 48.4 times quicker than traditional systems.
- Enabled possible enforcement action 212 days earlier, on average.

The Economic Crime & Fraud Training Academy, which utilises the operational learning from the National Lead Force, together with the power of NFIB and the Know Fraud system, enabled me to create a dedicated counter fraud training enterprise that is unique and unrivalled.

Drawing upon learning and experience acquired from delivering these work streams, I analysed existing investigative practices and developed the new 'Fraud Investigation Model' which, although not presented as a Public Work in its own right, represents the single most significant contribution to the community of practice and body of knowledge underpinning the combined response to fraud.

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<sup>31</sup> These evaluations are conservative and based upon use of minimal resources.

- Use of the Fraud Investigation Model had such a positive impact that the College of Policing now prescribe this as 'core' learning and incorporate it into their mainstream uniform and detective development programmes.

The Model is also central to the new Authorised Professional Practice for Fraud, the first authoritative guide on fraud investigation within UK policing, bringing consistency to investigative practice and, more importantly, improving the service provided to victims of fraud.

Like the fraudster, who continually adapts to avoid detection and prosecution, so too has the Public Works adapted. Being dynamic, they have continued to evolve to meet the changing needs of the fight against fraud. Personally, there is no single contribution I can point to as being the most important for the creation of these Public Works. My contribution has been one of a leader, visionary and engineer. I have created foundations upon which today's national counter fraud capability has been built.

In the concluding chapter, following next, I intended to reflect upon personal and professional contributions, those of my colleagues, together with my experiences of police management and leadership. However, the process of completing this context statement caused me to reconsider and question the health of the Police Service and the effectiveness of its leaders. Looking back on my journey of discovery and learning and the current culture of police leadership, I have come to question what, if any, part I will play in its future.

## Chapter 4 – Concluding reflection on Public Works

As detailed in the preceding chapters, all of the objective challenges presented by the Fraud Review 2006 were delivered, despite the culture, and the paradox of police leadership.

Key learning points are summarised as:

- The police assessment and review culture created an appraisal system that requires individuals to focus on short-term deliverables;
- A flawed appraisal process of policing, combined with poor talent management, resulted in senior policing decision makers focussing on low-risk, short-term, achievable objectives;
- The simplistic policing assumption that fraud is theft committed through trickery or deceit is erroneous. Recording and combating fraud must involve scrutiny of the complete lifecycle of communication between perpetrator(s) and the victim to understand fully the modus operandi of each case of fraud.

All three are at variance with the requirements of a long-term, intelligence-led and proactive response to combating fraud. So, in this, the final chapter, I decided to focus my reflections on factors contributing towards the paradox of police leadership and what that meant for me and my colleagues.

Similar to as for many other organisations, the paradox of leadership within the Police Service is that the culture experienced is not one of a forward-thinking agent of change working to improve service and effectiveness, but rather a collective of individuals obsessed by personal advancement. The result is an institutionalising and ossified leadership and command structure which hinders both creative thinking and the effectiveness of the combative response to fraud.

Understanding this paradox, together with the process of completing this context statement and reflecting upon my personal and professional life and my contributions to the

world of policing, has been a life-changing experience. As a learning and development professional, I am no stranger to reflective practice, Rolfe, et al (2001), and an advocate of experiential and, more importantly, life-long learning. Like Kolb (1984), I define the process of experiential and reflective learning as a process whereby knowledge is created by doing.

However, analysing parts of my life that I had long since forgotten caused me to question my motives and drive to succeed. I trawled through materials, papers and products, which have contributed to make me the person I am. When I consider the process of reflection and the creation of this context statement, like Hooker (2010), I believe that reflection has, for me, been an integral element of the story-telling process – looking back at achievements while providing a vehicle to analyse experiences. This enabled me to understand, not only what happened in the past, but what is happening now and what the future may hold.

Through these collective Public Works, I have demonstrated how my vision to deliver real change and innovation has inspired others. The works have been transformational in how the police record, analyse and process fraud-related criminality, creating an international model of excellence. By focussing on the need for a sustainable future, I capitalised upon the benefits of the NLF and NFIB and created an Ethical Entrepreneurial Enterprise that is unique within policing, generating revenue for CoLP but, more importantly, educating and changing the way fraud is investigated, both in the UK and overseas.

A key area of learning for me has been the recognition that technology alone is not the solution to our policing problems.

- Any investment into technology must be matched by an equal investment in and by the people that will use or benefit from the technology.



Although delivery of Know Fraud had been a great success, organisationally, no one had considered the impact of the system once it was delivered and how it would be managed and used. The system delivered everything, and more, of what had been asked of it. The City of London Police and the National Fraud Intelligence Bureau were then faced with the challenge of how to resource and maximise the potential of what this technology offered.

In many ways they had become a victim of their own success, this was another example of negative impact of a culture of short-termism and focus on short-term deliverables. This was evidenced when, instead of embracing the new technology, those analysts and researchers who were expected to use the Know Fraud system were reluctant to change and adapt to new methods of working.

System users expected and attempted to make the system work to match how they had always worked. They were unable to appreciate the advanced analytics that the intelligent technology offered. This was not a user problem, but one of re-education and training. System training was not delivered until after go-live and focused only upon technical processes, not on the conceptual changes users needed to understand to be able to embrace the system.

Training was also delivered too late in the change process and failed to address the shift in mind-set and organisational culture necessary to facilitate change. Users felt as though a solution had been imposed upon them and so found it difficult to comprehend how the new technology could be used to enhance their role and productivity.

Like the staff using the Know Fraud system, those responsible for the investigation of fraud failed, historically, to keep pace with changes in fraud Modus Operandi. To counter this, I provided investigators with access to information, intelligence and know-how, to be empowered to either prevent fraud from taking place, or to solve it after the event. Training is focussed on

development of an investigative mind-set, finely-tuned into the complexities of fraud, rather than purely on the process of investigation.

Although great advances have been made through the application of the Fraud Investigation Model, concerns and pressures placed upon investigators has increased. In part, this is because public expectations of the police have grown substantially in recent times. With fraud, this can be attributed to increased awareness of the threat, through public campaigns such as those conducted by NFIB and the NFA. Therefore, it was essential that such concerns were, and continue to be, tackled as quickly and effectively as possible, to maintain effectiveness as a crime fighting body, whilst still maintaining the trust of the public that it serves. Goleman (2002), proposes the concept that successful leadership is not dependent upon the what but the how.

Taking this concept in to account, it could be argued that, through creation of the Academy, I have provided a unique opportunity to not only produce excellent investigators, able to tackle complex and ever-changing frauds, but also provide organisations with future leaders, educated to the highest standards and being more adaptable, creative and open to new methods of working. In this respect, training of specialist fraud investigators becomes a vital aspect for the future of the policing response to fraud.

Looking back at these Public Works and the interdependencies that were essential for their success, although there was great vision and direction within the Fraud Review Implementation Team, this has not always been the case within my career. There are many good, even exceptional managers and leaders within the Police Service. However, my experiences have not always been of motivational and inspirational leaders. At times I have worked with the risk-averse, those lacking in vision and those who focussed on only short-term deliverables.

When considering this very point, I think of individuals within the police who possess a real passion for their work. Those who inspire others and motivate us all, to follow and contribute towards their vision. Often they are not senior officers, they are the rank and file, the front line. Unfortunately, even their passion and motivation appears to wither the more senior they become within the service. Do they simply tire of their work, or is it 'managed out of them' by the organisation?

In a recent study, Police (2014) confirmed the low morale of the Police Service, with nine out of ten police officers believing that criminals are being given the upper hand as a result of Government cutbacks. From my perspective, if the police response to fraud was lacking previously, this can only make it worse. On joining the service, I believed it was a job for life. Unfortunately, morale is so low that over 60 % of officers would consider leaving to seek alternative employment (ibid).

Looking at what motivates individuals to join the police, there are few within the service who join because of the money. The majority join because they believe in what the Police Service stands for. They want to contribute, to make a difference. While managing the Student Officer Programme, it never ceased to amaze me what people had given up to join the Police Service and their unwavering commitment to protecting and serving the public. So, why is it that as the years pass, these same individuals seem to be counting-down the years of police service they have remaining? Perhaps tied in by a pension, no longer driven by passion or belief?

I believe that this is due to the combined effect of the Governments Police Reform and the Comprehensive Spending Review – the impact upon officers' terms and conditions of service, the pay freeze and changes to the police pension. However, this conflicts with my experience, as stated above, where I found that officers were rarely motivated by money, but a

desire to do good and to make a difference. If this is case, then why is it that the service in such unhealthy state of mind?

When speaking to officers, a common gripe is the perceived lack of leadership from senior officers who focus more on performance measurement than team moral. Those on the front line feel that their voices are unheard and the future direction and shape of the Police Service is being dictated to them, engendering a feeling of being a dispensable asset, not integral or essential to its effective delivery. I cannot explain why senior police leadership has developed in this way and where things may have started to go wrong. However, what is important is to understand how officers feel, as these are the people who will become managers and leaders of the future.

Looking back on the time that I spent training and mentoring officers preparing for promotion, there were few officers that were inspired and motivated to seek promotion because of great leadership, someone who was a role model, someone to look up to. Unfortunately, I often found that my colleagues were disillusioned and disappointed by the abilities of their managers and leaders, believing it was better to manage than be managed and, for many, the firm belief that they could do better.

Regarding the health of the Police Service, its leadership and the positioning of the Police Service as a professional body, backed by charter, I have to question whether the Police Service, in its current structure, has not outlived its usefulness or, at very least, whether it has lost its way.

- Are senior leaders, those responsible for the service we have today, the ones we want to shape the Police Service of tomorrow?

This question is compounded when the concept of a professional service is considered. Freidson (2001) states that there are two general concepts underpinning professionalism, which are:

1. The belief that work is so specialised that it is out of reach for those lacking the required training and experience, and;
2. The belief that it cannot be standardised.

Few would argue that the training for the Police Service is intensive, blending academic and vocational learning over many months, or even years, until the requisite skill level has been achieved to warrant the title of Police Constable. From this base position, officers can spend many years honing their knowledge and skills in relation to a particular specialism, such as fraud. When this is related back to the question of talent management, even Neyroud (2013) accepts that the system is not working, although he did conclude that the time was not right for direct entry for senior managers and leaders. This is in direct conflict with the findings of Windsor (2012) who proposed a system of multiple entry points into the service, to help address limitations of senior leaders.

The process of multiple entry points is now a reality. The first process for direct entry at Superintendent level was run in the Summer of 2014. However, for me, this raises the question of professionalism.

If we accept Freidson's (2001) principles of professionalism and that new, direct-entry superintendents are recruited for their leadership skills, not policing skills, it would be fair to argue that a large proportion of highly-specialised policing knowledge and expertise is then irrelevant to senior officers per se. I would then argue that only those ranks up to and including Chief Inspector can be considered policing professionals. At Superintendent rank or above, where knowledge and expertise of policing is secondary to managerial and leadership skills, this

does not negate their standing as management and leadership professionals – only their recognition as policing professionals.

Following this rationale to a logical conclusion, it could be argued that, if this is the case, then, when considering the future for the new Professional Policing Body, the entire police structure could be rationalised, with Chief Inspector being the most senior rank. The more senior managers and leaders being external or support functions, bringing proven skills and expertise in the required management and leadership disciplines.

I cannot say that these Public Works would not have been created without me and the leadership I provided but, I am certain that they would not look like they do today had it not been for my personal vision and inspiration. Like Dwivedi (2006), I believe visionary leadership, in particular for the police, is critical to its future. If the Police Service, as we recognise it, is to survive, it must harness those with the capacity to create vision and translate that vision into reality.

What is very clear to me is that, not one of these public works would have been possible without the support and dedication of those I worked with, the individuals who believed in my vision and were motivated to accompany me on the journey. My strengths as a manager and leader, according to Johnson and Geal (2010), are due to my ability to ‘walk the floor’, engaging with colleagues in an informal and personable manner. By walking the floor, I observe colleagues, provide support, advice and guidance, making them feel valued and providing them with the opportunity to speak as equals and leaders in their own right. However, this is a direct contradiction with what several of my peers viewed as a weakness within my leadership style and was perceived to be in conflict with the norm of senior police leadership.

Speaking with a Detective Chief Inspector (DCI) from a provincial police force about the current health of police leadership, he confirmed that he had been a better leader as a sergeant

and an inspector. But as a DCI, as with most senior management, he is now focussed on performance so much and the fear of failure that he is unable to lead. At best, all he can do is manage and try to prevent failure and a reduction in performance – a role of mitigation rather than true leadership. This confirms my assessment that the best leaders are those on the front line, the rank and file officers. Senior officers rarely lead, they manage and direct the leadership potential of those they are responsible for. Conversely, when senior managers get it wrong, they can, unfortunately, have the opposite effect, inhibiting and demotivating their leaders, as has been the case with the Academy.

These Public Works and my reflections about them described in this context statement provide evidence of contributions and changes that I have made to the Police Service, through my management and leadership as a professional practitioner. Although I am not considered senior management, currently holding the rank of Detective Inspector, I have not been hampered by the lack of rank. On the contrary, it has been empowering. By harnessing the freedom and opportunities available to my rank, it has enabled me to facilitate change at a local level within the City of London Police, at an organisational level for UK policing, at an individual level for victims of fraud across the world and, ultimately, contribute to the field of professional practice.

The process of reflection, examining these Public Works and the stories behind their creation has been a journey of learning. Learning about myself and the organisation I work for. Some of these Public Works have been challenging and firsts, not only for UK policing, but also for the world of policing. I have been pushed and stretched, or rather, pushed and stretched myself to the limits, working well outside of my comfort zone, But at every stage I have come back stronger, more knowledgeable and more capable.

I have learnt a lot from these Public Works, personally and professionally. Having developed as an individual I have chosen not to seek promotion, however, those around me could be said to have benefitted far more, with some advancing their careers considerably.

As Broughton (2009) states:

- The people that tend to rise to the top in organisations are the target-setters, not the implementers; setting goals and targets is easier than having to meet them.

Looking back on my career I now appreciate that I have been and continue to be, an implementer, not a target setter. However, I have come to realise that simply working hard and delivering is not enough to get recognised or rewarded. At this time, I have no aspirations to go beyond my current rank and position in the Police Service, but to do so, I would need to become more politically motivated. Nurse (2005) explains that organisational politics is of equal if not more importance than working hard. Dubrin (1990) also argues that we have been misled into thinking that hard work is its own reward, believing that this will get us noticed is a fallacy. Again, for me, this brings into question the whole concept of performance appraisals. Nurse (ibid) also believes that hard work is situational. However, according to Kennedy (1980), what matters is not how well you perform but, who you know, so, ultimately, hard work will not lead to success.

As an individual, I have learnt the importance of how the political game is used to progress ones career. However, more importantly for me, as a practitioner, I have changed, I have matured. I agree with Armitage et al (2003) and the proposition that we are part of the learning age and lifelong learning is our challenge. I am no longer the person I was when I joined the Fraud Review Implementation Team.



My reflections, and the journey as an adult learner, confirmed to me that as a police officer, a project manager and a learning and development professional, I like structure to my personal and professional life. Without structure, there is a risk that I can become disorientated and lose focus. In creating Know Fraud I had to learn, when there was no one to learn from, learn when what I had to do hadn't been done before and, I had to do it in a way that guaranteed success.

These Public Works represent significant contributions to the field of policing. In particular: crime reporting, intelligence, investigative practice and entrepreneurial enterprise. These works have been recognised internationally as models of excellence and, collectively, have not been equalled in relation to their contribution and resulting changes to professional practice. As I have stated previously, these works are not mine alone, they are the result of team work. Some teams I inherited, others I built, bringing together the very best, the most capable, the most knowledgeable and the most skilful. As Bradford and Cohen (1998) put it, I don't have all the answers, I am dependent on the knowledge and skills of those around me.

Over the years that these public works have spanned, I demonstrated how a relaxed but inspirational style of floor-walking management and leadership has delivered good results consistently, often in the face of resistance. As with the study by De Reyck and Degraeve (2010), I have shown that, as a good manager, I have delivered good results consistently by adhering to good business processes. While some lesser managers may have enjoyed positive results during the same period, their success was not sustainable.

- Instead of assessing performance through purely short-term deliverables and annual performance appraisals, organisations should consider staff performance and potential over the span of their employment, recognising and rewarding long-term achievements as well.

Unfortunately, as discussed previously, annual appraisals or performance reviews have engendered a culture of short-termism, with staff and management focussed on low-risk deliverables limited to the term of the appraisal. In the police, as I am sure is the same in many organisations, there is limited use of the appraisal process to gauge long-term or career-average performance. This is further compounded with the process of staff rotation. Over the three and half years I spent with the Academy I worked under a total of 8 different line managers.

- Not a single manager showed an interest in my previous performance, their focus being completely limited to how I would support them in achieving their own current objectives.

During a meeting with the Commissioner, about the future direction of the Academy, in conversation, he commented how senior officers may find my knowledge and skill set intimidating and my capabilities alien to the organisation, potentially resulting in officers seeing me as threat and so distancing themselves from me; this alienation impacting upon my acceptance, limiting my progression and opportunities with the organisation.

Analysing the Commissioner's comments, together with the support and dedication I received from the many talented individuals I have worked with over the years, it is clear that these Public Works would not have been possible without them and the broad range of knowledge and skills they brought to each project – often knowledge and the skills that I lacked. So:

- Why is it that I can embrace such individuals when others appear to fear them for having more knowledge or expertise than themselves?

The research of Levitt (2003) into theories of discrimination based upon the television show, the Weakest Link, indicated that, in early rounds, incentives encourage the voting-off of

weakest competitors. Whereas, in later rounds, as incentives reverse, the strongest competitors become logical targets for voting-off because they pose the greater competition or threat to one's authority. Referring to Levitt and my experiences of police leadership, I must consider whether this is a failing with the Police Service, a case of human nature, or the result of modern management and leadership training and the unrealistic expectations often placed on today's leaders.

While thinking about the culture of police leadership, I am reminded of the destructive potential of overachieving managers and leaders. Spreier et al (2006) identified that, instead of coaching and collaborating, overachievers have a tendency to command and coerce staff, with extreme focus on achievement which ultimately undermines morale, reduces workplace productivity and erodes confidence in management. This I argue, will eventually erode public confidence in the police as an institution.

As this context statement concludes, I look back on how I viewed myself at the beginning of the process, a visionary leader, an agent of change and innovation. However, I am the one that has changed, I have grown and developed as an individual.

I am left with two questions to answer:

- Does the Police Service still have a role for me? And;
- Do I still see my future in such a role?

So it is that I now find myself at a crossroads. Each project has been delivered, so now, in some ways, I am redundant. Following the delivery of such significant public works, a further question arises:

- Where will I find another project of such a scale of those delivered, contributing towards the establishment of the National Lead Force for Fraud?

While the knowledge and skills I have acquired have served me well – travelling the world, speaking on the subject of fraud intelligence and investigation – it is difficult to comprehend how and where I will be able to use my skills to best effect going forward. The lessons I learnt from the challenges and impact of delivering each Public Work, as detailed within this context statement, include the following beliefs:

1. Success can take many different forms and what it looks like depends upon design, not outcome.
2. Project success is less dependent upon subject matter expertise, but more dependent upon the ability to visualise and believe in the solution.
3. No single person is more important than the team and, the stronger the team, the greater the opportunities are for success.
4. A team performs at its best when each and every member of that team owns the task and objective; a shared vision is a united team.
5. Just because it has never been done, doesn't mean it can't be done, but it does mean there is more free scope to define how it should and can be done.

I have done all I can to contribute towards modernisation and professionalisation of the Police Service. Opportunities presented by the Fraud Review were unique in relation to the scale and reach that I was able to achieve with my Public Works. The process of storytelling as a vehicle for reflective practice and learning has enabled me to understand the journey I have travelled and to contextualise the contributions I have made to the fields of fraud reporting, intelligence, investigation and opportunities for entrepreneurial enterprise within the Police Service. As a professional practitioner, I am proud of my contributions and that my career within the police has resulted in such change, both professionally and personally.

I cannot identify any single Public Work as my greatest personal achievement, they are all important and significant in their own right. Most important to me have been relationships, individuals and teams that I have had the pleasure to work with and who have travelled this long journey with me. That I delivered the impossible but, at the same time, never lost sight of what counts, the people, and without them, none of this would have been possible. Similar to Watkins (2008), I believe that those, like myself, who make the biggest impact upon team performance demonstrate visionary leadership. Seeing individuals who make up the team, embracing them as equals, recognising their knowledge, skills and contributions they can and do make.

At this point I consider my role within academia. I do not for one moment pretend to be an academic, I may deliver academic lectures and design academic programmes, but I do this as a professional, a creative thinker, visionary and a reflective practitioner. As Casey (2012) puts it, through the use of practitioner research, I have been able to comprehend and make sense of my daily contributions to professional practice, recognising opportunities for learning and lifelong development.

Public Works I created and my work as a police officer has not just been a job, it has been a calling, a part of my life I have been passionate about. But in the same way that I have changed and evolved as a person, so too has the Police Service. While travelling this journey of development, I wonder whether we have been going in different directions and how this bodes for my future and my career.

To conclude, I see many parallels between what I have created with the Academy and the process of completing this Context statement.

Similar to the principle defined by Tyler (1949):

- I have learnt by participating, it is what I have done that I have learnt, not what has been taught.

This point is of great importance to me as an individual, but has also been the bedrock upon which the Academy was built. As with Biggs (2002), the connection between the theory (academic) and practice (vocational) should ideally come to the realisation that one supports the other and both will enhance learning potential. The choice, therefore, is not which, but how, to utilise both for greatest effect.

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**Appendix One**

**Student Officer Programme Launch**



City University  
London



BRITISH  
TRANSPORT  
POLICE

# Student Officer Programme Official Launch





# Student Officer Programme

## Background

The development of the Student Officer Programme has been as a consequence of Home Office directives following the publication of Training Matters (HMIC 2002) and Building Communities, Beating Crime - a better police service (Home Office 2005). Its aim is to widen the experiences of new recruits to the police service by professionalising their learning and development which is locally designed, delivered and owned. To achieve this aim, an innovative approach has been adopted, whereby learning and development has the potential to be delivered, not only to Student Officers, but across the entire Justice Sector. The fundamental thrust of the Programme is the principle that all learning is not dealt with in isolation, but is 'grounded in practice'.

## The Partnership

The City of London Police and British Transport Police have formed a unique tripartite collaborative partnership with The City University to provide a learning and development Programme. This is both academically and vocationally accredited, and satisfies the requirements of the Central Authority. In terms of learning and development provision for the Justice Sector, this form of collaboration and associated accreditation, is a distinctive and pioneering approach. Within two years of study, participants within the Programme have the opportunity to attain a Foundation Degree in Policing Practice (or Justice Studies), in tandem with the award of a Level 4 National Vocational Qualification (NVQ).



## The Programme

In response to the APA document 'Involving Communities in Police Learning and Development', a guiding principle in the design of the Programme has been the integration of learning and development for the Justice Sector into the context of a wider society. This has been achieved by the move to academic collaboration, in conjunction with the involvement of the community in the design and delivery of the Student Officer and Justice Sector programmes. This approach was seen as crucial to enable learners to experience wider perspectives in respect of the society which they serve.

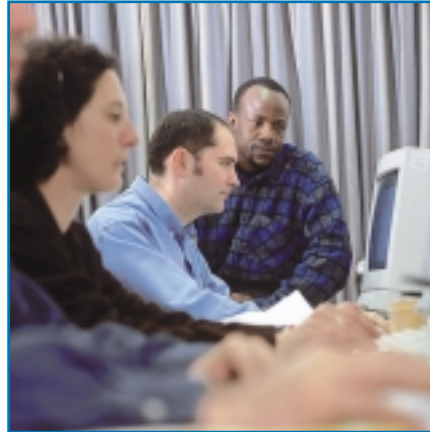
The original concept, which was more limited in its outlook, was for a programme to train Student Officers joining the Police Service. However, during the design phase, a vision emerged of producing a programme that would be more inclusive, flexible and accessible in addressing the learning and development needs of numerous bodies within the wider Justice Sector, both public and private. This philosophy spawned a modular structure, which permits participants to enter and exit the Programme, depending on their individual circumstances.



On the premise that 'one size does not fit all', the design team have built into the Programme even greater flexibility. As previously implied, partners from the Justice Sector have the potential to choose individual modules, or combinations of modules, to address their own individual needs. This principle has now been taken to its logical conclusion, whereby adaptation may be made to the Programme to produce a truly 'bespoke' option in relation to: module content, duration, accreditation, or delivery method. Furthermore, the modular structure facilitates the ability to accredit prior learning/experience/achievement in line with the City University policy for APL and APEL.



# Student Officer Programme



Following approval of the Programme at the University Stage II process, the design team is now commencing Phase II with the development of distance learning materials, further increasing the flexibility and accessibility of the Programme. Again, 'bespoke' distance learning modules can be tailored to meet the needs of any partners from the Justice Sector.

The Student Officer Programme at City University is a ground breaking venture for both the Higher Education and the Justice Sector, particularly in the recognition and accreditation of practice-based learning. After 23 weeks of University and work-based study and learning, full-time students complete all HE1 credit modules, moving straight on to the predominantly work-based HE2 credit modules, thus achieving the Foundation Degree after two years of study and professional practice.

In addition to the emphasis placed on practical based learning and assessment, the Programme has innovatively embraced 'Professionalising Investigative Process' (PIP) as a vehicle for learning and assessment. PIP has been threaded through each of the six University delivered modules, providing Student Officers with the opportunity to achieve PIP Tier 1 prior to independent status. Coming online later in 2006, will be a full PIP Programme tailored for the differing needs of both public and private investigative bodies, providing progression from Tier 1 through to Tier 3.

The Student Officer Programme has been designed to comprehensively prepare new recruits, serving officers and members of the wider policing family to undertake a role within the Justice Sector. The Programmes represent the first step on an academic pathway that leads to the award of a Foundation degree in Policing Practice or Justice Studies, and possibly, the first step on a pathway to life-long learning and academic achievement. There will be a choice of work streams providing learning and development opportunities in Patrol, Community, Investigation and Management & Leadership at Honours year, and thereafter at Master's Level. These, together with a proposed doctorate programme for senior managers and investigators, will likewise be grounded in practice, naturally building on the initial Student Officer Programme.



# Programme Partners



## The City University, London

The City University, London, plays a distinctive role at the heart of business and the professions and in our relationships with employers and government. Our courses for both undergraduates and postgraduates are designed to help students succeed in the workplace. Over the past one hundred years we have gained a worldwide reputation for teaching and research – and we are committed to continuous innovation and improvement of our activities.

Each year around 1,300 new undergraduate students join City. In total there are almost 13,000 students, which makes City a mid-sized university. City students come from diverse backgrounds: approximately one third are from elsewhere in Europe or further afield; and around 42 per cent are aged 21 or older when they start their programme.

## City Police

The City of London Police is responsible for the safety of everyone in London's 'Square Mile'. There are about 6,000 residents in the City of London although this number is swelled daily by an influx of some 350,000 commuters, as well as people travelling through and tourists.

The Force is organised into six command areas. The two territorial divisions, based at Snow Hill and Bishopsgate, are responsible for the day-to-day policing of the City. Fifty per cent of Force staff work from these police stations and their functions include giving crime prevention advice, investigating crime, patrolling, staffing the traffic and environmental zone, and dealing with public enquiries.

About 1,200 people work for the City of London Police. Around one third of these are civilian support staff performing a wide range of professional, administrative and some operational support roles.

## British Transport Police

British Transport Police (BTP) is the national police force for the railways providing a policing service throughout England, Wales and Scotland. BTP is also responsible for policing the London Underground system, the Docklands Light Railway, the Midland Metro Tram System and Croydon Tramlink. Between them, these rail businesses move more than six million people every day.

The railway environment presents its own particular policing needs and British Transport Police – which now numbers 2,600 police officers and 1,000 support staff – exists to provide a specialist policing service to meet those needs.

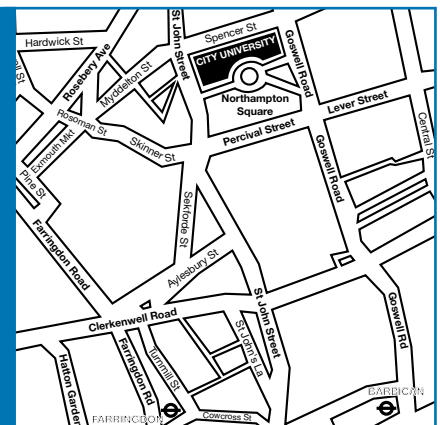
Policing the railways is an integral part of policing the community and BTP forms an important, specialist element in the national policing structure which safeguards the citizen.



## Travelling to The City University

The nearest Underground stations are Angel, Moorgate and Old Street on the Northern Line (City branch), Barbican, Farringdon and Moorgate on the Metropolitan and Circle lines, and Whitechapel on the District Line. All the University buildings are about 10 minutes' walk from the nearest Underground station.

**By bus:** 4, 19, 30, 38, 43, 55, 56, 63, 73, 153, 205, 214, 243, 274, 341.



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**Appendix Two**

**Module 12 Terrorism & Major Incidents Assessment**

ASSESSMENT GUIDELINES FOR STUDENTS AND TEACHERS  
PRE REGISTRATION THEORETICAL ASSESSMENTS

Programme	<b>Foundation Degree in Policing Practice</b> <b>Foundation Degree in Justice Studies</b>
Module 12	<b><i>Terrorism and Major Incidents</i></b>
Level	<b><i>2 (Diploma)</i></b>
Assessment	<b>Investigation of Crime Identified in one of two Prescribed Videos, Liaise with Witnesses, Plan and Prepare both a Suspect and a Witness Interview.</b>
Type	Summative

### **Introduction**

This assessment gives students the opportunity to demonstrate the application of their skills in investigating a crime liaising with witnesses, planning and preparing both a suspect and a witness interview, by relating their learning from issues and situations examined in the classroom and self directed learning to a prescribed scenario.

### **Format**

Students will be given one of two prescribed video scenarios about which they will plan the investigation of the crime, liaise with witnesses, plan and prepare both a suspect and a witness interview in line with the current ACPO Guidelines for Tier 1 *Investigative Interviewing*. They will be required to carry out and evaluate the interview and propose actions to take forward the investigation.

They will also be required to review a pre-formatted witness statement, analyse this statement against set criteria. They will also be required to observe and evaluate a video of the suspect interview against set criteria and propose actions to take forward the investigation.

**This process will include** the completion of the relevant documentation as prescribed by the current Manual of Guidance to meet the criteria set by Tier 2 Professionalizing Investigative Process (Centrex 2006) (Advanced Model).

The evaluation of the assignment and proposals for future action should be 1000 words.

Please use the marking criteria as a guide to the weighting of the discussion.

The assessment must be legible and is to be submitted with the attached marking record in an A4 plastic wallet or folder with a transparent front (**not a ring binder**), with the page headed *assignment submission* at the front. The student is advised not to use a slide binder as papers can easily become detached.

### **Submission**

The assessment should be handed in to the Nominated Officer at the respective Force Training Centre by the date specified by the Module/Programme Leader.

**The results will be published shortly after the Interim Assessment Board, but will be subject to ratification at the Assessment Board.**

### **Late submission**

Non-negotiated late submission will be treated as non-submission and will automatically be awarded a fail (see *extension* policy).

**Strategies to enable coursework development**

- Group tutorials
- Group discussions in class
- Workshops
- Lectures/Seminars related to education and any relevant skills
- Reflection

**Expectations and results of assessment**

The purpose of this summative assessment is to build on what the student has learned from classroom and self-directed study in relation to basic crime investigation. A mark of 40% is required for a pass.

**Failure to achieve a pass mark for this assessment**

The student will be offered a tutorial support programme to enable resubmission of the assessment on an agreed date.

Only two attempts are allowed. A pass at second attempt will be awarded only 40%. Failure to achieve a pass at second attempt will lead to failure of the module, unless there are extenuating circumstances.

When resubmitting this assessment please include at the back of the folder the first attempt submission and marking record. Failure to submit this will lead to 0% being awarded and a fail grade will be recorded at the Assessment Board.

***Final instructions***

***It is essential for the student to take these guidelines to every tutorial***

The student is strongly advised to retain a photocopy of the assessment. Returned assessments and the marking record must be retained by the student for the duration of the programme.

**Amended by Chair's Action July 2006**

### Assignment submission

Name of Personal Tutor		Code	
Name of Student		Word count	
Programme	<b>Foundation Degree in Policing Practice</b>  <b>Foundation Degree in Justice Studies</b>		
Module 11	<b><i>Advanced Crime Investigation</i></b>		
Assignment			
Intake			
Submission date			

I certify that the coursework that I have submitted is my own unaided work, and that I have read and complied with the guidelines on plagiarism as set out in the student handbook. I understand that the University may make use of plagiarism detection software and that my work may therefore be stored on a database, which is accessible to other users of the same software.

**Students should be aware that, where plagiarism is suspected, a formal investigation will be carried out, and action may be taken under the University’s rules on Academic Misconduct. This might result in penalties ranging from mark deduction to withdrawal from the University.**

Signature ..... Date .....

I verify that no extenuating circumstances have affected my performance during the development of this assessment.

Signature ..... Date .....

**City University**

**Marking record**

Student's name		Code	
Programme	<b>Foundation Degree in Policing Practice Foundation Degree in Justice Studies</b>	Level	<b>2 (Diploma)</b>
Module 11	<b><i>Advanced Crime Investigation</i></b>	Marker	
Intake		Final mark	
Assessment	<b>Investigation of Crime Identified in one of two Prescribed Videos, Liaise with Witness, Plan, Prepare and Conduct a Witness Interview.</b>	Pass/fail	

**Structure and presentation 10%**

- Logical, coherent development. Clearly presented. (5%)
- References accurate and recognized referencing system used. (5%)

**Comments**

Mark awarded . . . . .

**Content 90%**

- Analysis of the offence and relevant legislation (10%)
- Liaising with witnesses to obtain accurate and relevant information.(10%)
- Plan, conduct and evaluate both a suspect and a witness interview in line with ACPO Guidelines for Tier 1 Professionalising the Investigative Process (Advanced Model).(35%)
- Evaluation of the suspect interview, completion of relevant documents (Tier 2) and propose actions to take forward the investigation with rationale (30%)
- Use of the literature to support the management of the investigation (5%)

**Comments**

Mark awarded . . . . .

**Marker's comments**

**Marker's signature** .....

**Date** .....



**Moderator's comments**

**Moderator's signature** .....

**Date** .....

**External Examiner's Comments**

**External Examiner's signature** .....

**Date** .....

**Delivering the Recommendations of the  
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**Appendix Three**

**The Future of Police Training**



# The future of police training

We investigate a Tri-partite scheme between two UK police forces and a leading UK university as they strive to offer the most comprehensive police training course available.

The Billboard was privileged to get the opportunity to do an article on a revolutionary new method of police training. City of London police and the British transport police have formed a tri-partite partnership with City University with the sole aim of producing an all encompassing curriculum that will provide students with the tools they need to police our ever changing, modern day society.

The Student Officer Programme will see the three organisations join forces to provide a new course for recruits in which probationers will spend time in lectures and seminars as well as out in the community and at police stations.

Commander Frank Armstrong from the City of London Police says: "Our

prospective police officers will be exposed to a greater range of people, ideas and influences. They will be much more involved in the community and the community will have more input into their training."

Students will also benefit from extended and localised specialist input on subjects such as counter terrorism, major incident handling, public order and fraud investigation.

Probationer training is delivered in five phases. After a two week induction by each Force, student officers enter a two week community stage of training.

Then comes 18 weeks at The City University learning theory, law and procedures, followed by a nine week professional development phase at a

special police development unit in London. After a year, new officers spend supervised time at local police stations until they are ready to be signed off for independent patrol.

Existing police officers will also have access to the new type of training in a programme of lifelong learning. They will get credit for previous courses and experience through a system of Accredited Prior Learning and have the opportunity to build on this, earning further credit towards graduate and postgraduate qualifications.

The Billboard spoke to Inspector Steve Strickland, the project manager of the course, to find out what benefits the course will bring to its students and in turn to the UK Police force.

*Billboard: So can I just first of all ask when this course was first conceptualised?*

*“Our prospective police officers will be exposed to a greater range of people, ideas and influences.”*

Steve: Well I've been involved in the project now for about 18 months, the first year of that was pretty much research, looking at what we were going to do, the route we were going to take, whether collaboration was an option. At the early stages of that 18 months we started to identify the potential for collaboration between the City of London Police and British Transport Police. We then conducted a lot of in-depth research which took in numerous forces from across Europe looking at what they were doing to provide police training. We then widened our research as far a field as Australia and New South Wales police. I actually visited New South Wales in December last year to look at their programme and brought back a lot of very, very good information and ideas from there, which has also helped to focus the direction of what the programme looks like. So there has been a lot of work really over the 18 months. We can't say that it's all original; a lot of what we have done has been as a result of building on the best practice and innovative ideas from everyone we visited and hopefully come up with a single programme that stands out from the crowd.

**Bb:** *What objectives did you have for the foundations of the course?*

S: It's probably worth mentioning, one of the biggest motivators for the program was that there is nothing worse than designing something which is redundant before it actually hits the market. So during the design stage we looked at what was on the current police reform agenda – i.e. police reform, workforce modernisation, mixed economy policing – this ensured that we always had an eye on where things were likely to go in the future. These topics have acted as the drivers that have made the program look the way it does. We have had to make the programme flexible, make it available for part time students and make it available for the wider police family. From there we took the whole concept of police reform to the next stage by integrating with the wider justice sector.

**Bb:** *You mention the wider justice sector, was the course initially intended solely for the police or always for the justice sector?*

S: Well from the very earliest stages, when we looked at it, we thought it was very



important not to make it too prescriptive; that it would only suit police officers. Because it's a lot harder to change something that is already in place and accredited than it is to design it with that flexible from the very beginning. So from the very outset we looked at as many of the external partners from the justice sector as possible and looked at what their needs were and how we could potentially deliver that with a modularised programme.

**Bb:** *I suppose by doing that it becomes attractive to a wider scope of people?*

S: Yes, we talk about working in collaboration with our partners. However, collaboration, if it only takes place at the final stages, isn't going to be effective whereas if that collaboration starts in the classroom with all partners learning together from a single standardised approach, they learn together, they investigate together and prosecute then we're bringing uniformity and collaboration into the frame at every single stage.

**Bb:** *During your 18 months research you compiled a document called "the Journey", can you give us a bit of background information on this?*

S: The idea of the Journey, again, comes from the visit to Australia and looking at what New South Wales had done. We identified that case studies are an excellent tool for contextualising learning but the majority of the work currently

within the field within the UK had all been case studies around individual crimes from investigations, which though highly effective can be a little bit limiting. What we found with New South Wales is they had produced a case study which was called, 'In God we Trust' (taken from their oath), and that was based around the experiences and learning of a single New South Wales recruit. We looked at this idea and took it a stage further for our programme. The Journey focuses around the whole process of police training from day one to confirmation and details the key learning and problems along the way. The person that wrote the Journey is Detective Bob Pointer from City of London Police and he did a lot of research with current probationary officers; questionnaires, interviews and research. He involved officers from City of London Police and British Transport Police at quite a national level looking at what were their thoughts, what were their concerns, what were they well prepared for, what would they liked to have known more about? And all of that has been fed into what the Journey has turned into.

**Bb:** *With all your research completed and your goals and curriculum in place what is your role in the program now?*

S: I'm currently seconded to the university as the project manager. With this project being a tripartite collaboration with three partners, the City of London Police, British Transport Police and City University, it was thought to be appropriate that instead »



Above left: the Guest speakers with the student officers of cohort one, comprising of 7 City of London Police Officers and 19 British Transport Police Officers. Above middle: The guest speakers for the official launch: Chief Constable Ian Johnston (British Transport Police), Pro-Vice Chancellor Mary Watts (City University), Commissioner James Hart (City of London Police), Ed Gibson (Chief Security Advisor - )Microsoft.

of each force or each partner having their own project manager that one be appointed to represent all three parties. So I was selected and seconded to the university to take up that role.

*Bb: What was the reason for coming up with the course - were the older methods of training falling short and in need of modernisation to deal with more complex criminals?*

S: The fundamental motivator for us was the Home Office, which goes back to a HM report, 'Training Matters' which deemed that the old training system wasn't fit for purpose. It didn't deliver the training that was required by police officers in the 21st century. But the last thing that we wanted to do was to come up with a new programme and basically dismiss what had gone before because I worked in the old training system at both National Police Training and Centrex and thought it was an excellent product that was being delivered. So what we've done is we've been very careful not to undermine or dismiss all the good work that has gone before and we've taken the best of what went before and built on it to come up with the programme we've got.

*Bb: So it's more evolutionary rather than revolutionary?*

S: It is, yes.

*Bb: Is the qualification academic or vocational? Are lectures complemented with on-the-job training?*

S: Yes. When you start talking of academia a lot of people think that we're going to produce academics that can write essays or dissertations but are not necessarily going to be able to do the job. However the City University is a university for businesses and professions and a lot of their work is what would be termed grounded in practice. So when it came to designing the programme we started with a view of the end product; what did we want that end product to look like? And the end product has to be a police officer fit for purpose; somebody that can do the job. So the whole programme was designed around ensuring that that's what we achieved. And the whole programme has been designed so that at every stage of it we are looking at theory and practice hand-in-hand, that everything is underpinned with a practical application.

*Bb: All in the direction of producing a very good officer?*

S: And to that end what also makes our programme unique is how we have brought together both vocational training and academic education into a single programme. Whereas previously people had seen you either do vocational training, which is like the NVQ, or academic in higher education. And what we said is well why can't we do the two at the same time? So we have a single programme that delivers the underpinning knowledge

within the university and then applies that knowledge in the workplace gathering evidence towards the award of an NVQ. But both the education counts towards the NVQ and the practical application counts towards the foundation degree. They both work seamlessly together to achieve a dual award.

*Bb: So the result of you working closely with the university is synergetic?*

*...our programme  
unique is how  
we have brought  
together both  
vocational training  
and academic  
education into a  
single programme.*

S: Yes, there are so many benefits to be had from an institution which is established within this field. The police, though a very specialised organisation, can't be experts in everything and there are huge opportunities here for, for example, our police trainers to develop and to learn more about education; how to make education work for people. There are greater opportunities for the student officers with access

to resources, on-line resources, e-learning, and the library, all of these facilities.

And then the experts also that we have within the university, within the fields of Forensics, Law, Criminology, they all go to make this a superb product.

*Bb: Do you hope the course will attract wider spectrum of people to the justice sector?*

S: A key driver in the design of the programme has been a need to make





Above right: Steve Strickland, Student Officer Programme Manager at City University.

Police training more flexible and accessible, attracting students from areas that may previously have been deterred from joining due to the residential and militaristic style of police training. The Student Officer Programme which is currently delivered at the City University will evolve over time to a level where it can be offered as a traditional taught course, a distance learning programme or a blend of both which will be available to both full time and part time students. To complement this, a framework has been developed which could see students complete their initial learning and development though this flexible approach to a standard where they could potentially achieve independent patrol status with the award of a level 3 NVQ and a certificate of Higher Education, all pre employment. I find this development very exciting as it will enable people to experience what it means to be a police officer so they can make a more informed decision before taking that final step to join the service.

**Bb: The Foundation Degree and NVQ awards must be very attractive to new recruits who have not had the opportunity to experience Higher Education? How attractive do you think this will be to potential recruits that already have a degree?**

S: I believe the opportunity to achieve a foundation degree and NVQ will be very attractive and will assist our forces in maintaining the highest standards of recruit. In a bid to attract recruits of the highest calibre, in addition to offering the dual accredited foundation degree and

NVQ levels 3 & 4 qualifications we are now finalising the details of a graduate / HPDS entry route. This option will have officers undergoing the same Student Officer Programme with a higher more critical level of assessment. The students under this scheme will still be working alongside regular students gaining evidence against the NOS for independent patrol and confirmation in the rank achieving the same NVQ's but with a Masters Degree after two years in stead of the Foundation Degree.

**Bb: It's the first time it's been done in the UK. Do you see this becoming the future of police training? Will every university offer the course or a similar course?**

S: There are a number of universities around the country delivering this type of training but none following the structure and the model that we've designed. It's important to recognise that each institution or area has to deliver the training that is suitable for the community it serves and its particular policing needs. So I wouldn't go as far to say that we have something that could answer everybody's needs. But in the very nature of how it's been designed I think there is a lot of what could be seen as best practice and answers to a lot of the problems that certain areas or forces are encountering with either delivering IPLDP, Initial Police Learning and Development Programme, whether it be internally with NVQ or with HE. We've come up with a model that says it's not that difficult. It's easy to achieve the integration of vocational and

academic education into a programme that embraces change.

Embracing the police reform agenda, with a focus on the future of the service we are working with HE to compliment this with a programme of lifelong learning. We're providing career pathways, valuing officers that have gone before, accrediting prior learning and prior experiential learning (APL & APEL), integrating them into the programme at, say, year three straight on to a Honours or even Masters Programme. Officers will be able to tailor there own development plans, with a focus on their career aspirations around the fields of community, patrol, investigation or management and leadership. There will be opportunities to study more specialist fields of criminology, sociology, forensics, fraud and economic crime, high tech crime and computer forensics, all of which will fit into the programme of life long learning, starting with short courses and finishing with Professional Doctorate programmes.

**Bb: How do you think the course will benefit the student?**

S: This programme is about education; it's not about training. And the way that I would explain that is that under the previous national training programme it was all about training where students attended classes and they were provided with the information they needed to know. They were trained in every aspect that they needed and the responsibility for the learning was pretty much taken away from them, which then when they left that training it didn't really promote them to take responsibility for their own learning. Whereas here what we are doing is within the context of academia or higher education we're promoting learning with a great deal of the emphasis being placed on the students. So we're starting them down that pathway of personal responsibility for lifelong learning, which I do see as one of the greatest shifts in what we're doing.

The billboard would like to thank Steve Strickland for taking the time out of his busy schedule to talk to us. We wish the team at London University all the best with their revolutionary course as we feel it can only be beneficial to all UK Police forces.

**Delivering the Recommendations of the  
Fraud Review 2006  
and the  
Paradox of Police Leadership**

**Appendix Four**

**Summary of Research Findings**

## **Delayed Attestation. Pre-employment Police Education**

Interviews of NSW Police and Charles Sturt University representatives

### **Summary of Research Findings.**

#### **A. MOTIVATION FOR CHANGE**

1. Do you recall any significant social, economic or political events at the time which may have influenced this transition? **Originally the 1981 Lusher Report followed by the 1998 Royal Commission into New South Wales Police which recommended changes to recruitment and training including: Community involvement, transparency reflective practice and professionalisation. See Royal Commission Report (cross reference to The Review of Policing, HMIC 2008), Collaborative Police Education and interview D1 01 2008 01 21.**
2. **If yes:** What were they, why did this influence the change & how important was this to the change happening? **As above**
3. How was the recommendation for change communicated within the service? **There was a communication strategy, the details of which are unclear. See interviews D1 01 2008 01 21 & D3 02 2008 01 23**
4. How was this received by the serving members of the NSW? **Generally received well, there were some reservations which were fuelled by the problems encountered by Queensland Police and Griffith University. See interviews D1 01 2008 01 21, D3 02 2008 01 23 and D6 01 2008 01 26 and the paper - Wimshurst, and Ransley, (2007). Police Education and the University Sector: Contrasting Models from the Australian Experience.**
5. Was there any negative press, internal or external? **None that can be recalled**
6. How was the negative press / resistance managed? **N/A**

#### **B. BENEFIT AND PERFORMANCE REALISATION.**

1. How does the associate degree entry route make NSW a more attractive employer of choice, or does it simply limit the potential pool of recruits? **No direct research has been done around the attractiveness of NSW as an employer of choice, however, NSW is the only state that meets or exceeds its recruitment targets (Average 17 applications requested for every position). NSW is also the only state that does not actively recruit inter-state or internationally, conversely, NSW police officers are actively targeted by other states for transfer. See interviews D1 01 2008 01 21, D3 02 2008 01 23, D4 01 2008 01 24 and D6 01 2008 01 26 and the paper - Jones, D, Jones, L, and Prenzler, T (2005). Tertiary Education, Commitment, and Turnover in Police Work**



2. What evidence do you have to support this view? **As above**
3. What research has been done to compare the performance of officers trained under the previous system against those trained on the associate degree? **None, unfortunately no benchmarking was done of the officers under the previous system which prevents any comparison being made with recruits on the ADPP. However, it is worth referring to the interview D1 01 2008 01 21 and interview D6 01 2008 01 26 for a perspective from professional standards and field training.**
4. From your findings what was the most significant improvement in performance for the officers and the service? **N/A**
5. Again, what evidence do you have to support these findings? **N/A**
6. Have you consulted local communities to compare public satisfaction or to gage the quality of service received from officers trained under the associate degree? **No**
7. How does this compare with previous figures on public satisfaction and quality of service prior to the associate degree being implemented? **N/A**
8. The change to an academic teaching model for police is often compared to that of the medical and nursing profession. However, the skills and qualifications linked to the medical and nursing professions are transferable across professions, organisations and countries, have you considered the 'transferability' of your police recruits, or, are their skills and qualifications only suitable for employment with NSW? **Currently there is none or limited transferability between forces / states, however, this is being reviewed by the federal government and is likely to change in the near future. See interviews D1 01 2008 01 21 & D6 01 2008 01 26 and papers - Chambers, R, (2004). Collaborative Police Education. A Report. And Harris, R, Simmons, M and Edwards, G. (1998). From Institution-Based to Work-Based Learning.**
9. Do you have any examples of where and how this 'transferability' has worked? **As above**
10. If the skills and qualifications are not directly transferable across organisations or borders, and this leads to the need for conversion programmes, how does this impact on the validity of the programme? **See evidence as above.**

## **C SELECTION AND RECRUITMENT**

1. In the UK we have an aging workforce and the pool of potential recruits reduces year on year. How does this compare to the NSW / Australian workforce? **This is the same as the Australian workforce, see papers - Lynch, J, (2006) ACPR Scope, Australian Police Workforce Planning Priority Research Directions, Lynch, J, (2005) ACPR Issues, Looking to**

**the Future: Implications of emerging trends for police workforce planning, Lynch, J & Tuckey, M, (2004) ACPR, Understanding Voluntary Turnover: An examination of resignations in Australian police organisations and Jones, D, Jones, L, and Prenzler, T (2005). Tertiary Education, Commitment, and Turnover in Police Work.**

2. How has the associate degree affected the ability of NSW/CSU to recruit and retain officers? **It has had a positive effect, recruitment levels exceeding all other states and policing sectors (transport / federal). See interviews D1 01 2008 01 21 and D5 01 2008 01 25.**
3. What is current attrition rate within the probationary period in comparison to that of the previous system? **Difficult to make a direct comparison as the two systems are so different. Attrition on the ADPP averages at about 20% prior to employed status, post employment the attrition rate is comparable with that of the previous system. See interview D1 01 2008 01 21 and supporting document - Attrition Analysis Cause (Excel spread sheet)**
4. How rigorous is the joint selection process run by NSW/CSU? **On the surface the recruitment process appears to be almost absent. However, in comparison to the previous system all areas of the force (strategic, personnel, training, recruitment, union and professional standards) believe that the current system is more fit for purpose and leads to the selection of the most suitable recruits. See interviews D1 01 2008 01 21, D5 01 2008 01 25 & D6 01 2008 01 26.**
5. Is there any conflict between the processes or the organisations? **The only area of conflict has come from professional standards who believe that the board established to consider professional suitability can sometimes be too harsh and professional standards have had to reinstate professional suitability on a number of occasions through appeal. See Interview D1 01 2008 01 21 for an explanation of the process and interview D6 01 2008 01 26 for a perspective from professional standards.**
6. Who manages the recruitment and selection process? **Joint between the University and force recruitment department. See above with the addition of interview D5 01 2008 01 25 with one of the recruitment sergeants.**
7. What are the resource implications for this? **The process is streamlined for the police – initial paper selection is conducted by the university, police conduct ‘professional suitability’ but without interviews or selection centres the recruitment department is more of a proactive centre (advertising, promotions and public interface) See interviews D1 01 2008 01 21, D5 01 2008 01 25 and D6 01 2008 01 26.**
8. How does this compare with the resources required under the previous system? **No comparison has been made.**

9. In the UK we have a blended approach to policing, relying heavily on volunteer Special Constables and the new Police Community Support Officers. Do you have similar volunteer or support roles within NSW? **There is no equivalent of Special Constables or PCSO's in Australia but they do have VIPS. There is a move to potentially implement the equivalent of the Special Constable position but it is being resisted by the police union. Professional standard believe a system of incorporating 'live practice' with special constables pre-employment would be an improvement on their system. See interview D6 01 2008 01 26.**
10. Are the recruits for these roles enrolled on your associate degree? **N/A**
11. **If not:** Does this lead to any issues or complaints of discrimination or lack of opportunity? **N/A**

## **D DIVERSITY AND PROPORTIONAL REPRESENTATION**

1. In 2004 under the associate degree programme the average age of recruits had risen from 21 to 25. What is the average age of new recruits now? **26 years. See papers - Rooker, J, and Woolston, R. (2007). First generation university students: Opportunities for Women, Indigenous Australians and trades people to obtain an associate degree and Chambers, R, (2004). Collaborative Police Education. A Report.**
2. It could be argued that the student officer route may discriminate against men; in particular, those with families who are seeking to change careers later in life who can not afford to finance the initial unpaid / unemployed student phase. Has this been the case? **The programme did initially 'marginalise' certain groups for which positive action initiatives were put in place including scholarships, bridging programme and the distance learning option. See paper - Rooker, J, and Woolston, R. (2007). First generation university students: Opportunities for Women, Indigenous Australians and trades people to obtain an associate degree and supporting documents - Bridging programme analysis, Scholarship analysis and the Demographic reports (Word documents).**
3. **If yes:** Have any positive action or initiatives been implemented to counter this trend? **If no:** What was the reason for this? **Yes, see above.**
4. Alternatively, the programme could be seen to favour female applicants, possibly those returning to work after starting a family. Has NSW seen any significant change in the workforce make up, in particular individuals from previously underrepresented groups? **No, see above.**
5. Does NSW or CSU run any positive action initiatives, financial or otherwise to encourage recruitment from underrepresented groups? **Yes, see above.**
6. For an occupation that has been historically 'skills' based the associate degree could be discriminating against a considerable proportion of the community who are not academically minded or capable. Do NSW / CSU provide any

support or initiatives to encourage applications from individuals who do not meet the academic standard for acceptance on to the programme? **Yes, see above, especially the paper - Rooker, J, and Woolston, R. (2007). First generation university students: Opportunities for Women, Indigenous Australians and trades people to obtain an associate degree**

7. How successful is this / are these initiatives? **Extremely successful, see supporting documents - Attrition Analysis Cause (Excel spread sheet), Analysis of Literacy and failure rates, CALD – Culturally and Linguistically Diverse Student Performance, Scholarship analysis, Bridging programme analysis and Demographic reports (Word documents)**

## **E FINANCIAL MANAGEMENT**

1. I understand there is means tested scholarship available for students on the associate degree. Who funds the scholarship? **The Police fund the Scholarship. See supporting document - Scholarship analysis.**
2. Who is responsible for the means testing and the management of the scholarship fund? **The university process all Scholarship applications and administer payments etc. The costs of the scholarship are then reclaimed from the Police at the end of each financial year. See interview D3 01 2008 01 23 and D3 02 2008 01 23**
3. How does the cost of funding and managing the scholarships compare with the costs associated with employed / salaried recruits, which I believe they were under the previous system? **There are significant savings. When the course was originally designed a formula was agreed utilising a percentage of the savings to fund the scholarships. The amount of scholarship has remained static for 12 years so the level of savings have increased year on year. This system is however under review and a 0% student loan scheme is being scoped as an alternative and fairer alternative to the scholarship scheme. See interview D3 02 2008 01 23 and supporting document - scholarship analysis.**
4. Has NSW/CSU conducted any financial analysis to compare the cost of the associate degree with that of the previous attested police training route? Financial analysis was done as part of the original scoping project. However, efficiency savings were not the main driver for the change; police reform and professionalisation were considered the main drivers. **See interviews D1 01 2008 01 21, D3 02 2008 01 23 & D6 01 2008 01 26 and supporting documents - Royal Commission Report (cross reference to The Review of Policing, HMIC 2008 and Training Matters, HMIC 2002), Collaborative Police Education and interview D1 01 2008 01 21.**
5. Do you have any evidence detailing the efficiency savings / additional costs? **As above**

6. In addition to any efficiency savings realised by NSW through the student officer route and the delay in employment, have there any other significant areas where the associate degree has added value or provided efficiency savings? **There have been numerous areas where value has been added, namely: recruitment, retention, streamlining of HR and Personnel structures, professionalisation and public image of the police. See interviews D1 01 2008 01 21, D2 01 2008 01 22, D2 02 2008 01 22, D3 02 2008 01 23, D4 01 2008 01 24, D5 01 2008 01 25 & D6 01 2008 01 26. See supporting documents - Hummer, D, (2006). An Argument for Incorporating police Internships into Liberal Arts-Based Criminal Justice Curricula: An Example of Mutually Beneficial Cooperative Education and Harris, R, Simmons, M and Edwards, G. (1998). From Institution-Based to Work-Based Learning.**
7. **If savings are made:** Have the saving been retained for the use of NSW or has the service seen its budget reduced by the government to reflect this? **Savings were, and still are retained by NSW and have been used to fund additional officers which have seen the force strength grow considerably over the last 12 years. No specific evidence or data to support this but it is backed up by NSW annual reports.**
8. **If the saving was retained by NSW:** For a service funded from the 'public pocket' how has this saving been utilised? **As above**
9. Was there any community consultation over this decision and the proposed use for the money? **No**
10. What evidence do you have of this consultation? **N/A**
11. There is a great risk for those changing occupations later in life when, during the initial 'student' phase, they have no benefits or privileges awarded to employees? How are 'students' protected during this Phase, for example, if they become injured and cannot continue with their training and gain employment? **The students are covered by an insurance policy administered by the university which has been specially tailored for the prospective police recruits.**
12. **If support systems / insurances are in place:** Who administers this and what is the cost to the force? **During sessions 1 & 2, prior to employed status, student support systems are all administered by the university and the full cost of the police specific insurance is covered by the University. See interview D3 01 2008 01 23.**

## **F ISSUES OF HONESTY AND INTEGRITY**

1. Has there been any notable change in the professional standards of Student Officers compared to attested recruits? **Yes, as there is a risk of having professional suitability removed and not gaining employment there a fewer incidents of misconduct during sessions 1 & 2. See interviews D3 02 2008 01 23 and D6 01 2008 01 26.**

2. What is the percentage or number of officers within their probation subject formal discipline, or were refused employment due to disciplinary action under the associate degree programme? **As above, see in particular interview D6 01 2008 01 26.**
3. How does compare with the percentage or numbers under the previous system? **No direct comparison, see above interview.**
4. What evidence do you have to support this? **N/A**
5. How do NSWP exert control and discipline – in relation to professional standards – on student officers prior to employed status? **Students are subject to a behaviour contract as part of their professional suitability and conditional offer of employment. See interview D3 02 2008 01 23**
6. Do you have any examples of where this has worked or more importantly where it has failed? **As above see interview D3 02 2008 01 23**
7. To minimise the risk and temptation of officers become corrupt there are restrictions placed on officers private lives, including the management of debt. Do the NSWP have similar restrictions? **Yes, exactly the same.**
8. **If yes:** Have there been any cases of bad debt linked to student loans or a change of career in order to undertake the associate degree? **None**
9. **If yes:** Have any of these cases resulted in investigations where the officer was suspected of corruption or a breach of police regulations? **N/A**
10. Are the student officers responsible for managing their own debt or does the service assist, for example, deductions direct from salary for loan / debt repayment? **Loan / student fee deductions are taken at source. See interview D3 02 2008 01 23**

**G. EMPLOYMENT RIGHTS AND HUMAN RESOURCES**

1. Are NSW Police officers Employees or Crown Agents? **NSWP police officers (post confirmation) are sworn officers whilst probationary officers are termed ministerial employees. See interview D6 01 2008 01 26**
2. Would 'Employed' v 'Crown' status have affected the decision to move towards a non-attested recruit training programme? **In Australia sworn officers are employed and protected by employment legislation (like all Australians). This was a motive for change as it was and still is very difficult to get rid of an officer, even probationary officers who are either inefficient or corrupt. Student officers are not covered or considered employees until they session 3 when they are formally employed. See interview D6 01 2008 01 26**

3. For successful applicants, when an offer of acceptance is made does this contain an offer or conditional offer of employment? **When an applicant is offered a position on the programme the conditional offer of employment is only legally binding if the student successfully completes the first two sessions and maintains professional suitability. See interview D3 01 2008 01 23.**
4. Is this offer legally binding? **As above.**
5. Have there been any cases where a student has not been employed and has challenged the decision or legality of the decision? **No, there was a case by the police union who claimed that a student officer is simply an unpaid police officer by another name. The case failed and the court held that students are students and are not protected by employment law. See interviews D3 02 2008 01 23 and D6 01 2008 01 26.**
6. **If yes:** What was the outcome of this / these cases? **As above**
7. Do you have a copy of the initial offer? **Pending**
8. What measures are in place to ensure that the checks are still valid at the time of employment? **Detailed in the interview D1 01 2008 01 21, D4 01 2008 01 24 and D6 01 2008 01 26.**
9. **If further checks are necessary:** What further checks are conducted and how does this affect the offer of employment? **N/A**
10. Is a further offer of employment made at this stage? **Yes, the formal offer after successful completion of stage 2.**
11. **If yes:** Is this offer fixed and legally binding or are there certain conditional elements attached to the offer? **Yes, it results in employment and protection from employment law. See interview D3 01 2008 01 23**
12. Do you have a copy of the formal offer? **Pending**

## **H RISK ASSESSMENT AND MANAGEMENT**

1. Was there any community consultation prior to the move to the associate degree? **No, other than that which formed part of the Wood Royal Commission into New South Wales Police.**
2. **If yes:** What were the general feelings of the community about this change?
3. What was the most notable cause for concern? **N/A**
4. **If concerned:** How did NSWP / CSU overcome these concerns? **N/A**
5. Was the change being driven by the government or by NSWP? **Initiated as a result of the Royal Commission and then driven jointly by the Police and the Government. See interviews D3 02 2008 01 23 and D6 01 2008 01 26.**

6. **If NSW:** What was the position of the government when presented with the proposal or feasibility paper? **Supportive because it had commissioned the Wood Report and recruited Commissioner Peter Ryan from England (former Chief Executive of NPT) to implement the change. See interviews D2 02 2008 01 22, D3 02 2008 01 23 and D6 01 2008 01 26.**
7. Was this position consistent with both the state and federal governments? **Yes**
8. Was there any negative press or publicity linked to the change in recruitment and in particular the saving which the NSW would realise or the costs that would be incurred by new recruits? **No**
9. **If yes:** How did NSW deal with this negative press? **N/A**
10. We are living in a world constantly at risk of terrorist attack and there is fear that a system where police recruits are 'regular' students could lead to an increased risk of infiltration by groups seeking to undermine the security of the country. Have you identified any applications or individuals whose motive for joining NSW could have been to undermine the security of the service or the country? **No more of a risk than through infiltration that could occur on an employed entry route. Over the 12 years that the programme has been running no individuals have been identified. There has been one individual that came to the attention of professional standards but this could not be attributed to the ADPP. See interview D6 01 2008 01 26 with professional standards.**
11. **If yes:** What systems have you put in place to prevent or reduce the risk of this happening again? **N/A, however, in a bid to continually improve performance and standards, recruitment are re-introducing home checks for prospective students / officers. See interview D5 01 2008 01 25.**
12. In the UK academic institutions have historically been viewed as left wing whilst the police service was considered very right wing. Is this the same in NSW? **Yes, for a view on this see interview D6 01 2008 01 26 and an insight from Detective Inspector Nabbs.**
13. **If yes:** Has this lead to any notable change in the attitude and behaviour of staff or students at the university? **As above.**

## **Key extracts from CSU and UK supporting documents**

Travis (1995)

Travis, J. (1995). Education in Law Enforcement: Beyond the College Degree. In, Centre for Research in law and Justice, University of Illinois, Forum on the Police and Higher Education, Chicago, Illinois, America 10th February 1995. US Department of Justice: Washington.



Our commitment to higher education is a given. But I think we need to look at it not as a goal, but the means toward a goal, the goal being better policing. When viewed this way, education has to be ongoing, and better policing has to be a constant pursuit.

The profession should address the question: What level of judgement, maturity, knowledge, and intellectual curiosity should we expect of our employees? Any profession that is trying to keep ahead of the curve in making changes, to modify its methods of service delivery, to encourage innovation, will also have enough trust in its employees to make a significant investment in their intellectual development.

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Harris, Simmons, Edwards (1998)

Harris, R, Simmons, M and Edwards, G. (1998). From Institution-Based to Work-Based Learning. In Australian Association for Research in Education Conference, Adelaide, Conference, Adelaide, South Australia 29<sup>th</sup> November – 3<sup>rd</sup> December 1998. The Association for Active Educational Researchers: Victoria, Australia.

In Queensland, the new model of recruit training introduced in 1991 combined study at university and the police academy (Byrett 1992). Evaluation of this innovation led to further developments and the adoption of the Police Recruit Operational and Vocational Education (PROVE) programme which is underpinned by problem-based learning methodologies (Melville and Carter 1994).

Work-based learning presupposes that structural and social change will occur in the workplace. This shift in workplace culture and organisation will not only be a by-product, but also a pre-requisite, if the full potential of these changes to police training is to be a reality.

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Edmond, N., Hillier, Y., and Price, M. (2007).

Edmond, N., Hillier, Y., and Price, M. (2007). Between a rock and a hard place: the role of HE and foundation degrees in workforce development. *Education and Training*, 49(3), 170 - 181.

The development of such degrees (Foundation), which are located in the higher education sector, combine vocational and academic knowledge and skills to produce skilled employees and it has been argued that such programmes are 'a key in supporting the raising of standards and professionalisation' of vocations (Edmond, Hillier, and Price, 2007 p.179)

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Rooker, Woolston (2007)

Rooker, J, and Woolston, R. (2007). First generation university students: Opportunities for Women, Indigenous Australians and trades people to obtain an associate degree. (Paper) Goulburn, New south Wales: Charles Sturt University.

The NSWPF is constantly striving for the demographic composition of its members to be representative of the population that it serves (Police, 2006 p.19). Consequently diversity in age, gender, ethnicity, and socio economic status of the students entering the ADPP is sought. To cater for this diversity, which also includes varying

educational levels, the academic entry requirements for the ADPP must be sufficiently broad to allow entry to the greatest range of applicants, whilst at the same time being robust enough to ensure that those who are accepted into the program have the academic ability to complete tertiary level studies. This has resulted in the demographic composition of cohorts in the ADPP being quite different from traditional university courses such as law, science, and accountancy studies with more than 65% of ADPP students entering via non-traditional pathways.

It is within this context that the concept of first generation university students is explored. In 2007, a survey of ADPP students studying in their first trimester both on campus and distance education was undertaken by the authors. The survey was completed by 221 students which equated to a response rate of 81%. The survey results indicated 64% of students were identified as first generation with 66% of women, 55% of Indigenous Australians and 52% of trade's people being first generation. These results show that over half of the students in these three groups, which are the focus of this paper, undertaking the ADPP are first generation university students.

In September 2001, distance education was introduced and provided students an alternative pathway into the ADPP which has resulted in a significant reduction in the period of time students are required to spend at the police college. The distance education provision is offered for session one of the ADPP and provides students with the opportunity to undertake their studies at home whilst continuing to work. The composition of the 2007 distance education cohort surveyed by the authors consisted of 126 students, of whom 18% were women, 8% Indigenous Australians and 54% trades people. Of those students who completed the survey, 70% of the first generation students indicated the provision of distance education influenced their decision to undertake the ADPP. Within the three focus groups of first generation students, 43% of women, 25% of Indigenous Australians and 86% of trade's people indicated the provision of distance education influenced their decision to undertake the ADPP.

The results of the survey strongly support the offering of distance education and indicate it is a contributing factor influencing the decision to undertake the ADPP for first generation marginalised students

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Jones, S, and Lonsway, K. (2002)

Jones, S, and Lonsway, K. (2002). Up-close recruiting: Recruiting and selecting women officers. *Law and Order*, 50, 94-99.

Jones and Lonsway (2002), when researching police recruit training in the United States of America found that;

*Too often women are more likely than men to have such primary care responsibilities. The live-in requirement can be a significant factor that limits the recruitment or retention of women during academy training.*

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Foster, J. (1998)

Foster, J (1998). Memorandum. December 1998. Cambridge: Institute of Criminology, University of Cambridge.

2.5 "College educated officers were more open minded than non-college colleagues (Roberg 1978) ... more likely to be tolerant of people of different lifestyles, race and ethnicity (Goldstein 1977), less likely to resort to force in conflict situations, work within legal frameworks (Sterling 1974), exercise their discretion appropriately (Worden 1985), communicate more effectively (Bell 1979), are more professional (Carter and Sapp 1988) and have fewer complaints and disciplinary action taken against them (Carter and Sapp 1989:158, Cohen & Chaiken 1972, Dalley 1975, Cascio 1977, Roberg 1978).

2.9 There are also likely to be considerable savings to the service if, at the point of entry, recruits are more qualified. As Guyot (1991:298) points out most "organisations staffed by professionals" do not often "bear the cost of the professional training but place that burden on the individual". Clearly all recruits will require some specialist police training at the outset of their career but the nature of their training may be very different if the calibre of officers was higher at the point of entry to the service.

2.10 There has been recent concern about corruption in the Metropolitan Police and in the constabularies. Research by the New York Police Department following serious corruption scandals suggested low educational attainment was a significant factor in the histories of seriously corrupt officers. The better educated police officers were at the point of recruitment the less likelihood there was for corruption. The Department changed its policy, raising the age of recruitment and the educational requirements. The level of educational attainment increases with rank and is a condition of promotion.

2.11 Police officers' propensity to lie is also linked with educational attainment (Barker et al 1994). Research on Los Angeles police officers for example after the 1991 riots demonstrated that 58 per cent of officers surveyed felt it "moderately acceptable" to lie to "get the bad guy off the streets". Length of service was not linked with response, neither was gender but educational attainment was. "Deviant lying for illegitimate purposes" (breaking "substantive or procedural laws/department regulations") decreased with education (Barker et al 1994:161-2).

3.6 Furthermore, there are many well qualified young people of black and Asian origin. Many of them however do not apply to join the police service. A recent study for example revealed that ethnic minority students were more likely to move into higher education and "in inner city areas gain better exam results than their white counterparts" (Policy Studies Institute, in Albury and Snee 1996:359). "It is not enough" therefore "to just encourage more ethnic minority applicants ... the police should be aiming to recruit people from the higher end of the ability scale in this group" because those who currently apply "are of a generally lower ability level than White applicants" which leads to a "seemingly lower performance of ethnic minorities on the Police Initial Recruitment Test" (Ashley undated: 24).

8.2 Training should be the realm of experts and some of it is best delivered (for example management and criminology) by those outside the organisation. All police officers involved in training should hold a first degree and preferably a Masters

degree, one wherever possible which covers the substantive knowledge in the field/areas for which they are responsible. For example criminal law should be taught by someone with both practical and theoretical legal knowledge.

8.4 It is crucial that trainers are carefully selected. As Southgate (1988:234) remarks "good police officers do not automatically make good trainers, but it is unlikely that a person will be a good trainer unless he or she is a good operational officer as well".

10.1 The police organisation has often regarded itself as omni-competent (indeed this term is used in the research report conducted on behalf of the Federation, see Davies undated: 75). It is not possible to be omni-competent. Policing an increasingly complex world means that no one agency or individual has all the requisite knowledge required.

10.2 The proposals by the Police Federation for a virtual police university have many appealing and positive aspects (for example, accessibility to information, support for all officers, "the need for the entire workforce to update and up-grade their skills, knowledge and understanding on a regular basis throughout their career irrespective of rank" [Davies et al undated: 75]). This is very important as the service has failed to provide front-line officers with adequate support and training for the vital role that they perform in the organisation.

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Fitzgerald, G. (1989).

Fitzgerald, G. (1989). Report of a commission of inquiry pursuant to orders in council. Brisbane: Goprint.

The most significant event in the history of the Queensland Police was the Fitzgerald Commission of Inquiry. The Fitzgerald (1989) Report found extensive corruption, and a culture of mismanagement and incompetence. The Report linked ineffectiveness in policing operations with inadequate education.

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Jones, D, Jones, L, and Prenzler, T (2005)

Jones, D, Jones, L, and Prenzler, T (2005). Tertiary Education, Commitment, and Turnover in Police Work (online), Police Practice and Research, Vol. 6, No. 1, March 2005, pp. 49–63. Available at: <http://www.ingentaconnect.com/content/routledg/gppr;jsessionid=9hdp7pv6927q.alexandra> (accessed 11<sup>th</sup> February 2008)

This study investigated the effects of tertiary education on police turnover (separations) and job attitudes. It is sometimes argued that tertiary education will reduce the commitment of police to staying in the job because they will experience frustrated promotional aspirations and they possess greater employment mobility. In a case study of Queensland police officers with between five and nine years of service, human resource data showed no significant differences in turnover rates for degree holders and non-degree holders. A survey of serving police compared job attitudes, withdrawal cognitions, and intention to leave for degree holders and non-degree holders. Results revealed few differences of significance between the two groups. In

combination, these results suggest that fears that higher education will reduce police commitment to the job are not well founded—at least in large police departments with numerous career development opportunities and a system of promotion based on merit.

## Conclusion

This study has shown that the possession of a tertiary degree by police officers had little effect on turnover or job attitudes, including intention to leave. However, tertiary educated police recognised that their education increased their job opportunities. As far as these findings can be generalised to other police departments, they suggest that there is no cause for alarm over police tertiary education and job commitment. At the same time, human resource managers will need to monitor the factors that attract police to remain in the job as the number of police with both tertiary qualifications and previous work experience increases. This presents a vital challenge for future research.

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Chambers, R, (2004)

Chambers, R, (2004). Collaborative Police Education. A Report. February 2004. Australia Charles Sturt University, New South Wales.

During the Royal Commission consideration was given to a model of police education in which police recruits would undertake more formal academic studies at a university campus followed by training at a police academy to acquire skills in use of police equipment, self-defence, tactics, etc.

This solution was rejected. It was argued that education should model the integration of knowledge and skills and that not to do so would enshrine in the minds of recruits a distinction at odds with good practice between academic study and "real policing". Such a solution would also exclude the University from engagement with important aspects of police education which included elements which had a particularly important role in the formation of police culture.

The University's costs with regard to insurance cover for student activities have increased dramatically as a result of the introduction of the program. While students in Stage 2 of the program, as employees of the Police, are covered by the latter's workers compensation and insurance arrangements, students in Stage 1 are the university's responsibility.

Rates of injury in the practical aspects of the course are high compared with other university programs, largely as a result of practicing physical contact in self defence or public order tactics. Students have been injured, and one, as a result of a police vehicle accident, killed, during the police station placement at the end of session 1. (2 students have also been killed during stage 2.)

A concerted and well resourced environmental health and safety effort is essential to the success of the program.

One of the main reasons why the only other attempt at systematic engagement of a university with police education failed – in another state, not NSW – was unpredictability of numbers and consequent difficulties in planning and in sustaining a staffing base.

The collaborative model, whilst it creates these problems, also helps manage them. This is because police teaching staff can be redeployed to field duties when numbers are low, a process which even has some benefits in terms of liaison with the field and maintaining currency.

The field based and distance education components of the course have proved most robust in terms of scalability. They do not rely on infrastructure and lend themselves to the use of short term staffing arrangements.

Opponents of the reforms to police recruit education in 1998 argued that the introduction of University based recruit education would lead to a decline in demand for police careers and a failure to meet recruitment needs.

In fact the opposite has proved to be the case. The program has supported unprecedentedly high recruitment requirements. It has generated interested in police careers from groups with previously low levels of interest, such as graduates and women. It has done this whilst significantly increasing the average age of recruits from around 21 to 25.

Demand from traditional sources of police recruits, especially males with trade qualifications, has not decreased. Students from these sources have proved as successful in the course as those with better educational backgrounds.

Motivation is certainly reinforced by the fact that in Stage 2 of the program students are employed at a salary of A\$45,000. This is above average weekly earnings in Australia and above nearly all graduate starting salaries.

### The Collaborative Model

The principles on which the collaborative model for the police recruit program was developed were:

- (1) there would be collaboration in the design, delivery and monitoring of the program;
- (2) the program would be an award of the University and as such subject to the University's accreditation and quality assurance processes;
- (3) employment decisions would be solely the prerogative of the Police Service;
- (4) collaboration would extend to all areas of the program so that as far as possible the marketing, management, administration, teaching, assessment, coordination, and evaluation of the program would be undertaken by teams drawn from police and university as would policing research;

- (5) Police Service staff teaching on the program were required to be accredited by the University against University appointment criteria. Accredited staff would have the same status within the University as University staff;
- (6) the model would involve co-location of skills based and other teaching and learning;
- (7) the model would involve a significant component of workplace based education.

To support the model the following structures were created:

- (1) A Board of Management with members drawn equally from senior staff of the University and Police with an independent chair agreed by the Vice-Chancellor and the Police Commissioner.

The Board is responsible for the overall management of the partnership, including monitoring the implementation of the Agreement; planning, including resource matters and intake numbers; and evaluations of the effectiveness of the program in meeting its objectives.

- (2) A Course Committee consisting of senior University academic staff in policing, senior police education staff, two field commanders and student representatives. The Course Committee develops and monitors the curriculum, teaching and assessment. Its determinations are subject to approval by University committees. The latter are especially responsible for determining that University requirements with regard to awards and quality assurance are observed.
- (3) An Assessment Committee responsible for monitoring assessment and determining grades.
- (4) Co-location of the University's School of Policing Studies and various University support services with the NSW Police Academy.
- (5) Joint planning with regard to staffing, facilities and resources.
- (6) A joint marketing task force which combined the University's course promotion processes and the Police Service's marketing of careers.
- (7) An integrated admissions process which assesses both academic and professional suitability. Applicants must meet the University's minimum academic entry standards as well as a range of Police Service requirements including fitness, health, integrity and probity and drivers licence checks.
- (8) Teaching teams drawn from the University and Police Service.
- (9) Field based education involving University and Police Service staff.

- (10) Collaborative research based on an agreed focus on identification and validation of best practice.
- (11) Collaborative student management, including sharing student information (students sign a disclaimer allowing disclosure of their student record to the Police Service); joint student advising; collaborative provision of student services; shared insurance arrangements.

Areas in which there has been a division of labour within the collaborative approach include:

- (1) Teaching of operational skills: driving; pistol; self defence; use of equipment (radio, baton, pepper spray, handcuffs); public order tactics. These are taught by police instructors although the curriculum, learning materials, teaching techniques and occupational health and safety arrangements require approval and are monitored by the University.
- (2) Professional suitability assessment is undertaken by Police staff against criteria determined by the Police Service.
- (3) Integrity matters. The University is responsible for investigation and determination of academic misconduct matters, eg cheating, plagiarism.

The Police consider findings of academic misconduct from the point of view of the professional suitability requirement of integrity.

- (4) General conduct and order on the Police Academy campus, which is a residential campus, is the responsibility of the Principal of the Police Academy.

The Course developed under this model is a five session course (each session of 14 weeks duration) in which the first two sessions are taken on campus at the Police Academy, the remaining three sessions in the field following attestation as Probationary Constables. Field based sessions involve practicums and subjects taken by distance education.

The curriculum supports the acquisition of the skills and knowledge required of a police constable. It is organised around both specific content areas (eg Traffic, Drugs and Alcohol) and around key developmental areas within policing such as investigations, communication, ethics and law which inform the whole curriculum.

The Diploma articulates with a Bachelor of Policing, also collaboratively developed and taught. It is an expectation of the Police Service, although not yet a requirement, that this degree, or an equivalent, will be completed prior to first promotion.

The objectives of the course are that on completion of the program a student will be able to:

- understand the social context of policing;
- understand the place of policing within the broader context of the criminal justice system;
- evaluate critically their own professional practice in policing;



- contribute to the enhancement of police practice;
  - undertake autonomously and through further study professional development;
  - understand the values which guide policing in Australian society;
  - understand the ethical standards and accountability expected of police officers;
  - carry out the duties of a General Duties Police Officer.
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Wimshurst, and Ransley, (2007)

Wimshurst, and Ransley, (2007). Police Education and the University Sector: Contrasting Models from the Australian Experience. (Online). Journal Of Criminal Justice Education Volume 18 Number 1. March 2007.

Available at: <http://www.informaworld.com/smpp/title~content=t713721714> (accessed 15<sup>th</sup> February 2008)

University education for police officers continues to be heralded as a major component in the reform of police organizations and police culture. Interestingly, the extensive research literature from the United States over the past 30 years remains ambivalent about the extent to which education achieves these objectives. Individual officers doubtless gain personal and professional benefits, but the relationship between higher education and police effectiveness, professionalism and accountability remains unclear. Nevertheless, the Australian experience since the late 1980s is that concerted efforts to provide university programs for police almost invariably arise from periods of crisis in police organizations and the recommendations of official inquiries into those organizations. Two educational “reform” models have resulted, one based on liberal education and the other on a paradigm labelled “professional policing.” These now constitute the main (contrasting) paradigms for police education and training across different states. The case study concludes that the relationship between university education and preparation for policing is likely to remain problematic.

Tertiary-educated officers, it is claimed, are more likely to monitor and modify their own styles of policing within diverse communities, and to utilize problem-oriented and community policing strategies.

Fitzgerald’s prescription for police higher education became the stuff of legend and has since often been invoked to justify related developments in other states. He believed that police were not adequately educated to meet the demands of an increasingly complex society, and that recruits were too young (many entered the police academy direct from school). The absence of women compromised the profession. Until well into the 1980s, senior management remained suspicious of women and the police force maintained a 10% quota on female recruitment, although women often comprised up to 25% of applicants (Prenzler and Wimshurst 1997). Fitzgerald was critical of the “military model” of academy training with its emphasis on imposed discipline, narrow curriculum, drill and rote learning:

*Police need a deeper appreciation of social, psychological and legal issues which are intrinsic to their work—an understanding which can only be acquired by higher education. United States research confirms that*

*authoritarian tendencies are lower and tolerance higher among better educated police. Better educated police also perform more effectively. Education programs in tertiary institutions which provide basic knowledge of criminal justice processes and foundations of social science are needed. The courses would be ideally attended by police along with people from other disciplines, to ensure the breadth of experience essential to the study and understanding of human behaviour. (Fitzgerald 1989:250)*

More recently, Courtright and Mackey (2004:312) concluded that the “jury was still out” in terms of mandating university studies for police officers:

*There has been an abundance of research investigating the utility and benefits of a college degree for law enforcement practitioners although ... little evidence exists demonstrating that educated police officers are more effective crime fighters or that education has a significant influence on police officer behaviour.*

None of this is to deny that individual officers might derive considerable personal and professional benefits. Qualitative research from the United Kingdom (Lee and Punch 2004; Smithers, Hill, and Silvester 1990) found that graduate officers readily acknowledged the personal benefits from their degree studies, such as enhanced confidence and self-esteem, broadened outlooks and greater tolerance for divergent points of view.

The resulting baccalaureate degree in criminology and criminal justice established by Griffith University incorporated a first year which could be oriented to police recruits, thus producing a new one-year program shared with the police academy called the Advanced Certificate in Policing.<sup>1</sup> For the first time anywhere in Australia, all police recruits were expected to complete some university courses. The state’s political upheaval saw a Labor government come to power (the first non-conservative government in Queensland for over 30 years). This government promised to boost operational police numbers substantially, and placed considerable pressure on the university and police service to mount the Advanced Certificate quickly (PSMC 1993:183). The university was obviously happy to participate in the recruit program since the partnership established a link with a new industry group along with considerable funding. The Advanced Certificate featured content in social and behavioural sciences, communications, accountability and ethics, criminology and law, and police competencies (Bryett 1992; CJC 1993; Lewis and Prenzler 1993). Recruits spent the first semester at the university and a longer second semester at the police academy. On graduating from the university/academy year, recruits were sworn in. The QPS then required first-year constables to undertake a further probationary year of intensive field training under the supervision of experienced officers. The Advanced Certificate in Policing, as noted below, was to be short lived (1991–1993), but it remains an important case study in the history of police higher education in Australia because it represented the earliest attempts to:

- a. introduce significant civilian input into curriculum design and delivery;
- b. provide a broader liberal studies/“policing and society” education and training package for the 1,040 recruits who passed through the program over the three years; and
- c. make some university study mandatory for all police recruits.

An “operational imperative” came to dominate police views of the new program. The CJC (1993) noted that the program had emerged in a hurry, as a response to the crisis of confidence in policing, and found that there was little integration between the university and academy components.

Educators from within policing remained suspicious of university influences and intentions. Police educators acknowledged that the university sector had “revitalised” education and training at a time of crisis, but claimed the university was intent on moving to control police education:

*[Academics had] failed to identify the hidden issues of what universities are all about—the takeover bids constantly interfere with fostering mutual ideas and developing excellence and integration of education and training content for police. The constant ideal of professionalism, accreditation, credentialism and credibility do [sic] not blend well with police who subjectively view academics with suspicion, sometimes justifiably, as many academics involved in police education at universities lack an understanding of what policing is all about. (Barrow and Pitman 1995:18)*

In fact, their comments on “developing excellence and integration of education and training content for police” reflected aspects of the “professional policing” model of police education emerging in some other states during the 1990s.

Flanagan (2000:3) notes that while there is “no uniform conceptualisation of liberal education,” the idea generally describes an education which focuses on encouraging informed analysis of current social issues, constructive critical thinking, flexible approaches to problem solving, and a capacity to understand values and beliefs beyond one’s immediate life experiences. These are presumably desirable attributes for those entering careers in what are said to be rapidly changing and complex work environments such as the criminal justice system (Flanagan 2000). This model can be contrasted with a second approach to police education which sees policing as an emerging “full” profession with specific higher education needs, one where the discipline of policing should be taught to recruits by those with practical/professional expertise in specialized tertiary programs. This second approach we have termed the “professional policing” model, which we outline further in the next section.

In fact, an enduring theme in Australia over the past two decades is that while the liberal ideal for police education has been endorsed by two further commissions of inquiry (Kennedy 2004; Wood 1997), reforms subsequent to those inquiries have tended to subvert this ideal by implementing the “professional policing” model. For example, the Royal Commission into the New South Wales Police (1994–1997) investigated corruption in that police service, and in the areas of recruitment, education and training made recommendations very similar in spirit to Fitzgerald’s prescriptions for Queensland reform from almost a decade earlier (for the convolutions of police reform in New South Wales, see Chan 2003; Dixon 1999; Longbottom and van Kernbeek 1999). Royal Commissioner Wood championed the apparently restorative powers of a liberal education when he insisted that “recruits [must] have an exposure to the external influence of an open campus in which they can interact with students studying in other disciplines, thereby limiting potential for entrenchment of the negative culture which might be encouraged if their entire training was conducted in a closed and isolated residential college” such as the police academy (Wood 1997:276). Wood clearly had the liberalizing potential of higher education in mind when he recommended that recruits complete an “external tertiary

qualification provided through a civilian education in all but the core policing skills which were better delivered by experienced police trainers” (Wood 1997:276).

During the early 1990s, some prominent police educators within Australian police agencies were also developing a model which they called the “full professional” paradigm of police education (Bradley 1992, 1996; Bradley and Cioccarelli 1994). These educators were adamant that police organizations could never be reformed “merely through some form of gentrification” by way of recruiting generalist graduates (Bradley 1996:93). They too advocated a partnership between universities and the police in order to develop a “discipline of policing” (Bradley and Cioccarelli 1994), but they argued that police themselves must take prime responsibility for initiating and carrying through these developments. Policing must utilize university expertise, particularly research expertise; however, the police would remain firmly in control of their own professional destinies, setting the agendas for such partnerships. This vision for the future of Australian policing presumed “the existence of highly educated and skilled officers operating on a foundation of rigorous applied research” (Bradley 1996:86). The “full professional” model was hailed not only as a new paradigm for police/university research collaborations, but it was to inform education and training partnerships with universities, including pre-service education. However, this was to be a tertiary education, according to the model, where police operational and management needs stayed at the forefront. In an earlier statement on the model, Bradley (1992:149) describes how:

*Academy courses were to be articulated to tertiary education degree programs. It was envisaged that all major forms of police training would be integrated with tertiary education programs. In this way the value and worth of police vocational training was to be given proper public recognition and police training would not be as vulnerable as it had been in the past to slippages and regressions, stitched in as it would be to larger programs of education in colleges and universities. Educational expertise and educational management, married to operational police knowledge, were to be devoted to the production of courses which were rigorously and expertly designed to reproduce good policing practices of a general, specialist and managerial kind.*

While the professional policing model was portrayed as the way of the future, replacing the outdated and ineffective practices of “traditionalist” police regimes, in fact the “full professional” paradigm has also benefited from the reports of official inquiries into crises in police organizations. There remains an overwhelming faith in the reformative powers of university-linked education to fix problems of corruption, misconduct and maladministration. It was thus not surprising when, most recently, the Royal Commission into the Western Australia Police (2002–2004) also endorsed the reformative powers of higher education in its attempt to heal a police service confronted by allegations of “corrupt or criminal conduct” (Kennedy 2004).

*The Royal Commission recommends that the qualifications of recruits be upgraded to ensure that appropriate persons are being employed. It is to be borne in mind that it is from the current recruits that the leaders of the future will emerge. Improving the calibre of recruits is a certain measure in providing long-term improvement in the quality of delivery of police services. (Kennedy, Vol. 1, 2004:8)*

Western Australian students who are not accepted into the police service at the end of their first year are required to transfer from Police Studies into the broader Justice Studies degree.

In both programs, policing students might be effectively quarantined from their mainstream peers, thus minimizing the potential “liberalizing” effect of attendance at university. In short, the liberal education model has been displaced by a model developed and owned by police organizations themselves.

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Hummer, D, (2006)

Hummer, D, (2006). An Argument for Incorporating police Internships into Liberal Arts-Based Criminal Justice Curricula: An Example of Mutually Beneficial Cooperative Education. (Online). 15 (3) Police Forum, Academy of Criminal Justice Sciences, Police Section. Available at: [http://www.sulross.edu/policeforum/docs/archives/Volume\\_15\\_Number\\_3.pdf](http://www.sulross.edu/policeforum/docs/archives/Volume_15_Number_3.pdf) (accessed 17<sup>th</sup> February 2008)

As criminal justice becomes an ever more popular academic major in the United States, the discipline is attracting some of the best and brightest students who formerly would not have considered the study of deviance a worthwhile collegiate pursuit. As Frank R. Scarpitti (2002) commented:

*“From only a handful of programs specializing in criminology or criminal justice in the late 1960s to more than 1,500 such programs by the end of the next decade, the speed of criminal justice’s growth has to be considered unparalleled in the history of higher education. All across the United States, young men and women began declaring their interest in the study of crime and the justice process, often pursuing post-graduate studies in related fields.”*

With many students and parents alike looking for a definitive “end product” on which to focus after completing four years of higher education, the lack of probable employment in a student’s chosen field could become an unattractive problem for criminal justice programs, especially in regions of the country where jobs are not as easy to come by. In particular, many students enter university criminal justice programs with ambitions of ultimately becoming law enforcement officers. The upside of this trend is, of course, that policing agencies have a broader and deeper talent pool from which to draw, and by extension, the agency is improved as the quality of personnel increases (Hughes, 2003).

It could be argued that the discipline of criminal justice has done a very good job of preparing graduates academically for entry into the job market, but has failed students by not emphasizing experiential learning within curriculum’s (e.g. Breci & Martin, 2000; Flanagan, 2000; Parilla & Smith-Cullen, 1997). In the not so distant past, criminal justice was seen as a “trade” profession, and higher education contained a healthy dose of practical work experience required prior to graduation. The remnants of this cooperative focus remain, as most undergraduate criminal justice majors either require or offer internships and/or practicum experiences in order to complete coursework for the major (Ross & Elechi, 2002; Reed and Carawan, 1999) but in an

effort to develop academic rigor within criminal justice curricula (a noble undertaking in and of itself), the vocational element of studying criminal justice has been, unintentionally or not, downplayed in the name of academic respectability (Flanagan, 2000).

Higher education can do more for these graduating students. By developing a program which serves as a 'school-to-work' extension of the practicum, select students who have completed all other curriculum requirements can attend a municipal peace officer academy (for Act 120 certification in the State of Pennsylvania ) and then gain experience after the academy by serving time as a sworn law enforcement officer on a college or university campus under direct supervision from a senior officer, much like a traditional field training experience. Top criminal justice students would emerge from the program highly trained academically and practically, and would be candidates for most any law enforcement job, while campus police departments will benefit from having a ready supply of inexpensive personnel to supplement ranks that are in some cases stretched thin for budgetary reasons.

Municipal law enforcement agencies, when given a choice, will prefer the candidate with experience and certification as opposed to candidate without these traits. Simply put, the department is getting a known commodity when it hires an individual who has previously worked in the field (Matthews & Kilpatrick, 2002).

A student entering the job market in law enforcement fresh from the university setting without such practical experience is hired based on potential, and is therefore a work in progress at best, and a gamble at worst.

In tight economic times, a police department can save itself the time and expense involved in putting a recruit through the academy if that candidate has already worked in the field. Hiring a nonsworn candidate means that the department must necessarily wait for that recruit to complete academy training, and worst case scenario, would have to go back to the drawing board if the candidate fails to complete the academy experience. This program would allow candidates who might otherwise be passed over for budgetary reasons to remain in the hiring pool because they would already be certified as a peace officer.

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HMIC, (2002a)

HMIC, (Her Majesties Inspectorate of Constabulary) (2002a), Training Matters, Executive Summary. Home Office

The history of probationer training is inextricably linked to the origins of policing itself. From the days of Sir Robert Peel and the first police organisations, the need to train new recruits in the procedures and regulations of policing led to attempts to define the training required to allow individuals to patrol as constables. The end of the Second World War heralded the first 'probationer' courses which often made use of surplus armed service facilities. In fact, many new officers employed at that time had recently been demobilised from active service themselves. Accordingly, the training, which is not totally dissimilar from today's programme, was delivered in a somewhat military style with an emphasis on the learning of police powers. Despite a number of

events and incidents over the next 60 years, including, in the 1980s a radical attempt to enhance the attitudes and behaviour displayed by police officers, the current training is still heavily biased towards the gaining of law knowledge. Fundamentally, for the most part, the PTP is delivered in isolation from, and excludes the active involvement of the community.

In relation to the PTP, the Service has been let down by a lack of strategic level management, direction, vision, and resources. The strategic structures which exist, in particular, to manage the PTP have not been effective.

Successful training delivery will only be guaranteed if a Service-wide approach is adopted to assuring the consistency of delivery. Inconsistency can lead to a fragmented provision of learning and undermine its credibility.

In an attempt to ascertain the investment involved in providing the PTP on a national basis, all forces, NPT and Hendon were asked to indicate how much of their total annual budget was expended on programme delivery. Using the Service's own figures, the delivery of the PTP, including the salaries of those involved, on an annual basis, attracts an investment of over £200 million.

If the Service is to be viewed as a profession, the initial training and development provided must be comparable with other professions and, in particular, those within the criminal justice system.

Achieving a level of competence in line with National Occupational Standards should result in the award of an external qualification, something that has been sadly lacking in police training.

The majority of trainers involved in delivering the PTP are police officers of constable or sergeant rank. However, increasingly, non-police trainers, such as support, Home Office and externally contracted staff are employed in delivering training. It is important that trainers should be credible or the message that they deliver can be diluted or disregarded.

The Service must adapt to become more attractive as a career to all parts of the community. Only then can policing aspire to be truly reflective of society.

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HMIC, (2002b)

HMIC, (Her Majesties Inspectorate of Constabulary) (2002b), Training Matters.  
Home Office

This Inspection examined all of the component parts relating to the PTP, and must conclude that the current programme is not wholly fit for purpose now, nor to support the police service of the twenty-first century.

Probationers are currently attested within their first week of service. This means they have all the powers, but certainly not the knowledge, understanding, skills, attitude and behaviour required to be a competent police officer. Attesting an officer at this stage of their career can also be a disincentive to displaying maximum effort and commitment. If attestation occurred at a later point in their training, for example immediately prior to workplace experience, it could be seen to be a goal at which to aim and should be linked to a formal assessment of competency at that point. The PSNI has already tackled this issue by implementing new regulations<sup>2</sup> to cover 'trainee' officers. Adopting this approach in England and Wales would require changes to the Police Regulations. Nonetheless, benefits in attesting at a later point of service can be seen. For example, it could be more appropriate to deliver training on and in the community, to potential rather than actual police officers, where they could immerse themselves in learning without having to concern themselves with policing.

#### Recommendation 7.1

HM Inspector recommends that the attestation of recruits into the police service takes place after completion of core training and prior to supervised patrol. The Service, led by the Home Office, should address this at the earliest

Qualifications certify the knowledge and skills that a person has achieved through training, work and life experience. A qualifications framework identifies all of the awards available to the employees of an organisation and links them together to form a system of identification and recognition. This in turn can promote the concept of lifelong learning and the provision of a seamless and diverse education and training process.

#### Recommendation 4.5

HM Inspector recommends that the Service, in collaboration with the Police Skills and Standards Organisation (PSSO), creates a qualification framework which will accredit completion of parts of, as well as the whole Probationer Training Programme.

Whilst there may be a place for more than one provider of training, there should be only one design of programme to a national requirement. Those forces that identify unique or specific training needs in relation to their particular operational sphere are free to deliver additional inputs. But a move by any force to deliver the common, nationally congruent element of probationer training to their own design is not supported.

#### Recommendation 5.13

HM Inspector recommends that the Probationer Training Programme as a whole for every new officer be to a single national design and delivered, as far as possible, under centralised management arrangements but with regional or local facilities

During this Inspection many people voiced anxieties in relation to this phase (Residential) of the PTP, and especially the duration of 15 weeks (the MPS 18 weeks). Examples of their concerns include:

- It raises difficulties for those with families.
- There is no part-time option.



- It may not fully recognise diverse cultural requirements.
- It is perceived to be too intensive.

Delivering training within the community in a college or university would address many of these issues. For example, attending training on a daily basis at a site close to an individual's home and providing childcare facilities, as many colleges or universities do, would be attractive to those with families. Furthermore, many educational establishments deliver courses on a part-time basis.

A course based in a college or university should follow national educational guidelines. Even if delivery involved a mixture of police and non-police staff, courses would be monitored and evaluated for effectiveness with account taken of individual's different learning styles. Such an approach could ensure that future training for probationers would be delivered in a balanced way but no less effectively.

#### Recommendation 7.8

HM Inspector recommends that the Service, led by National Police Training (NPT), designs a new training programme in line with National Occupational Standards, which will cater for individual learning styles and abilities as well as taking into account previous experience, qualifications and inherent attitudes and behaviour.

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HMIC, (2008)

HMIC, (Her Majesties Inspectorate of Constabulary) (2008), The Review of Policing. Home Office

Different interpretations have been made of 'workforce reform' for the police. This review has used the following definitions, and we suggest that partners continue to use this in taking forward the recommendations in this report.

*“Workforce reform involves joining officers and police staff in a strategic framework providing clear career pathways through accreditation of skills and competencies, whilst improving demand management and workforce planning, particularly in relation to recruitment and deployment, in order to mitigate risks and ensure operational resilience.”*

In my interim report I highlighted the integral role that PCSO's are playing in the implementation of Neighbourhood Policing and the range of problem-solving and life skills, together with the very rich diversity, which has enhanced service delivery and reputation within communities. I am encouraged that following my report the NPIA has been commissioned to lead a tripartite review of PCSO's which includes looking at their roles and responsibilities, recruitment and training, and career development.

This

review is expected in February 2008 and will also comment on the interim recommendation that the NPIA should research the feasibility of a volunteer PCSO scheme. The Review welcomes this piece of work and will return to revisit the potential for a volunteer scheme in six months time.

### Training and development

The current model requires officers and staff to be provided with adequate training to carry out their role, but this tends to be on a 'one size fits all' approach, rather than tailored training according to an individual's development needs and the nature of a specific role. Further work should be carried out to allow for accreditation of prior learning to avoid duplication (this is especially so for PCSO's who become officers and currently have to repeat some of the same training). A more streamlined ICF that forms the basis of recruitment and development for officers could facilitate this, enabling individuals to take greater ownership of their professional development. We could look to other sectors for comparisons, for example in education and social care the individual takes responsibility for their pre-employment training completing relevant degree programmes at their own expense before being eligible for employment.

We must focus on building a more confident police service – one which emphasises individual professionalism and which is founded upon strong standards and team values. This means we need to move away from training towards education.

Within this enhanced approach to professional development, the police service must also ensure that proper attention is given to the importance of professional ethics as a crucial contributory factor to the fair and effective use of an officer's discretion. Police officers and police staff will have to use greater professional judgement, take greater risks in their decision making, and to use their discretion in order to achieve the highest levels of trust and confidence in policing.

### Partnership Learning and Development

Developing the right skills in the right people is clearly a key part of developing effective partnerships. There is now a need to consider how to build the capacity to work in effective partnerships, not just in the police service but across local agencies. It is vital that this training mirrors the sorts of working which it is preparing people for. It cannot be solely carried out within individual organisations but instead should be delivered jointly across them so those who will build effective partnerships have the opportunity from the outset to develop their knowledge and understanding with their future colleagues from the outset. This joint training should be augmented by the sharing of analysis and research capacity across the sector and the service should demonstrate its commitment to supporting the development of its colleagues in other agencies by sharing training facilities in order to provide, for the first time, sites where joint community safety training, learning and development can take place.

In the area of training, development and recruitment, proper recognition must be given to the fundamental importance problem solving skills play in Neighbourhood Policing and the significance of ensuring the right people with the potential to acquire the appropriate skills are recruited. Developing these skills needs to be made a core part of the training and development opportunities offered to officers and PCSO's.

The importance of continuity was also supported by a recommendation that PCSO's who choose to become police officers should be given recognition for the skills they have already acquired in the form of a reduced training commitment that allows them to return more quickly to Neighbourhood Policing roles.

4.32 A study by a metropolitan force has identified that on average supervisors:

1. Spent 11.5 hours per probationer under the PTP system completing PDP paperwork
2. Now spend at least 35.2 hours per student officer under the SOLAP system

This triples the amount of supervisor time required (an additional 10,000 hours per annum completing assessment paperwork in one force)

4.33 Similarly, on average Student Officers:

1. Spend 1.9 hours per working week in duty time completing NOS paperwork
2. Spend 5.4 hours per working week off duty time completing NOS paperwork
3. Spend 3.4 hours in total in duty time completing self assessment
4. Spend 7.9 hours in total off duty time completing self assessment

Total student officer time spent completing assessment paperwork in this (reasonably large) force is 129,000 hours per annum.

#### Recommendation 18

The NPIA should work with forces on a post implementation review of the SOLAP workplace assessment and accreditation process.

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Morris, W, (2004)

Morris, W, (2004). Independent Inquiry into Professional Standards and Employment Matters in the Metropolitan Police Service. (Online). Metropolitan Police Authority, December 2004.

Available at: <http://www.mpa.gov.uk/morrisinquiry/report/default.htm>  
(Accessed 11<sup>th</sup> February 2008)

We recommend that attestation is delayed until the officer has satisfactorily completed his or her initial training. Attestation would then act as an incentive to probationers to complete their training successfully.

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CRE, (2005)

CRE, (The Commission for Racial Equality), (2005). Formal Investigation of The Police Service in England and Wales. (Online). Metropolitan Police Authority, March 2005. Available at: <http://www.mpa.gov.uk/downloads/committees/mpa/050331-09-appendix01.pdf>

(Accessed 11<sup>th</sup> February 2008)

#### Recommendation 38

The Home Office and Association of Chief Officers should produce proposals for raising the professional status of police training so that it attracts the 'brightest and best' applicants.

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EOC, (Equal Opportunities Commission), (2005)

EOC, (Equal Opportunities Commission). Action Plan for Government, Unlocking Potential. (Online). Bristol Primary Care Trust, July 2005. Available at: [http://www.bristolpct.nhs.uk/theTrust/Equality/Gender/publications/unlocking\\_gap\\_eoc.pdf](http://www.bristolpct.nhs.uk/theTrust/Equality/Gender/publications/unlocking_gap_eoc.pdf)

(Accessed 19<sup>th</sup> November 2007)

Our vision is for workplaces which are flexible and variable, not organised around a fixed working day from which part-timers deviate; where people are valued for their contribution, not length of their hours; where flexibility is seen as an opportunity to improve productivity and deliver the workplace of the future, not as a threat, and where flexible working is therefore available in all sectors and at all levels. Our vision is for a society where caring is seen as a skill and experience of great value in many different jobs and where women and men are paid the same for work of equal value.

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**Delivering the Recommendations of the  
Fraud Review 2006  
and the  
Paradox of Police Leadership**

**Appendix Five**

**PEPE PID & BC**



**Combined  
Options for  
PRE-EMPLOYMENT  
POLICE EDUCATION  
And  
PROJECT INITIATION DOCUMENT**

**Incorporating  
PRELIMINARY BUSINESS CASE**

**- Options for Pre-Employment Police Education -**

**DOCUMENT AMENDMENT RECORD**

**Document title – Combined Options and Project Initiation Document**

<b>Document Version</b>	<b>Amendment Detail</b>	<b><u>Author</u></b>	<b><u>Date</u></b>	<b><u>Approved</u></b>
1.1	Collaborative Document	SS/GS	07/07/08	
1.2	Combined Options and PID	SS/GS	14/07/08	

**VERSION CONTROL**

<b>Version</b>	<b>No of Pages</b>
1.1	35
1.2	35

## Glossary of Terms

APL	Accredited Prior Learning
APEL	Accredited Prior Experiential Learning
BTP	British Transport Police
CA	Central Authority
Cert HE	Certificate of Higher Education
CISPS	Centre for Investigative, Security & Police Sciences
CoLP	City of London Police
CPD	Continuous Professional Development
CSU	Charles Sturt University
CU	City University
CRB	Criminal Records Bureau
DDO	Designated Detention Officer
FD	Foundation Degree
FE	Further Education
HE	Higher Education
HMIC	Her Majesties Inspectorate of Constabulary
HO	Home Office
IPLDP	Initial Police Learning & Development Programme
LPGs	legislation, Policy & Guidance
NCALT	National Centre for Applied Learning Technologies
NOS	National Occupational Standards
NPIA	National Policing Improvement Agency
NRS	National Recruiting Selection
NSWP	New South Wales Police
NVQ	National Vocational Qualification
OCR	Oxford, Cambridge, & Royal Society of Arts
PACs	Police Action Checklists
PEPE	Pre-Employment Police Education
PCSO's	Police Community Support Officers
PDO	Professional Development Officer
PDU	Professional Development Unit
PTP	Probationer Training Programme
SC	Special Constable
SO	Student Officer
SOP	Student Office Programme
WBL	Work Based Learning
WFM	Workforce Modernisation



## 1: INTRODUCTION

Currently, a national selection process is used to sift and assess the suitability of prospective new recruits. Successful applicants undergo a training programme unique to their chosen force; generally, recruits are 'sworn' in and given full powers of the office of constable in their first week.

Recruits undertake a two year training programme, for City and BTP; this is the Student Officer Programme which is delivered in partnership with City University. The Programme leads towards the award of a Foundation Degree and NVQ Levels 3 & 4.

Student Officers receive a full salary (including additional London allowances where applicable), whilst their training is funded by the officers force and a Home Office grant which currently stands at **£3,000** per officer (Home Office forces only). The first three phases of the Student Officers Programme lasts 34 weeks with the majority of student officers achieving independent patrol by this stage.

This document explores the options for the implementation of a Pre-Employment Student Officer Programme. The Pre-Employment route aims to provide students with an opportunity to gain the skills and knowledge required of a police officer prior to employment, bringing police education in line with other professions.

The paper draws on the following recommendations:

The Commission for Racial Equality (Recommendation 38, Formal Investigation of The Police Service in England and Wales, March 2005) ***'The Home Office and Association of Chief Officers should produce proposals for raising the professional status of police training so that it attracts the 'brightest and best' applicants. (Paragraph 5.48)'***

Robin Field-Smith, Her Majesty's Inspector of Constabulary Personnel & Training (Recommendation 7.1 - 'Training Matters' - Her Majesty's Inspector of Constabulary, January 2002) ***'HM Inspector recommends that the attestation of recruits into the police service takes place after completion of core training and prior to supervised patrol.'***

Sir William Morris (Recommendation 2g – Independent Inquiry into Professional Standards and Employment Matters in the Metropolitan Police Service) ***'We recommend that attestation is delayed until the officer has satisfactorily completed his or her initial training. Attestation would then act as an incentive to probationers to complete their training successfully.'***

The Home office consultation paper 'The Timing of Attestation' which looks at options for delaying attestation and includes relevant extracts from Training Matters, the Morris Enquiry and Police Regulations:

The options presented in this paper are flexible and would provide great scope for accrediting prior learning, full or part time study, traditional face to face, distance or fully blended options. The modular structures would allow exit and progression routes for all members of the wider police family, with qualifications aimed at students both currently working in the service as well as students wishing to begin a career in the policing sector.

#### Diversity & Community Impact:

The police service has traditionally found it difficult to attract recruits from minority ethnic communities particularly Asian and Caribbean. Anecdotally one of the reasons given was that the police were not seen as a 'profession' in the way that pharmacists, lawyers, doctors and accountants were perceived.

Aspirational parents were not keen for their children to choose the police service as a profession when compared to the more 'desirable' professions previously mentioned.

Where this was once seen as the explanation mainly given by potential recruits from the Asian community this is now given as an explanation by people from the Black British and Caribbean communities.

The proposal would, at last, mean that the entrants would first have to gain a degree (or agreed level of credits) before joining the service. More importantly this would be gained at an academic institution so gaining a legitimacy that some communities have never attached to police training.

In the preparation of this part of the proposal several face-to-face interviews were carried out with people who identified themselves as being members of Asian and African Caribbean communities.

They confirmed that a degree gained before recruitment would confer legitimacy and confer on the police the status of a 'profession'.

They also stated that it would make the police more attractive to women as they would not have to cope with the perceived macho culture of regional police training; the effect of 'The Secret Policemen' cannot be underestimated in this respect.

The Certificate / Foundation Degree in Policing Practice is designed to meet the needs of the employer, Skills for Justice, Central Authority, the QAA benchmarks and the students.

## **2: PRELIMINARY BUSINESS CASE**

The time taken from the point where the need for recruit resources is identified to the point where appointees are ready for operational deployment is too long. The time delay inhibits effective service delivery and efficient workforce planning. In addition the existing initial L&D delivery is an expensive process offering little if any return to the force in the early stages of an officer's career.

Considerable resources in terms of staff, facilities and materials are given over to initial training which could be drastically reduced producing both cashable and non-cashable efficiency savings.

Currently, resource planning, recruitment and initial training processes can take up to one year. By the time recruits have been trained, operational and organisational needs may have changed. The Pre-Employment Police Education proposals would allow the recruiting and initial training processes for a police officer to be reduced from thirty-four weeks to anything from twenty-four weeks to as little as one week.

This is done by transferring some or all of the IPLDP learning requirement (pre independent patrol elements only) into a learning programme that is then delivered by Further and Higher Education (FE/HE) establishments to potential employees, prior to application or recruitment. This process reduces the “in Force” training needed by applicants and ensures that newly qualified staff reach the front line with minimum delay.

To aid motivation, retention and commitment of staff to the Force, there is a need to invest in the individual and include this as part of an overarching Workforce Development Strategy, which will in turn feed into an effective Workforce Planning Model.

In addition there is opportunity to take full advantage of advances in technology within the training process. Development of e-learning systems as part of a fully open blended approach within Pre-Employment Police Education could further widen access to initial recruits.

The development of a Pre-Employment Police Education Programme has the potential to completely change the way in which police officers and other operational staff undertake their initial training. PEPE offers a range of options that can modernise the way in which future officers and members of the wider police family are recruited. Each of the options provide the opportunity for applicants to commence their training prior to joining the service.

To take a recruit through to independent patrol, the current system of delivering Student Officer Education costs the police service between **£46,000 and £59,000** per officer (depending on delivery method and receipt of allowances: London Weighting etc).

The opportunities for developmental, refresher, specialist and promotion related programmes could fit within the same framework, generating further savings through the establishment and professionalisation of an academic career development framework.

Savings would be generated through:

- Reduced salary / oncosts for student officers – savings of between twelve and thirty four weeks salary per recruit.

- Possible franchising of the learning process.
- Improved workforce planning.
- Potential to bypass the National Recruiting Selection (NRS) process and recruit directly from the PEPE Programme.
- The potential to reduce the number of training staff and potentially redeploy to the front line.

### 3: **TERMS OF REFERENCE**

#### Aims & Objectives:

To develop a Pre-Employment Police Education Programme for Student Officers which serves the needs of City of London Police and British Transport Police with City University; complying with the requirements of Home Office Initial Police Learning and Development Programme Curriculum and the Workforce Modernisation Agenda.

- This will include the facility of delivery at multiple sites across England and Wales thereby maximising benefits to the student and the organisation whilst reducing the costs and inconvenience of single site delivery.
- This will include the establishment of processes to accredit the training and trainers and the provision of an ongoing process to monitor/evaluate training delivery and quality.
- The completed programme will be consistent with the individual Force styles to enable it to meet local needs and deliver optimum officer performance.

#### Terms of Reference

- To identify the most suitable methodology, including the most suitable campus, for delivery of probationer training. Taking into account the potential for co-operative and collaborative ventures in each phase.
- To identify a suitable curriculum and mode of delivery meeting all necessary criteria laid down by the Home Office / Central Authority.
- To identify, and establish a project management structure in accordance with PRINCE2 methodology
- To introduce, pilot and establish a Pre-Employment Police Education Programme based upon the agreed curriculum above.

- To identify the qualification and accreditation requirements for lecturers/tutors to undertake delivery of the above educational programme.
- To identify the appropriate qualification/accreditation for students completing the programme.
- Establish and deliver a process capable of audit by the Police Committee and Police Authority for the ongoing evaluation and monitoring of the educational process and its quality.
- To incorporate the new probationer training process within the overall umbrella of continuous professional development within City of London Police and British Transport Police.
- Establish within the educational process a mechanism for identification of training needs, confirmation and measurement within the annual PDR process.

#### Scope

- To institute an educational process suitable for City of London Police and British Transport Police use. It may be necessary to consider the potential for further collaborative actions with other forces / Universities.

#### Constraints

- Project funding will be limited as NPIA / Home Office, although supportive of the initiative, are not providing any funds.
- It is acknowledged that BTP are funded in a unique manner.
- A Deed of Variation has been entered into extending the existing MOA by 6 months which runs till November 15<sup>th</sup> 2008.
- The programme design will need to be equal to or exceed nationally agreed standards for all options e.g. FE and HE courses must provide the same minimum requirements for an equal certificate to be obtained.
- The NPIA guidance, Models for Learning must be considered throughout the project
- Project Planning will follow Models for learning guidelines, which will include the use of a project plan, and risk register, and the establishment of key roles and responsibilities of the project team.
- Quality Assurance (QA) protocols will be applied.

- Document control procedures will be applied.
- A full evaluation will be carried out.
- Key documents must be retained.
- Programme will be designed to meet NPIA and Skills for Justice guidelines and recommendations
- Ownership of intellectual property rights must be identified.

#### Assumptions

- City of London Police and British Transport Police are supportive of the police Learning and Development process and the Workforce Modernisation Agenda and will assist with the establishment of the necessary facilities to implement the change.
- The will exists both within senior management and the Police Committee and Police Authority to support the development, piloting and establishment of a Pre-Employment Police Education Programme.
- All necessary resources will be made available in order to develop, pilot and establish the agreed Pre-Employment Police Education Programme.
- A Workforce Development Strategy is required.
- A robust Workforce Planning Model will be in place to facilitate the new recruitment programme.
- Higher and Further Education students will choose to study this course.
- Accredited Prior Learning (APL) process is valid and capable of allowing police staff to evidence accredited learning.

#### Project Approach

- The project will be managed under the PRINCE2® methodology.

#### 4: **BENEFITS REALISATION**

Benefits accruing from the project will be managed in accordance with the City of London Police and British Transport Police Policy on Producing a Benefits Realisation Plan.

An example of project benefit analysis is to be found in Appendix A attached

## **5: RISKS**

An initial list of identified risks is to be found in Appendix B attached

A sample of the Risk Register is to be found at Appendix C attached.

## **6: QUALITY MANAGEMENT**

The management of quality will be as described in City of London Police and British Transport Police– ‘QUALITY MANAGEMENT PORTFOLIO’.

Briefly all products will be the subject of Product description Forms (PDF) and subject to individual review.

## **7: COMMUNICATIONS PLAN**

This project will affect many elements of City of London Police and British Transport Police so good communications will be vital. A joint Communications team will need to be established to look at both internal and external communications strategies.

The Communications Team will need to liaise with each stakeholder, as the project requires using emails and meetings, we will use workshops and group emails to communicate with groups of stakeholders more efficiently.

As the aspects of the proposed training are so far reaching it is intended to fully consult stakeholders to provide input to both the Project Team and Project Board.

Although these individuals will have no official status within the PRINCE2© methodology it is intended that they will be utilised to advise and inform the project team.

The stakeholders will include representatives from:

- NPIA
- Her Majesties Inspectorate of Constabulary
- Community Representatives (IAGs)
- Divisional Commanders
- Human Resources
- Learning and Development
- Recruitment
- Finance
- Police Committee/Authority
- Estates
- Staff Associations
- Professional Development Officers & ‘Mentors’

## 8: ORGANISATION & CONTROLS

No work will commence without authorisation from the Project Board. The Board will allow the project manager a margin of tolerance of 10 days on any product and no more than 20 days for any stage.

Immediately the project manager has cause to suspect that any allowed tolerance is likely to be exceeded and that the situation cannot be rectified, this will be brought to the Project Board's attention by way of an Exception Report and Plan.

The project manager will keep the Board informed of progress against the Plan by means of a Highlight Report that will be submitted at four weekly intervals to the board. All changes to the project, whether additional requirements or changes in direction will be treated as project issues and will need to be approved by the Board once their impact has been assessed.

## 9: ROLES & RESPONSIBILITIES

The key roles are listed below. TO BE CONFIRMED

Strategic Group	
Executive Chair Executive BTP Executive CoLP	
Project Management Team	
Project Chair	
Deputy Chair	
Project Manager	
Project Second	
Senior User - CoLP	
Senior User – BTP	
Senior Supplier – CU	
Supplier Assurance – CU	
User Assurance – CoLP	
User Assurance – BTP	



## **10: PROJECT PLANS**

To be developed.

## **11: SUMMARY OF BENEFITS FO THE ORGANISATION**

- Significant cashable/non cashable efficiency savings from 2009/10.
- Reduces the establishment requirement for in house law trainers in the longer term.
- Improved framework to underpin career pathways.
- Reduces classroom requirement.
- Comparatively low cost of development in comparison to the projected efficiency savings (ROI in Year 1).
- Provides the link between recruiting and WFM practices/procedures.
- Delivers probationers to the front line between week 22 for option 1 to as quick as week 1 for option 3 as opposed to the current 34 weeks – making workforce planning easier for Divisional Commanders.
- Enhances and compliments other service training.
- Potential to open up other collaborative initiatives with Academic institutions.
- Puts a substantial part of police training in the community and being delivered by non police staff or jointly in collaboration.
- Strengthens community understanding of the role and powers of the Police and opens further opportunities for community links with City of London Police and British Transport Police.
- Makes police training “transparent” and open to public scrutiny.
- Opportunities to promote the Home Office High Potential Scheme.
- Fits in with and underpins the principles of Workforce Modernisation.

## **12: SUMMARY OF BENEFITS FOR THE RECRUIT**

- No longer have to wait until the last minute to prepare for a police career.
- Can select an option to fit their personal circumstances.
- Can prepare whilst in full time education, full time employment or whilst committed at home or elsewhere.
- Allows a better work - life balance
- Can make good use of the ‘dead time’ between deciding upon a police career and joining.
- Can move at own pace, opting in and out as their personal circumstances dictate.

## **13: NATIONAL OVERVIEW**

Surrey Police:

Developing a model similar to option 1 with Portsmouth University and Guilford College which is being implemented from Jan 2009 in a phased approach. Surrey are seeking to establish the programme as the single route of entry by 2010.

**Lancashire Police:**

Have been delivering a pre-employment Foundation Degree Programme with University of Central Lancashire since 2007. Set recruitment levels through route at 25% resulting in yearly cohorts of 40 – 45 for which there are approximately 4.8 applicants for each position. The Lancashire model is very similar to the third option and utilises the role of Special Constable but does not directly recruit from the programme and students are still subject to the National Recruiting Selection Process.

**Cumbria Police:**

From September 2008 Cumbria will delivering a programme with the University of Cumbria which follows the principles of the Lancashire / UCLAN model utilising the role of special Constable. This has been developed with the assistance of Lancashire and UCLAN.

**Northamptonshire Police:**

Although still in the approvals process it is anticipated that from September 2008 Northamptonshire will delivering a programme with the University of Northampton which follows the principles of the Lancashire / UCLAN model utilising the role of Special Constable. This has been developed with the assistance of Lancashire and UCLAN.

**West Midlands Police:**

Delivering a programme in partnership with Wolverhampton University which is similar to option two but provides the facility for students to apply and become Special Constables whilst studying leading to a 'fast track' application and recruitment process if the students decided to join the service.

**Dyfed Powys Police:**

Delivering a programme with the University of West Glamorgan which, like the West Midlands model is similar to option two but provides the facility for students to apply and become Special Constables whilst studying leading to a 'fast track' application and recruitment process if the students decided to join the service.

**Thames Valley Police:**

Have entered into talks with Surrey Police with a view to implementing the Portsmouth University model. Future intention not confirmed.

In addition to the above forces that are actively progressing Pre-Employment Police Education Programmes a great deal of interest has been shown nationally and many more forces are conducting research and feasibility studies into the potential of implementing Pre-Employment Police Education Programmes.

**14: WAY FORWARD**

City of London Police and British Transport Police have already undertaken a lot of work in scoping the options for Pre-Employment Police Education at a local, national and international level.

The City University, City of London Police and British Transport Police have developed an effective working relationship in the delivery of the Student Officer Programme. This project seeks to build on that relationship with the potential to expand to include other police and FE / HE partners on a regional / national level.

This project will redesign the recruiting and L&D processes to reduce the initial L&D period in terms of cost and time. The delivery structure for recruiting and the Learning and Development function will be reviewed and amended to accommodate the proposed changes.

The Programme would see the Policing Certificate / Cert HE / FD issued after the successful completion of the accredited course.

The options range from outsourcing the knowledge requirement to a full collaborative model achieving independent patrol and potentially removing the need for students or the service to be subjected to the National Recruiting Selection.

The extensive research carried out since 2005, scoping the Student Officer Programme against existing pre-employment programmes and the preparatory work which encompassed emerging trends within police reform both future proofs and enables the easy transition to offering pre-employment police education.

If the proposal is approved and formal project management is established by Aug 2008 initial efficiency savings will be achievable from Jan 2010 (depending of option progressed). A realistic and achievable timeline for implementation is:

Aug 2008	Apr 2009	Jun – Aug 2009	Sep 2009	Feb - Sep 2010
Project initiation	Course offered through UCAS and advertised jointly through force and university web sites	Admission and selection process administered – pilot cohort approved	Pilot cohort commences studies	First successful recruits eligible to claim APL through NRS or for direct recruitment / employment
Start up costs		Break even		Efficiency saving

## 15: RECOMMENDATIONS

1. The City of London Police and British Transport Police support the proposal, agree on one or more options for development and initiate 'project start up'.
2. In line with PRINCE2 methodology (project management), strategic and project management boards are established and a project team appointed.
3. Both strategic and project management boards will need to include representation from each of the formal partners and could potentially be extended to include prospective partners i.e. The MET.

A dedicated Project Team would require the following personnel:

- Project Manager: dedicated Chief Insp or equivalent
- Project Second: dedicated Insp or equivalent
- Project Team: 2 dedicated Sgts or equivalent
- Project Administrator: dedicated administrative support
- Finance: advisor to the project team
- Legal: advisor to the project team
- Diversity: advisor to the project team

The Project Team would also require the following resources:

- Dedicated accommodation for the Project Team
- IT with facility to interface with both force and university systems
- Facilities for remote working

4. To support the development of the business case and project initiation, a steering group should also be considered; I suggest the group consists of the following members as a minimum:

- Chair – ACPO lead
- Critical Advisor – Independent L&D / HR representative
- Operational Advisor – Area Commander / Superintendent
- Community Impact Advisor – Diversity Unit
- Workforce Advisor – HR / Recruitment
- Best Value – Finance
- Communications – Corporate Communications
- Staff Associations – Police Federation / Union / TSSA
- Service Provider – City University

The steering group could initially consider the following areas:

- Phased Implementation
- Phased delivery options
- Positive action initiatives
- Financial incentives
- Communications
- Evaluation

## **16: OPTIONS CONSIDERED**

Three different models have been considered, costed and scoped for benefit and risk. Each option has the facility to offer multiple exit or progression points and the flexibility to be delivered through an impressively blended open approach. Each option could also be offered full time, part time utilising day release and evening classes, and for those seeking rapid employment by a compressed ‘fast tracked’ option.

It is recommended that the delivery options are implemented through a phased approach:

- Short term – year 1 – traditional face to face delivery on fast track and standard programmes.
- Medium term – year 2 – as above with the option of part time study.
- Long term – year 3 – as above with the addition of distance / blended learning.

### **Option 1: The Elective Model**

Elective model: in this option the underpinning knowledge elements of IPLDP are separated out from policy, guidance and procedure and delivered as elective modules within existing Criminal Justice / Public Services programmes.

Students who successfully complete the elective modules could then apply to the service via the NRS process and claim APEL for the knowledge requirements of IPLDP.

This would reduce an officer's probation by 12 weeks and see a new recruit achieving independent patrol within 21 weeks of employment.

This route requires the attendance at and completion of the designated unit electives (2 of them) provided by a University for its students as part of a full or part time degree course.

At this stage, it is envisaged that the unit electives would be delivered as options in year 2 and 3 of an undergraduate's degree course. The successful completion of each unit elective would qualify the student for between 10 and 15 credits towards their degree award (Maximum of 30 credits in total).

The unit electives offered will cover; the role of the police in society; criminal law; traffic law and general police duties and powers.

The scope and depth of the subject matter will be designed to comply with current National Policing Improvement Agency (NPIA) and IPLDP learning requirements.

In offering these subjects in this way it is anticipated that twelve weeks could be saved from the current Student Officer Programme.

Universities may elect to undertake additional assessment in order to ensure the elective contributes towards the award of a degree.

This option also has the potential to enable Further Education Colleges to deliver the core material as set out for Higher Education.

In addition to a full time course there could be options that would allow accredited learning to take place on a part time basis via evening classes held over the academic year.

This provides for those who are not in full time study and who have other day time commitments to study at a more convenient time.

The learning leading to the award of a certificate will be assessed at NVQ level 3 /4 in keeping with national requirements.

There is also the potential for applicants who do not have easy access to HE or FE establishments to access the necessary underpinning IPLDP knowledge requirement through distance learning packages delivered via the Internet.

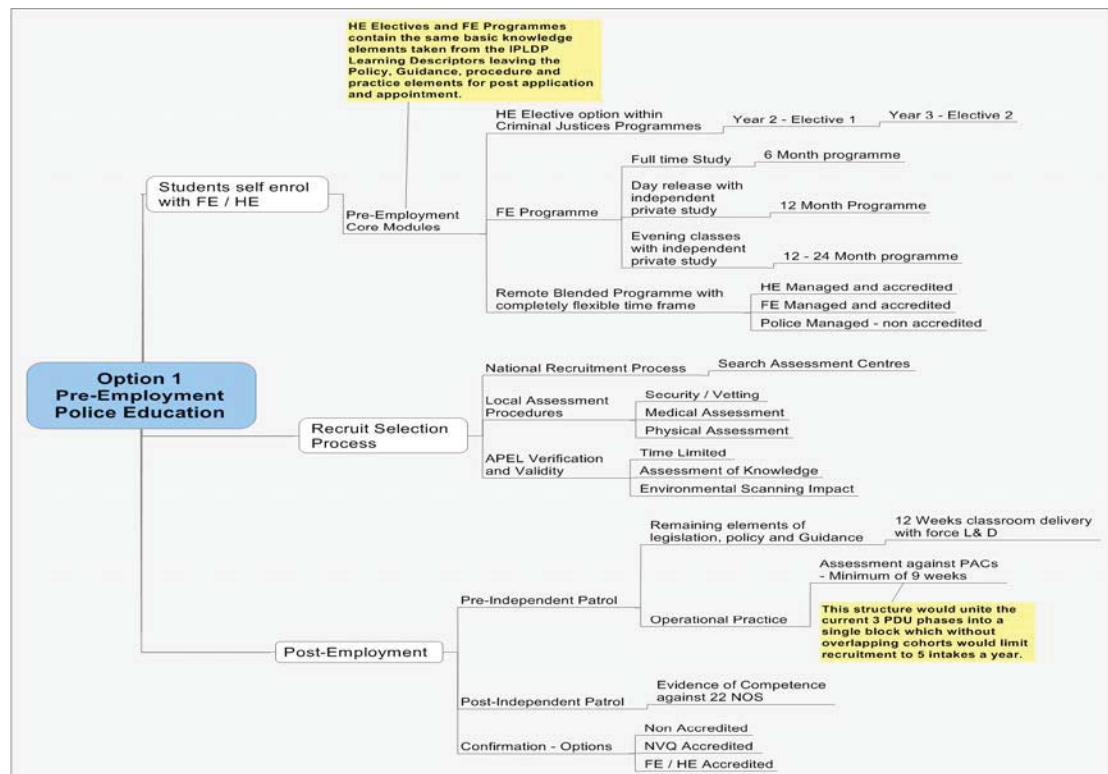
This form of learning together with other blended learning options could be investigated as part of the overall project.

The same electives could be available to benefit those existing members of Police staff, including volunteers, who wish to become police officers e.g. PCSO's, DDO's, SC's etc. It could also target posts that require knowledge of criminal law and possess investigative skills e.g. staff working as Case Support and Investigative Officers.

Outsourcing the 'knowledge' elements of IPLDP whilst achieving a qualification that meets the National Minimum Qualification would remove the need for the current tripartite relationship and potentially end the collaboration between CoLP and BTP.

It is acknowledged that some of the existing PCSO and SC courses etc would have to be changed to align them to the proposed process.

### Option 1 Overview:



### **Projected costs / savings:**

Time saved Pre-Employment: 12 weeks

Time Employed to Independent Patrol: 22 weeks

#### **London based officers**

Cost to independent Patrol: £40,000

Savings per officer: £19,000

#### **Officers outside of London**

Cost to independent patrol: £35,000

Savings per officer: £17,000

This option is similar to the model that is under development by Surrey Police and Portsmouth University. It is not compatible with the current Student Officer Programme which would result in a longer lead in time and increased development costs for both the Pre-Employment and Post-Employment elements.

### **Benefits**

- 1 A standardised programme delivered by multiple universities would increase the scope for delivery / study sites.
- 2 Optional electives would remove the need for a dedicated 'policing student' University admissions / assessment process.
- 3 This concept gives a greater degree of integration with the diverse nature of University life.
- 4 Delivery through FE Institutes would increase accessibility to the programme, in particular 16 – 18 year olds.
- 5 The learning support of a major educational establishment would be available to Police students.
- 6 Place responsibility for delivery with the FE / HE establishment and reduce the need for police teaching staff.
- 7 Provide a suitable platform from which more flexible options, including part time, day release, evening classes, distance and e-learning routes could be developed and implemented.
- 8 At the conclusion of the FE / HE study programme the student Officer would have a qualification which satisfies the national minimum qualification requirement for police.

### **Risks**

- 1 This is a new programme and there would be a longer lead-in time (allowing for design, development and approval) with projected implementation being September 2009 to coincide with the academic year for existing Criminal Justice Programmes.
- 2 A new programme would also have to be designed to cover the remaining learning requirements of IPLDP which would not fit within the existing Student Officer Programme framework.



- 3 Operational practice through the Professional Development Unit would revert to a single phase which, without overlapping cohorts would restrict potential recruitment to 5 intakes a year.
- 4 Recruitment could be constrained by the FE and HE academic / graduation calendar – resulting in once / twice yearly surges of applicants.
- 5 There is no guarantee that the student body will go on to apply for the police service or that they would satisfy the requirements of the NRS process.
- 6 An academically owned and delivered programme would limit the influence the forces could exert on students who, without any sense of belonging may be attracted / poached by other forces.
- 7 Ownership of the course and its content would sit with academic body who may not respond to changes in legislation or policing priorities appropriately.
- 8 An academic programme delivered independent of the police may lack credibility within police circles which could undermine the validity of the programme and integration of Pre-Educated recruits.
- 9 QA of the course would still be subject to scrutiny by the Central Authority which could be difficult to administer on a non-collaborative programme.
- 10 Remove the need to partner with City University as students would join after achieving a suitable qualification and potentially end / reduce the collaboration between CoLP and BTP.
- 11 Increase the demand on existing force training facilities by 200%, for BTP this would exceed current capacity by up to 50%.

## **Option 2: The Pre-patrol model**

Pre-patrol model: This option provides students with the opportunity of completing the majority of legislation, policy and guidance required by the Home Office / Central Authority.

Students who successfully complete this programme could then apply to the service through the regular NRS process and claim APEL for all of the knowledge (LPGs) requirements of IPLDP.

This option would only require a recruit to undergo a maximum of 6 weeks teaching (Force induction & local procedure) before commencing the tutorship phase with the PDU.

This would reduce an officer's probation by 19 weeks and see a new recruit achieving independent patrol within 15 weeks of employment.

This route requires the attendance at and completion of the dedicated Policing Programme provided by a University as a full or part time Cert HE course.

The successful completion of the programme would lead to the award of a Cert HE – 120 credits, and provide the opportunity to continue studies and work towards a FD or BSc in Policing Practice post employment.



With the exception to the induction elements, first aid, officer safety, diversity and community engagement, the programme offered would cover all mandatory legislation, policy and guidance at level one and two.

The scope and depth of the subject matter will be designed to comply with current National Policing Improvement Agency (NPIA) and IPLDP learning requirements.

Universities may elect to undertake additional assessment in order to ensure the programme satisfies the academic requirement for the award of a Cert HE.

This option also has the potential to enable Further Education Colleges to deliver the core material as set out for Higher Education.

In addition to a full time course there could be options that would allow accredited learning to take place on a part time basis via evening classes held over two academic years.

This provides for those who are not in full time study and who have other day time commitments to study at a more convenient time.

There is also the potential for applicants who do not have easy access to HE or FE establishments to access the necessary underpinning IPLDP knowledge requirement through distance learning packages delivered via the Internet.

This form of learning together with other blended learning options could be investigated as part of the overall project.

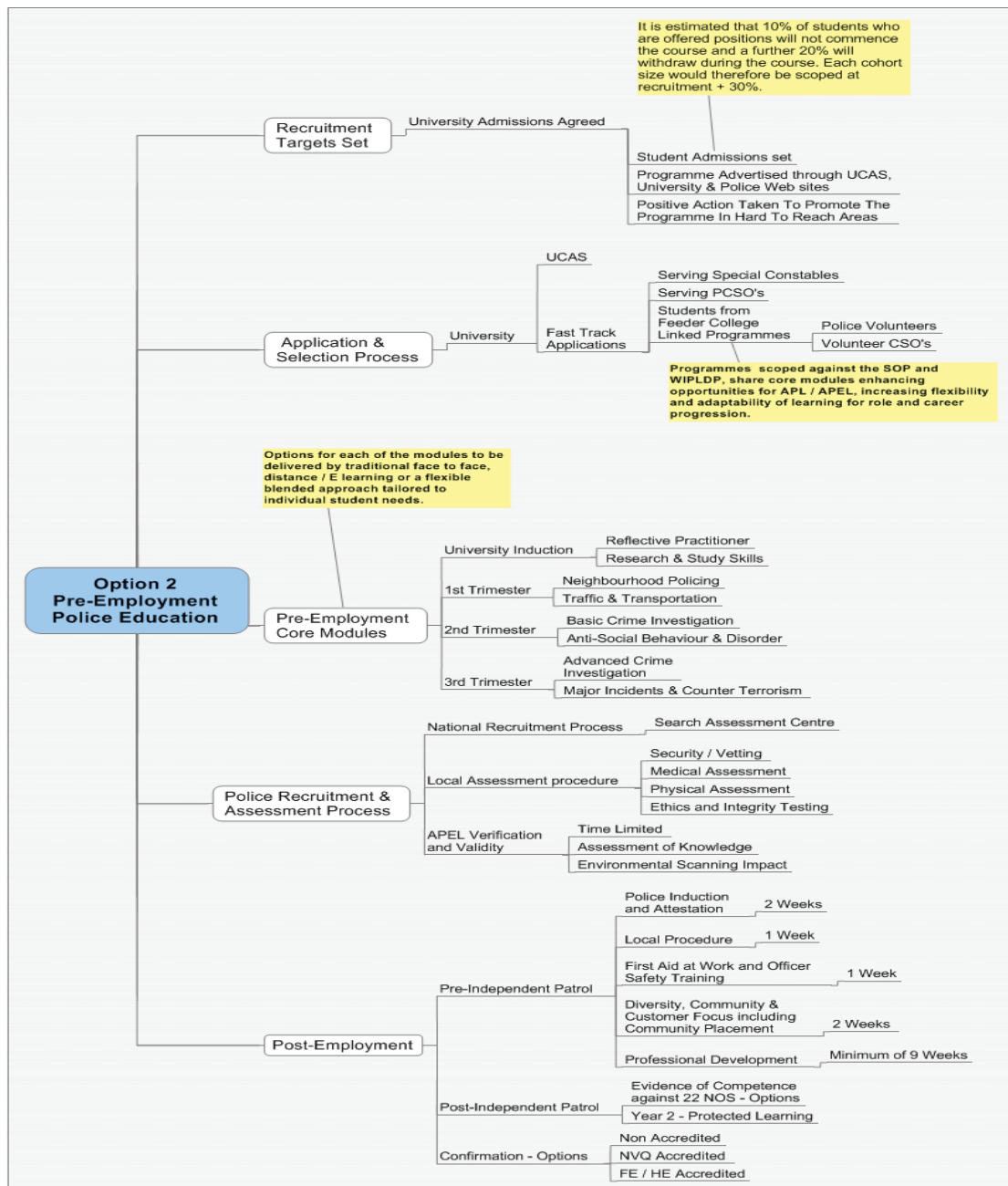
Modules from this programme could be made available to benefit those existing members of Police staff, including volunteers, who wish to become police officers e.g. PCSO's, DDO's, SC's etc.

It could also target posts that require knowledge of criminal law and possess investigative skills e.g. staff working as Case Support and Investigative Officers.

For those police staff that are in front-line and operational positions it is foreseen that they would be able to access elements of the course in order to update, refresh and develop their knowledge.

It is acknowledged that some of the existing PCSO and SC courses etc may have to be changed to align them to the proposed process.

Option 2 Overview:



**Projected costs / savings:**

Time saved Pre-Employment: 19 weeks  
Time Employed to Independent Patrol: 15 weeks

**London based officers**

Cost to independent Patrol: £26,000  
Savings per officer: £33,000

**Officers outside of London**

Cost to independent patrol: £23,000  
Savings per officer: £29,000

This option is similar in structure to the Student Officer Programme and would utilise the core modular structure and content. The transition to a Cert HE from a FD would require the Programme to be re-written and submitted for university approval. The lead in time would be less than in option one and development costs for both the Pre-Employment and Post-Employment elements would be reduced.

### **Benefits**

1. A Cert HE would be cheaper making the programme more accessible.
2. A Policing Theory / Knowledge programme (non-operational) would remove the need for a dedicated 'policing student' University admissions / assessment process.
3. This concept gives a greater degree of integration with the diverse nature of University life.
4. Delivery through Further Education Institutes would increase accessibility to the programme, in particular 16 – 18 year olds.
5. The learning support of a major educational establishment would be available to Police students.
6. Provides the option to deliver the programme in collaboration or pass the responsibility for delivery to the FE / HE establishment and reduce the need for police teaching staff.
7. Provide a suitable platform from which more flexible options, including part time, day release, evening classes, distance and e-learning routes could be developed and implemented.
8. At the conclusion of the FE / HE study programme the student Officer would have a qualification which satisfies the national minimum qualification requirement for police.

### **Risks**

1. This is a revised / adapted version of the Student Officer Programme which would still require a realistic lead-in time (allowing for design, development and approval) with projected implementation being September 2009 to coincide with the academic year.
2. A new programme would also have to be designed to cover the remaining learning requirements of IPLDP which would not fit within the existing Student Officer Programme framework.
3. Operational practice through the Professional Development Unit would revert to a single phase which, without having overlapping cohorts would restrict the recruitment to 5 intakes a year.
4. Recruitment could be constrained by the FE and HE academic / graduation calendar – resulting in once / twice yearly surges of applicants.
5. There is no guarantee that the student body will go on to apply for the police service or that they would satisfy the requirements of the national selection process.
6. Ownership of the course and its content would sit with academic body who may not respond to changes in legislation or policing priorities appropriately.

7. An academic programme delivered independent of the police may lack credibility within police circles which could undermine the validity of the programme and integration of Pre-Educated recruits.
8. QA of the course would still be subject to scrutiny by the Central Authority which could be difficult to administer on a non-collaborative programme.

### **Option 3: Post-independent model:**

This option mirrors the Student Officer Programme in structure and timescale and takes the student through to independent patrol prior to being offered employed status.

This model is 90% compatible with the existing Student Officer Programme only requiring a redesign of the on the application, assessment and induction elements.

By running a collaborative dual application process, applicants are security and suitability checked prior to commencing the programme, at which point they are sworn in as Special Constables.

Students could potentially be offered a conditional offer of employment at the commencement of the programme with the conditions that they successfully complete and pass the first 13 modules and maintain professional suitability.

Having been sworn in as special constable, students complete the work based assessments with the PDU or BCU under the same criteria as regular sworn constables.

This programme would cover all mandatory legislation, policy and guidance at levels one and two whilst allowing students to demonstrate competence against the Police Action Checklist prior to employment.

A collaborative approach to delivery will allow accurate and continuous assessment of both academic and professional suitability providing the opportunity to bypass the National Recruiting Selection process, recruiting directly from the student body.

Having passed the programme and providing professional suitability was maintained, students who are offered regular employed status (bypassing the National Recruiting Selection process) would only need to complete a short local procedure course before being deployable as an independent resource.

This would reduce an officer's probation by 34 weeks and see a new recruit achieving independent patrol within their first week of employment.

Initially this option would require the attendance at and completion of the dedicated Policing Programme provided by a University as a full time course. This programme is highly adaptable and could easily accommodate part time, distance and blended learning options.

For those seeking rapid employment a fast track ‘intensive’ programme could see students suitable for employment in only 21 weeks or less if they able to claim Accredited Prior Learning, e.g.: PCSO’s.

As these options become available there would be the potential for applicants who do not have easy access to HE or FE establishments to access the necessary underpinning IPLDP knowledge requirement through distance learning packages delivered via the Internet.

This provides for those who are not in full time study and who have other day time commitments to study at a more convenient time. This form of learning together with other blended learning options could be investigated as part of the overall project.

The successful completion of the programme could lead to either the award of a Cert HE – 120 credits or a FD – 240 credits, and provide the opportunity to continue studies and work towards a BSc in Policing Practice post employment.

The flexibility of this programme would allow for year round recruitment not restrained by cohorts, academic calendars or National Recruitment Selection processes.

Students who achieve employed status would only need to evidence competence against the National Occupational Standards which would be achieved on area as a deployable independent resource.

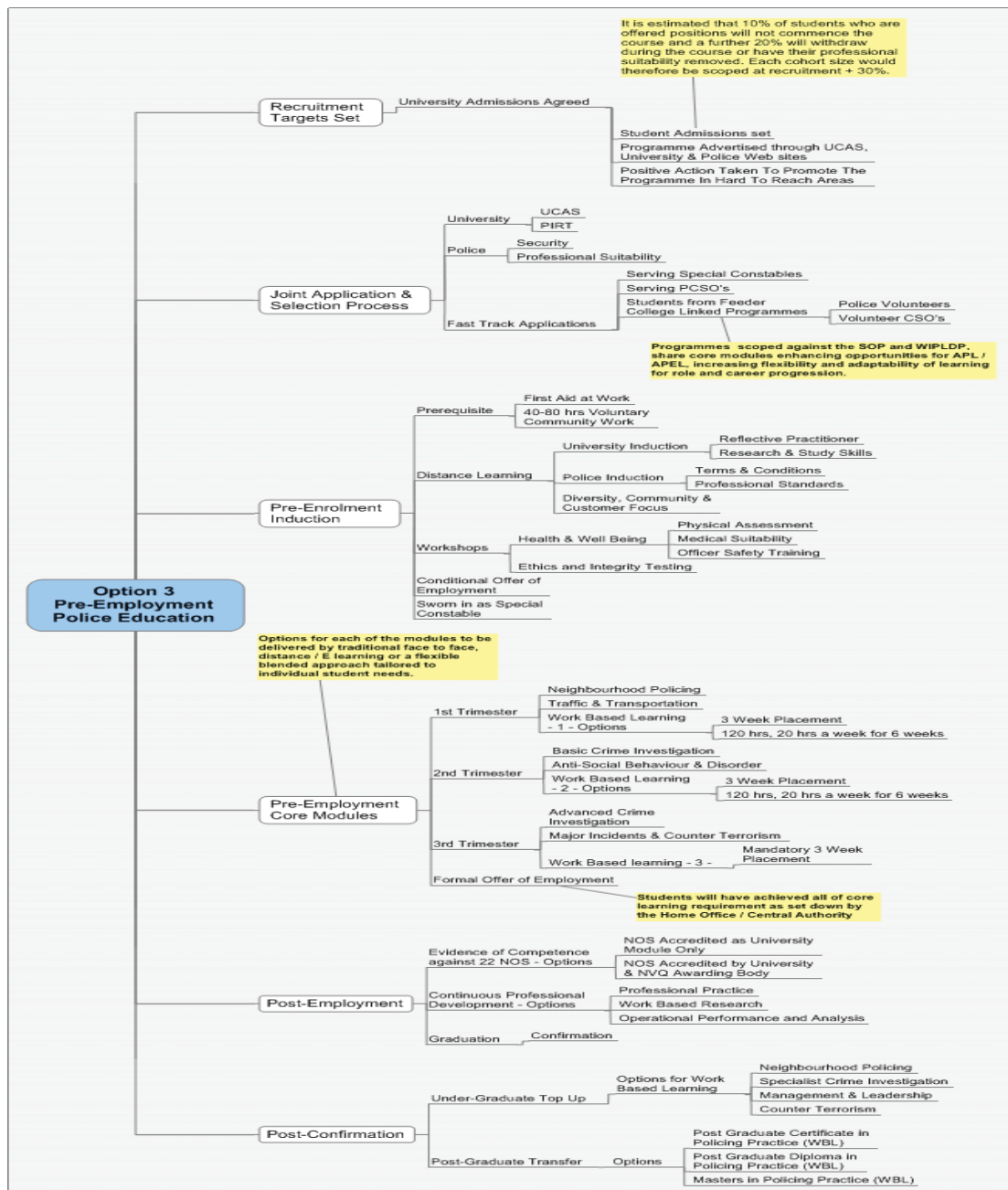
Based around the content and structure of the current Student Officer Programme the depth and breadth of the subject matter has been assessed by the Central Authority and is fully compliant with current National Policing Improvement Agency (NPIA) and IPLDP learning requirements.

Modules from this programme could be made available to benefit those existing members of Police staff, including volunteers, who wish to become police officers e.g. PCSO’s, DDO’s, SC’s etc. It could also target posts that require knowledge of criminal law and possess investigative skills e.g. staff working as Case Support and Investigative Officers.

For those police staff that are in front-line and operational positions it is foreseen that they would be able to access elements of the course in order to update, refresh and develop their knowledge.

It is acknowledged that some of the existing PCSO and SC courses etc may have to be changed to align them to the proposed process.

Option 3 Overview:



**Projected costs / savings:**

Time saved Pre-Employment: 34 weeks  
Time Employed to Independent Patrol: First week

**London based officers**

Cost to independent Patrol: £18,000  
Savings per officer: £41,000

**Officers outside of London**

Cost to independent patrol: £16,000  
Savings per officer: £36,000

This option almost mirrors the current Student Officer Programme and was designed with a long term view of eventually making the transition to pre-attestation / pre-employment delivery. The compatibility with the current Student Officer Programme would significantly reduce lead in time and development costs for both the Pre-Employment and Post-Employment elements. This option is also designed to reflect what has been established as best practice internationally for pre-employment policing programmes.

### **Benefits**

1. Options to offer the programme as a Cert HE, FD or Bsc increasing the appeal of the programme to wider spectrum of potential students.
2. A collaborative approach to programme delivery would provide 'credibility' in both programme delivery and organisational acceptance.
3. A collaborative approach to delivery will assist students with identifying with their potential future employer, reducing the risk of poaching by other forces.
4. This concept gives the greatest scope for integration with the diverse nature of University life.
5. Delivery through Further Education Institutes would increase accessibility to the programme, in particular 16 – 18 year olds.
6. The learning support of a major educational establishment would be available to Police students.
7. A collaborative approach to delivery would reduce the need for police employed teaching staff.
8. Provide a suitable platform from which more flexible options, including part time, day release, evening classes, distance and e-learning routes could be developed and implemented.
9. At the conclusion of the FE / HE study programme the student Officer would have a qualification which satisfies the national minimum qualification requirement for police.
10. Provides the maximum potential cashable savings whilst providing a second stream of non-cashable savings through the use and deployment of Special Constables.
11. Provide a platform for continuous academic, professional and occupational competence prior to employment providing an opportunity of direct recruitment, bypassing the National Recruiting Selection process.
12. Direct recruitment bypassing NRS would keep the student body focused on the collaborative policing partners further reducing the risk of poaching by forces who would require the students to apply through the NRS.

### **Risks**

1. This option would require a completely new policy and procedure for the recruitment and employment of student officers.
2. The streamlined collaborative recruitment process could reduce internal procedures and practices by up to 50% resulting in personnel redeployment or potential redundancies.



3. A new structure would have to be designed to cover the operational deployment of Volunteer Student Officers as Special Constables whilst working towards the achievement of the Police Action Checklist prior to independent patrol.
4. Potential for poor take up whilst there are still options for paid post-employment training.
5. Potential for excessive take up which exceeds work force planning requirements.
6. The provision of IPLDP through a Pre-Employment Police Educational Programme may result in a reduction of Home Office grant for Student Office Training (currently £3,000 per officer).

## 17 OVERVIEW OF OPTIONS

	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
Suitable for FE Delivery	Yes	Yes	Yes
Suitable for HE Delivery	Yes	Yes	Yes
Suitable for P/T Study	Yes	Yes	Yes
Suitable for Distance Learning	Yes	Yes	Yes
IPR Ownership	FE/HE	FE/HE or Joint	Joint
Delivery Responsibilities	FE/HE	FE/HE or Joint	Joint
Lead in time	Sep 2009	Sep 2009	Apr 2009
Curriculum Content (LPGs)	50%	75%	100%
Operational Practice (PACs)	No	No	Yes (Specials)
Option for direct recruitment	No	No	Yes
Weeks saved	12	19	34
Weeks to Independent Patrol	21	15	1
Saving per officer (London)	<b>£19,000</b>	<b>£33,000</b>	<b>£41,000</b>
Revised Cost to Independent patrol Status (London)	<b>£40,000</b>	<b>£26,000</b>	<b>£18,000</b>
Saving per Officer (National)	<b>£17,000</b>	<b>£29,000</b>	<b>£36,000</b>
Revised Cost to Independent Patrol Status (National)	<b>£35,000</b>	<b>£23,000</b>	<b>£16,000</b>
Additional BTP Savings			
Tadworth	<b>Nil</b>	<b>Nil</b>	<b>£690</b>
London Accommodation Expenses <sup>1</sup>	<b>£760</b> <b>£310</b>	<b>£760</b> <b>£310</b>	<b>£575</b> <b>£310</b>
Additional BTP Costs <sup>2</sup>	<b>£1,380</b>	<b>£690</b>	<b>Nil</b>
Non-cashable savings (NCS) per officer	Limited	Limited	360 hrs policing as a SC = <b>£7,200</b>
Return on investment	FE 2010 HE 2011/12	FE 2010 HE 2010/11	FE 2009 HE 2009
Projected CoLP savings based on recruitment of 40 officers a year.	<b>£760,000</b>	<b>£1,320,000</b>	<b>£1,743,000 + NCS = £288,000</b>
Projected BTP savings based on recruitment of 150 officers a year. <sup>3</sup>	<b>£2,743,000</b>	<b>£4,783,500</b>	<b>£6,264,000 + NCS = £1,080,000</b>

<sup>1</sup> Expenses have been calculated at £225 for officers commuting into London daily and £647 for officers resident during the University modules which have been combined to give a per unit cost.

<sup>2</sup> The additional cost is the result of increased internal delivery. These costs only reflect the figures produced by BTP for Student Officer delivery and do not reflect the additional costs of having to outsource accommodation / facilities for other areas of police L&D business.

<sup>3</sup> BTP recruitment based on 120 London North, South & Underground and 30 national.



All of the above options allow for the integration of PCSO's as with the existing Student Officer Programme. As such each of the options would provide the same level of efficiency savings which has been calculated at:

London PCSO: **£11,000**

Non-London PCSO: **£9,500**

The efficiency savings have been calculated using the 2008/09 figures for both City of London Police and British Transport Police with a tolerance of + or – 10%. The savings shown are the minimum efficiency saving (excluding static costs) achievable per officer recruited.

### **Areas where costs will remain static**

The following areas are static and would remain constant:

- Security / vetting checks
- Fitness testing
- Medical
- Issue of uniform and personal protective equipment

In the initial / pilot stages of the programme certain costs will remain static or could even increase to support both employed and pre-employment recruitment routes but would potentially offer efficiency savings if pre-employment was adopted as the sole route for recruitment.

### **Area where additional costs may be incurred**

- It is acknowledged that FE / HE funding through Higher Education Funding Council for England (HEFCE) and government grants would potentially have to be increased to accommodate the additional student numbers this project would generate. It is also acknowledged that this additional cost could potentially be passed on to the police by way of reduced police grants.
- The provision of 'work placements' as special constables for university students will undoubtedly result in above average insurance / public liability insurance premiums for the university. This is a cost that could potentially be shared by the collaborative partners.
- The Home Office / Police 'Could You' campaign would not address the recruitment needs of the pre-employment programme and whilst there was still an 'employed' recruitment option available a separate recruitment strategy would need to be developed and funded. Again, this is an area that could potentially be joint funded by the collaborative partners.

**18     HUMAN RESOURCES POLICY & PROGRAMME APPROVAL**

The Project Initiation Document has now been agreed and the Project should commence on Stage One.

Approved option / Options:

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Executive

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Date.....

**Delivering the Recommendations of the  
Fraud Review 2006  
and the  
Paradox of Police Leadership**

**Appendix Six**

**Financial Analysis**

## Financial Analysis

Before looking at the cost to the organisation of delivering the Initial Police Learning and Development Programme (IPLDP) and considering any potential alternatives that could potentially offer efficiency saving at a local or national level; it would be useful to know what the cost of new recruit training was when it was delivered in partnership with National Police Training (NPT)<sup>1</sup>.

The last thematic inspection of police training; 'Training Matters' looked at these costs on a national level:

HMIC (2002) stated 'In an attempt to ascertain the investment involved in providing the PTP on a national basis, all forces, NPT and Hendon were asked to indicate how much of their total annual budget was expended on programme delivery. Using the Service's own figures, the delivery of the PTP, including the salaries of those involved, on an annual basis, attracts an investment of over £200 million'.<sup>2</sup>

The figure of £200 million was of course the cost back in 2001 / 2002 so to give a realistic comparison I will allow for a yearly inflation increase of 3%, based on the average salary increase for police officers which make up the majority of these costs. Allowing for 7 years inflationary increases the figure rises to **£246 million**.

To provide a comparison of what IPLDP costs are, I have separated out the figures and shown them as 'London' and 'Other' to allow for the additional costs incurred with London weighting and other allowances.

Table C1 sets out the salary / employment oncosts, reflecting those used in the National Costing Model:

Salary / Employment oncosts				
Table: C1	London		Other	
	Per Year	Per Week	Per year	Per Week
Inspector	£70,875	N/A	£62,380	N/A
Sergeant	£56,475	£1,086	£49,980	£961
constable	£48,803	£938	£42,308	£813
Initial Recruit <sup>3</sup>	£44,997	£865	£38,498	£740

The cost calculations are based on an officer strength for England and Wales of 141,000 including British Transport Police, who, although they are not a Home Office force, used NPT for probationer training and now work in collaboration with the City of London Police on the Student Officer Programme.

<sup>1</sup> National Police Training became CENTREX in 2001 and the National Policing Improvement Agency in 2007.

<sup>2</sup> HMIC, (Her Majesties Inspectorate of Constabulary) (2002), Training Matters, Executive Summary. Home Office

<sup>3</sup> The pre and post independent patrol salaries have been averaged out to cover the probationary period and the salary / employment oncosts added which include the hidden costs associated with recruitment and induction to the organisation. After the two year probation, once the initial costs have been absorbed the salary / employment oncosts will level out to approximately: salary + 22%.

The national distribution of officers equates to 34,000 'London'; this includes the Metropolitan, City of London and British Transport Police; and 107,000 'Other'. This paper will assume a standard of 5% yearly recruitment which would, for the majority of forces, maintain officer numbers, giving a total yearly recruitment of 7,050 officers, 1,702 in London and 5,348 Other.

With such a variation of programmes nationally and with course duration ranging from 28 to 48 weeks to independent patrol this analysis has used the original model as prescribed by Centrex and the Central Authority of 34 weeks to independent patrol.

These 34 weeks includes a 5 week induction (including community placement), 17 weeks Legislation, Policy & Guidance (LPG), 10 weeks tutoring / work Based Learning (WBL) and 2 weeks annual leave in year 1.

In year 2 there is a further 6 weeks (30 days) protected learning / Continuous Professional Development (CPD).

This paper will assume a week as being 5 days, Monday – Friday and a day as being 8 hours, each week totalling 40 hours.

For year 1 LPG, a ratio of 18 students per class with 2 trainers, delivering 2 x 24 week courses a year has been used. This is then supplemented by 1 Sergeant for every 6 trainers and 1 Inspector for every 4 Sergeants.

An assumption has been made that within the WBL phase a ratio of one Professional Development Officer to each Student Officer will be used.

For the year 2 CPD , a ratio of 18 students per class is still used and training staff have been scoped as being able to deliver 44 weeks (220 days)<sup>4</sup> a year still using a ratio of 2 trainers per class with 1 Sergeant for every 6 trainers and 1 Inspector for every 4 Sergeants.

Classrooms have been costed at a flat rate of £575 per week to include the additional costs of specialist facilities, such as IT suites, gymnasium, DOJO etc.

With all of the additional responsibilities associated with local delivery, evaluation, quality assurance, administration, curriculum maintenance, environmental scanning, assessment, timetabling to name but a few, a further allowance of 4 support roles per 100 recruits has been allowed and costed at Constable level.

The costing has been broken down into the following areas:

- LPG - 24 weeks legislation, Policy & Guidance (including Induction)
- WBL - 10 weeks Professional Development
- CPD - 6 weeks Protected Learning

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<sup>4</sup> The 44 weeks / 220 days per person represents the maximum availability having allowed for annual leave, miscellaneous abstraction and average sickness.

Table C2 sets out the costing for the first of these areas, LPG, which breaks down as:

Costing for 24 week LPG phase (including induction)						
<b>Table: C2</b>	Courses	Classrooms	Trainers	Sergeants	Inspectors	Support
London	95	2470 weeks	95	16	4	68
Cost	N/A	£1,420,250	£4,636,285	£903,600	£283,500	£3,313,604
Other	298	7748 weeks	298	50	13	149
Cost	N/A	£4,455,100	£12,607,784	£2,499,000	£810,940	£8,969,296
Total		£5,875,350	£17,244,069	£3,402,600	£1,094,440	£12,282,900

This gives a total of **£39,899,359**

Table C3 sets out the next area which is WBL and has been calculated on a preferred model of 'one on one' tutorship, this breaks down as:

Costing for 10 week WBL phase				
<b>Table: C3</b>	Students	Weeks	Cost per week	Actual cost
London	1,702	17,020	£938	£15,964,760
Other	5,348	53,480	£813	£43,479,240
Total	7,050	70,500	N/A	£59,444,000

This gives a total cost of **£59,444,000**

Table C4 sets out the final area which is CPD and has been broken down as:

Costing for 6 week CPD phase						
<b>Table: C4</b>	Courses	Classrooms	Trainers	Sergeants	Inspectors	Support
London	95	570 weeks	26	4.5	1	Costs covered under LPG
Cost	N/A	£327,750	£1,268,878	£254,137	£70,875	
Other	298	1,782 weeks	81	13.5	3.5	
Cost	N/A	£1,024,650	£3,426,948	£674,730	£218,330	
Total		£1,352,400	£4,695,826	£928,867	£289,205	

This gives a total cost of **£7,266,298**

Table C5 sets out the cost to forces for delivering the core elements of Initial Police Learning and Development Programme in house:

Cost of in house delivery of IPLDP					
<b>Table: C5</b>	Cost – London		Cost – Other		Total Cost
	Total	Per Officer	Total	Per Officer	
LPG	£10,557,239	£6,202	£29,342,120	£5,486	£39,899,359
WBL	£15,964,760	£9,380	£43,479,240	£8,130	£59,444,000
CPD	£1,921,640	£1,129	£5,344,658	£999	£7,266,298
Total	£28,443,639	£16,711	£78,166,018	£14,615	£106,609,657

From this we have a national figure of **£106,609,657** and figures per officer of **£16,711** for London and **£14,615** for Other.

Initially, this looks very respectable in comparison to the figure of **£246** million which it would have cost under the previous system, however, no account has been taken of force specific costs: accommodation, meal and travel allowances, course materials, NVQ registration / award or University fees for those undertaking programmes in partnership with Further or Higher Educational Institutes.

Another area of disparity is in the provision of Professional Development Units (PDU's), some forces have dedicated PDU resources and classrooms whilst others integrate their Professional Development Officers (PDO's) and the PDU function with operational units, similar to the traditional model used for tutoring prior to the implementation of IPLDP.

If dedicated resources and classrooms were provided nationally for PDU's, this would equate to 89 dedicated units at a cost of **£29,900** per unit giving an additional cost of **£2,661,100** or **£377** per officer. This takes the total cost to **£109,270,757**

Table C6 is an updated version of Table C5 which shows the cost of in house delivery with the additional costs dedicated PDU support.

Updated: Cost of in house delivery of IPLDP					
Table: C6	Cost – London		Cost – Other		Total Cost
	Total	Per Officer	Total	Per Officer	
LPG	<b>£10,557,239</b>	<b>£6,202</b>	<b>£29,342,120</b>	<b>£5,486</b>	<b>£39,899,359</b>
WBL	<b>£15,964,760</b>	<b>£9,380</b>	<b>£43,479,240</b>	<b>£8,130</b>	<b>£59,444,000</b>
CPD	<b>£1,921,640</b>	<b>£1,129</b>	<b>£5,344,658</b>	<b>£999</b>	<b>£7,266,298</b>
PDU	<b>£638,664</b>	<b>£377</b>	<b>£2,022,436</b>	<b>£377</b>	<b>£2,661,100</b>
Total	<b>£29,082,303</b>	<b>£17,088</b>	<b>£80,188,454</b>	<b>£14,992</b>	<b>£109,270,757</b>

From this we have a national figure of **£109,270,757** and figures per officer of **£17,088** for London and **£14,992** for Other.

A new recruit offers very little in the way of return on investment prior to achieving independent patrol, post independent patrol a full return on investment is achieved at approximately 5 years service.

To reflect this period were the organisation receives no return on investment the salary / employment cost for the recruit needs to be added to the delivery costs.

Table C7 details the salary / employment oncosts<sup>5</sup> which have been broken down to reflect the lower pay scale of a probationary constable over their initial two year probation together with an allocation of the hidden costs of to the organisation associated with recruitment and employment.

<sup>5</sup> The pre and post independent patrol salaries have been averaged out to cover the probationary period and the salary / employment oncosts added which include the hidden costs associated with recruitment and induction to the organisation. After the two year probation, once the initial costs have been absorbed the salary / employment oncosts will level out to approximately: salary + 22%.

Salary / employment oncosts for student officers					
<b>Table: C7</b>	Yearly rate	weekly salary	34 weeks yr1 6 weeks yr2	Recruit Numbers	Total cost
London	£44,997	£865	£34,600	1702	£58,889,200
Other	£38,494	£740	£29,600	5348	£158,300,800
					£217,190,000

Table: C8 is an updated version of C6 which shows the cost of in house delivery with the additional costs of salary / employment.

Updated: Cost of in house delivery of IPLDP					
<b>Table: C8</b>	Cost – London		Cost – Other		Total Cost
	Total	Per Officer	Total	Per Officer	
LPG	£10,557,239	£6,202	£29,342,120	£5,486	£39,899,359
WBL	£15,964,760	£9,380	£43,479,240	£8,130	£59,444,000
CPD	£1,921,640	£1,129	£5,344,658	£999	£7,266,298
PDU	£638,664	£377	£2,022,436	£377	£2,661,100
Employment	£58,889,200	£34,600	£158,300,800	£29,600	£217,190,000
Total	£87,971,503	£51,688	£238,489,254	£44,592	£326,460,757

Regardless of delivery option, the above figures indicate that the greatest cost incurred in the training of new recruits is associated with salary / employment. Added to the previous total we now have an overall cost of **£326,460,757**

The Review of Policing, Sir Ronnie Flanagan, HMIC, (2008)<sup>6</sup> identified the following areas as adding to the bureaucracy of probationer training:

‘A study by a metropolitan force has identified that on average supervisors:

1. Spent 11.5 hours per probationer under the PTP system completing PDP paperwork
2. Now spend at least 35.2 hours per student officer under the SOLAP system

Similarly, on average Student Officers:

1. Spend 1.9 hours per working week in duty time completing NOS paperwork
2. Spend 5.4 hours per working week off duty time completing NOS paperwork
3. Spend 3.4 hours in total in duty time completing self assessment
4. Spend 7.9 hours in total off duty time completing self assessment’

The additional time spent by supervisors completing NOS paperwork is 23.7 hours per officer. Working on a ratio of 44 working weeks a year each Student Officers spent an average of 45 work hours a year completing NOS paperwork which added to the self assessment in duty time of 3.4 hours gives a total of 48.4 hours.

Table C 9 sets out the additional cost involved in completing the NOS paperwork;

<sup>6</sup> HMIC, (Her Majesties Inspectorate of Constabulary) (2008), The Review of Policing. Home Office



Cost associated with the completion of NOS paperwork					
<b>Table: C 9</b>	Yearly Salary Cost	Weekly Salary Cost	Total Hours	Weekly Equivalent	Additional Cost
London Student	£44,997	£865	82,376	2,059	£1,781,035
London Supervisor	£56,475	£1,086	40,374	1,009	£1,095,774
Cost Per Student					£1,690
Other Student	£38,498	£740	258,843	6,471	£4,788,540
Other Supervisor	£49,980	£961	126,747	3,168	£3,044,448
Cost Per Student					£1,464
Total Cost					£10,709,797

Table: C10 is an updated version of C8 which shows the cost of in house delivery with the additional costs of work place assessment against the NOS.

Updated: Cost of in house delivery of IPLDP					
<b>Table: C10</b>	Cost – London		Cost – Other		Total Cost
	Total	Per Officer	Total	Per Officer	
LPG	£10,557,239	£6,202	£29,342,120	£5,486	£39,899,359
WBL	£15,964,760	£9,380	£43,479,240	£8,130	£59,444,000
CPD	£1,921,640	£1,129	£5,344,658	£999	£7,266,298
PDU	£638,664	£377	£2,022,436	£377	£2,661,100
Employment	£58,889,200	£34,600	£158,300,800	£29,600	£217,190,000
Assessment	£2,876,809	£1,690	£7,832,988	£1,464	£10,709,797
Total	£90,848,312	£53,378	£246,322,242	£46,059	£337,170,554

This gives a total of £337,170,554 which is based on in house delivery assessed against the NOS.

This does not include any additional allowance for completion of NVQ portfolios, or the costs associated with the NVQ award or programmes delivered in partnership with Further Education (FE) and Higher Education Institutes (HE).

In 2007, British Transport, City of London, Cleveland, Kent, Leicestershire, Nottinghamshire, South Wales, Sussex, West Mercia and West Yorkshire were working in partnership with Further or Higher Education partners.

From these forces alone an estimated 1,420 officers a year have been enrolled on either a Certificate of Higher Education (Cert HE) or a Foundation Degree (FD).

The fees for these programmes are approximately £3000 per year, and the force breakdown for 2007 works out at 35% on the Cert HE programmes and 65% on FD programmes.

Table C9 sets out the costs per officer if IPLDP is delivered in partnership with an Institute of Further or Higher Education

Cost per officer of IPLDP with FE / HE partner			
<b>Table: C9</b>	Cost of In-House Delivery	Cost with Cert HE	Cost with FD
London	£53,378	£56,378	£59,378
Other	£46,059	£49,059	£52,059

A number of forces have managed to negotiate favourable rates for their programmes, the institutions relying either on HEFCE funding or a return on investment from those that self enrol on 'top up' programmes. For this analysis the standard figure of £3000 per year has been used and adds a further **£7,114,000** taking the overall cost to **£344,284,554**.

The cost of the Cert HE and FD programmes add a considerable burden to the cost of student officer training but this can be offset if the programme is delivered at the FE/HE Institution and furthermore if the teaching is shared between the force and the Institutions academic staff.

### Financial Case Study - Cost (City of London Police)

The Student Officer programme delivered by City of London (CoLP) and British Transport Police (BTP) in collaboration with City University is used as a case study to compare programme costing:

University fees for each Student Officer (SO) enrolled on the two year Foundation Degree are **£6,000** (£4,500 year 1 & **£1,500** year 2).

The Student Officer Programme incorporates an accredited Police Community Support Officer (PCSO) route which costs **£1,200** per PCSO enrolled on the programme

Table CS1 sets out the costs for staff seconded to the University:

Cost of Seconded Staff				
<b>Table: CS1</b>	Constables	Sergeants	Inspectors	Total
Total Staff	8	2	1	11
BTP Staff	5	2	0	7
CoLP Staff	3	0	1	4
Individual Cost	£48,803	£56,475	£70,875	N/A
Total	£390,424	£112,950	£70,875	£572,249

The total cost of seconded staff is **£572,249** which divided by the average number of modules (31) gives a per module cost of **£18,460**.

The individual module cost of **£18,460** divided by a yearly average of 180 Student Officers and 100 Student PCSO's. PC's attend the University for 6 Three week Modules and PCSO's 1 Three week Module which equates to an average of 37.5 students per module. The per person module costs are: **£18,460** ÷ 37.5 = **£492** per three week module.

Table CS2 sets out the costs of the modules for SO's and PCSO's.

Module costs for SO's and PCSO's		
<b>Table: CS2</b>	Student Officers	Police Community Support Officers
Number of Modules	6	1
Cost per Module	£492	£492
Total Cost	£2,952	£492

The Professional Development Unit (PDU) is more difficult to cost due to various forms it takes within CoLP & BTP.

For the analysis I have used the CoLP PDU as a model to project costs on a 'per officer' trained rate. The CoLP PDU has a dedicated classroom which has been costed at £575 per week.

In CoLP the PDU staffing and facilities include the delivery of the four induction modules, management of Community Placements, year 2 protected learning and dedicated assessors for the NOS / NVQ element.

In BTP the Induction, with the exception of the Community Placements are delivered at Tadworth training centre which is residential. **No account has been given to these additional costs.**

Table CS3 sets out the cost of the PDU and its staff:

Cost of PDU and its staff					
<b>Table: CS3</b>	Constables	Sergeants	Inspectors	Classrooms	Total
Numbers	3	2	.25	1.5	N/A
Cost Each	£48,803	£56,475	£70,875	£575	N/A
Total Cost	£146,409	£112,950	£17,718	£44,850	£321,927

Total cost of: £321,927 per year

Table CS4 sets out the usage of the PDU by SO's and PCSO's:

PDU usage by SO's and PCSO's				
<b>Table: CS4</b>	Induction	PDU Tutoring	Protected Learning	Total
SO's	5 weeks	3 x 3 weeks	6 weeks	20 weeks
PCSO's	5 weeks	1 x 3 weeks	N/A	8 weeks
Total based on yearly recruitment of 40 Officer and 30 PCSO's				1040 weeks

Dividing the PDU cost of ££321,927 by 1040 gives a weekly cost of £309 per person.

Table CS5 sets out the costs PDU support for SO's and PCSO's:

Cost of PDU support for SO's and PCSO's				
Table: CS5	Induction	PDU Tutoring Support	Protected Learning	Total
Student Officers	£1,545	£2,781	£1,854	£6,180
PCSO's	£1,545	£927	N/A	£2,472

Professional Development Officers who are attached to the PDU on a rotational, cohort by cohort basis cost £48,803 per year - £1,085 per week

Table CS6 sets out the costs of the costs of providing PDO support:

Cost of PDO Support			
Table: CS6	Officer One on One	Officer One on Two	Total Cost
Yearly cost	£48,803	£24,402	£374,430
Weekly cost	£1,085	£543	N/A
SO weeks	6	3	N/A
SO cost	£6,510	£1,629	£8,139
PCSO weeks	0	3	N/A
PCSO cost	Nil	£1,629	£1,629

Based on the Review of Policing by Sir Ronnie Flanagan, HMIC (2008)<sup>7</sup> there is the additional time spent by supervisors completing NOS paperwork which is 23.7 hours per officer.

Working on a ratio of 44 working weeks a year each Student Officers spent an average of 45 work hours a year completing NOS paperwork which added to the self assessment in duty time of 3.4 hours gives a total of 48.4 hours.

This is costed as being only applicable to Student Officers with a yearly recruitment of 40.

Table CS 9 sets out the additional cost involved in completing the NOS paperwork;

Cost associated with the completion of NOS paperwork					
Table: CS 9	Yearly Salary Cost	Weekly Salary Cost	Total Hours	Weekly Equivalent	Additional Cost
Student	£44,997	£865	1,936	48.4	£41,866
Supervisor	£56,475	£1,086	948	23.7	£25,738
Cost Per SO					£1,690
Total Cost					£67,604

Table CS10 sets out employment / salary oncosts for SO and PCSO:

<sup>7</sup> HMIC, (Her Majesties Inspectorate of Constabulary) (2008), The Review of Policing. Home Office

Salary / employment oncosts for SO's and PCSO's							
<b>Table: CS10</b>	Yearly rate	weekly salary	34 week SO	6 week PL-yr2	11 week PCSO	Recruit Numbers	Total cost
SO	£44,997	£865	£29,410	£5,190	N/A	40	£1,384,000
PCSO	£33,160	£637	N/A	N/A	£7,007	30	£210,210
Total							£1,594,210

Table CS 11 sets out the total cost of delivery, support, assessment and employment for each SO and PCSO:

Total cost of delivery, support, assessment and employment		
<b>Table: CS11</b>	Student Officer	Police Community Support Officer
Course Fees	£6,000	£1,200
Induction Modules	£1,545	£1,545
University Modules	£2,952	£492
PDU yr 1 Support	£2,781	£927
PDO Tutoring	£8,139	£1,629
PDU yr2 PL support	£1,854	N/A
Assessment	£1,690	N/A
Employment	£34,600	£7,007
Total	£59,561	£12,800

Between May 2006 and November 2007 238 PC's and 153 PCSO's have been recruited and enrolled on the Student Officer Programme / accredited PCSO programme. Based on the above figures the cost to date to BTP and CoLP is:

PC's: (238 x £59,561) = £14,175,518

PCSO's: (153 x £12,800) = £1,958,400

Total: (£14,175,518 + £1,958,400) = £16,133,918

Again, it should be noted that this total does not include the additional cost of BTP student's residential accommodation at Tadworth and London or any allowances / expenses paid by either force. In addition, no account has been given to the cost of residential accommodation for BTP training staff at either location.

For the City of London, based on an average yearly recruitment of 40 PC's and 30 PCSO's a year a projected annual cost to the organisation can be reached:

PC's: (40 x £59,561) = £2,382,440

PCSO's: (12 x £12,800) = £153,600

Total: (£2,382,440 + £153,600) = £2,536,040

The study of CoLP and BTP is a comparison based on delivery and assessment costs only, the salary / employment oncosts are still weighted to include recruitment and induction costs which are spread over the initial two year probation.

### **Central Funding and Costs**

Each force (with the exception of BTP) receives **£3,000** per Student Officer from the Home Office towards the cost of delivering Initial Police Learning and Development Programme. For an average recruitment of 7050 officers this equates to **£21,150,000** per year. The savings realised centrally, through devolved training, have not been passed on to forces.

It is acknowledged that there was a capitol start up grant for forces, the amount being pro-rata to the size of the force and yearly recruitment projections. For a number of forces the grant fell short of the real cost of setting up IPLDP delivery, the short fall being financed by the forces.

The **£3,000** per student falls well short of the cost for delivering the programme and is not representative of the costs associated with delivering the previous Probationer Training Programme. In part, this is down to the continued support and services provided by the Home Office through the National Policing Improvements Agency (NPIA) and its partners.

The NPIA budget was set at **£612.3** million for 2007/08 which was adjusted at the mid year point in light of projected under spends to **£597.8** million.

Some of the services provided by the NPIA which would impact significantly on the cost or recruitment and student officer training are:

- Proportion of estate costs attributable to IPLDP
- Management and administration of the Police SEARCH Recruit Assessment Centres
- Curriculum design and maintenance
- Design, production and maintenance of learning materials, including legal, proof and diversity checking
- Environmental Scanning
- Quality Assurance and Evaluation services
- Student registration and tracking (NCALT)
- Design, production and maintenance of blended learning materials (NCALT)
- Management and maintenance of the IT platform to support student registration, blended learning materials and programme forums.

To obtain a true cost of recruiting and training of student officer further analysis would be required to determine what proportion of central funding received by the NPIA is used to support the Initial Police Learning and Development Programme.

## **Projected Savings**

The 'City' Student Officer Programme was developed on the principals of pre-employment education utilised by New South Wales Police and Charles Sturt University. The structure of the programme permits any number of variables to be considered, for both the organisation and the potential students.

The two options that have been scoped are both based on the collaborative 'Professional Policing' approach in preference to the 'Liberal' educational model. These have been costed for both national and local savings.

### Option 1: Partial – Pre Patrol Programme

This option provides students with the opportunity of completing 10 modules leaving only 9 weeks (based on the 3 x three week modules of the SOP) 'work based learning' or 'tutoring' to be completed post employment before achieving independent patrol.

All compulsory teaching covering legislation, policy and guidance, as required by the Home Office / Central Authority would be covered. This would reduce an officer's probation by 25 weeks, subject to regulations.

### National Costing

The ratio of 18 students per class is still used but under the collaborative model teaching commitments are shared with university staff. This equates to 1 trainer, delivering 2 x 24 week courses a year. This is then supplemented by 1 Sergeant for every 12 trainers and 1 Inspector for every 8 Sergeants.

For the year 2, CPD - Protected Learning, a ratio of 18 students per class is still used and training staff have been scoped as being able to deliver 44 weeks a year still using a ratio of 2 trainers per class with 1 Sergeant for every 6 trainers and 1 Inspector for every 4 Sergeants. Here there is the option to have this element delivered by distance learning, as is common with employer led academic programmes which would remove the majority of these costs, options for both have been included.

All classroom costs have been removed for the initial phase and two options have been included for year 2, traditional 6 weeks protected and the distance learning option.

With the reduced responsibilities associated with delivery of the programme in partnership with a HE institution, administration, quality assurance, evaluation, curriculum maintenance, environmental scanning, assessment, timetabling etc, a reduced rate of 2 support roles per 100 recruits is used.

The costing is still broken down into the following areas:

- LPG - 25 weeks legislation, Policy & Guidance (including Induction and leave)
- WBL - 9 weeks Professional Development
- CPD - 6 weeks Protected Learning

Table OP1 sets out the projected costing for the first of these areas, LPG, which breaks down as:

Costing for 24 week LPG phase (including induction)							
Table: OP1	Courses	Classrooms	Trainers	Sergeants	Inspectors	Support	Total
London	95	0	47.5	8	2	34	N/A
Cost	N/A	NIL	£2,318,142	£451,800	£141,750	£1,656,802	£4,568,494
Other	298	0	149	25	6.5	74.5	N/A
Cost	N/A	NIL	£6,303,892	£1,249,500	£405,470	£4,484,648	£12,443,510
Total		NIL	£8,622,034	£1,701,300	£547,220	£6,141,450	£17,012,004

This gives a total of **£17,012,004**

The original cost was **£39,899,359**

This gives a projected saving of **£22,887,355**

Table OP2 sets out the next area which is WBL:

Costing for 9 week WBL phase						
Table: OP2	Original cost	Students	Weeks	Cost per week	Revised Cost	Projected Saving
London	£15,964,760	1,702	15,318	£938	£14,368,284	£1,596,476
Other	£43,479,240	5,348	48,132	£813	£39,131,316	£4,347,924
Total	£59,444,000	7,050	70,500	N/A	£53,499,600	£5,944,400

This gives a total of **£53,499,600**

The original cost was **£59,444,000**

This gives a projected saving of **£5,944,400**

Table OP3 sets out the final area, CPD which is unchanged, whilst OP3a sets out the potential savings from adopting a distance learning approach.

Costing for 6 week CPD phase (traditional delivery)						
Table: OP3	Courses	Classrooms	Trainers	Sergeants	Inspectors	Total
London	95	570 w	26	4.5	1	N/A
Cost	N/A	£327,750	£1,268,878	£254,137	£70,875	£1,921,640
Other	298	1,782 w	81	13.5	3.5	N/A
Cost	N/A	£1,024,650	£3,426,948	£674,730	£218,330	£5,344,658
Total		£1,352,400	£4,695,826	£928,867	£289,205	£7,266,298



Costing for 6 week CPD phase (distance learning)						
<b>Table: OP3a</b>	Courses	Classrooms	Trainers	Sergeants	Inspectors	Total
London	95	Nil	13	2.25	.5	N/A
Cost	N/A	Nil	£634,439	£127,068	£35,437	£796,944
Other	298	Nil	40.5	6.75	1.75	N/A
Cost	N/A	Nil	£1,713,474	£337,365	£109,165	£2,160,004
Total		Nil	£2,347,913	£464,433	£144,602	£2,956,948

The cost of traditional delivery is unchanged at £7,266,298

The revised cost of distance learning is reduced to £2,956,948

This gives a projected saving of £4,309,350

Table OP4 sets out the cost of delivering Initial Police Learning and Development Programme under the collaborative pre employment route and OP4a goes one step further with the distance learning option included for year 2:

Cost of Collaborative delivery of IPLDP (traditional delivery)					
<b>Table: OP4</b>	Cost – London		Cost – Other		Total Cost
	Total	Per Officer	Total	Per Officer	
LPG	£4,568,494	£2,684	£12,443,510	£2,326	£17,012,004
WBL	£14,368,284	£8,442	£39,131,316	£7,317	£53,499,600
CPD	£1,921,640	£1,129	£5,344,658	£999	£7,266,298
Total	£20,858,418	£12,255	£56,919,484	£10,642	£77,777,902

Cost of Collaborative delivery of IPLDP (distance learning)					
<b>Table: OP4a</b>	Cost – London		Cost – Other		Total Cost
	Total	Per Officer	Total	Per Officer	
LPG	£4,568,494	£2,684	£12,443,510	£2,326	£17,012,004
WBL	£14,368,284	£8,442	£39,131,316	£7,317	£53,499,600
CPD a	£796,944	£468	£2,160,004	£403	£2,956,948
Total a	£19,733,722	£11,594	£53,734,830	£10,859	£73,468,552

There is no change in the cost of providing PDU (tutoring) support so this remains at the original cost of £8,442 / £7,317.

This would equate to 89<sup>8</sup> dedicated units at a cost of £29,900 per unit giving an additional cost of £2,661,100 or £377 per officer.

<sup>8</sup> 89 is a notional figure based on the 'ideal' required to provide PDU support on a national basis and would be subject to change based on individual force requirements.

The greatest potential for saving comes from reduced employment costs by delivering 25 weeks pre-employment which, coupled to the option of delivering year 2 protected learning (CPD) by distance education, could save 31 weeks employment costs.

Table OP5 sets out the salary / employment oncosts for the existing 34 week programme and the potential savings of pre-employment and year 2 distance CPD.

Salary / employment oncosts and potential savings					
<b>Table: OP5</b>	Yearly rate	weekly salary	34 week rate	25 week saving	6 week saving
London	£44,997	£865	£29,410	£21,625	£5,190
Other	£38,494	£740	£25,160	£18,500	£4,440

Table: OP6 sets out the costs with a traditional employed 34 week programme. OP6a sets out the costs by implementing the 25 weeks pre-employment education. OP6b sets out the costs of pre-employment education with distance CPD option in year 2.

Total cost of delivery, support, assessment and employment (traditional route)					
<b>Table: OP6</b>	Cost – London		Cost – Other		Total Cost
	Total	Per Officer	Total	Per Officer	
LPG	£10,557,239	£6,202	£29,342,120	£5,486	£39,899,359
WBL	£15,964,760	£9,380	£43,479,240	£8,130	£59,444,000
CPD	£1,921,640	£1,129	£5,344,658	£999	£7,266,298
PDU	£638,664	£377	£2,022,436	£377	£2,661,100
Employment	£58,889,200	£34,600	£158,300,800	£29,600	£217,190,000
Assessment	£2,876,809	£1,690	£7,832,988	£1,464	£10,709,797
<b>Total</b>	<b>£90,848,312</b>	<b>£53,378</b>	<b>£246,322,242</b>	<b>£46,059</b>	<b>£337,170,554</b>

Total cost of delivery, support, assessment and employment (Pre-Employment)					
<b>Table: OP6a</b>	Cost – London		Cost – Other		Total Cost
	Total	Per Officer	Total	Per Officer	
LPG	£4,568,494	£2,684	£12,443,510	£2,326	£17,012,004
WBL	£14,368,284	£8,442	£39,131,316	£7,317	£53,499,600
CPD	£1,921,640	£1,129	£5,344,658	£999	£7,266,298
PDU	£638,664	£377	£2,022,436	£377	£2,661,100
Employment	£22,083,450	£12,975	£59,362,800	£11,100	£81,446,250
Assessment	£2,876,809	£1,690	£7,832,988	£1,464	£10,709,797
<b>Total</b>	<b>£52,446,086</b>	<b>£30,815</b>	<b>£143,036,318</b>	<b>£26,743</b>	<b>£195,482,404</b>

Total cost of delivery, support, assessment and employment (Pre-Employment & Distance CPD)					
<b>Table: OP6b</b>	Cost – London		Cost – Other		Total Cost
	Total	Per Officer	Total	Per Officer	
LPG	£4,568,494	£2,684	£12,443,510	£2,326	£17,012,004
WBL	£14,368,284	£8,442	£39,131,316	£7,317	£53,499,600
CPD a	£796,944	£468	£2,160,004	£403	£2,956,948

PDU	£638,664	£377	£2,022,436	£377	£2,661,100
Employment	£13,250,070	£7,785	£35,617,680	£6,600	£48,867,750
Assessment	£2,876,809	£1,690	£7,832,988	£1,464	£10,709,797
Total	£43,612,706	£25,635	£119,291,198	£22,243	£162,898,904

Table OP7 summarises the costs and projected savings for option 1:

Summary of projected savings			
Table OP7	Existing Cost	Pre Employment	+ Distance CPD
London total cost	£90,848,312	£52,446,086	£43,612,706
Per officer cost	£53,378	£30,815	£25,635
Other total cost	£246,322,242	£143,036,318	£119,291,198
Per officer cost	£46,059	£26,743	£22,243
Total cost	£337,170,554	£195,482,404	£162,898,904
Projected Saving	NIL	£141,688,150	£174,271,650

Add to this £7,114,000 which is currently being paid to HE institutes by the forces and the figures rise to: £148,802,150 and £181,385,650 respectively.

Table OP8 sets out the saving on a per officer basis comparing both 'pre employment education' and the 'distance CPD' options

Summary of projected savings on a per officer basis				
Table OP8	London (Pre-Emp)	London (Dist-CPD)	Other (Pre-Emp)	Other (Dist-CPD)
Savings if currently In - House	£22,563	£27,753	£19,316	£23,816
Savings if currently Cert HE	£25,563	£30,753	£22,316	£26,816
Savings if currently FD	£28,563	£33,753	£25,316	£29,816

### Option 2: Full – Post Independent Patrol Programme

This option mirrors the Student Officer Programme in structure and timescale but seeks to take the student through to independent patrol prior to being offered employed status.

To achieve this, in addition to the compulsory teaching covering legislation, policy and guidance, as required by the Home Office / Central Authority, the student officer must be exposed to and demonstrate a level of competence against the criteria set out in the Police Action Checklist (PACs).

Because the student officers are not 'employed', applicants would need to be security and suitability checked prior to commencing the programme, at which point they would be sworn in as Special Constables.

As special constables the student officers will be able to demonstrate competence under the same criteria as employed officers. This option builds on the Charles Sturt model taking students one stage further before offering employed status. Once a special constable has demonstrated competence against the PACs they would be eligible for employment as a regular officer having completed 34 weeks (there are options to ‘fast track’ this time scale or extend it with part time study) pre-employment study and would be immediately deployable as an independent resource.

With this option it is proposed that the Student Officers could be ‘fast tracked’ without the need to complete the national recruit selection process (SEARCH) because they would have undergone rigorous academic and workplace assessment to assess their suitability for employment.

In essence the only change to costing will be the reduction in employment costs by a further 9 weeks.

Table OF1 sets out the costs for the ‘pre-employment education’ route and OF1a sets out the costs under the ‘distance CPD’ route

Total cost of delivery, support, assessment and employment (year 2 traditional delivery)					
Table: OF1	Cost – London		Cost – Other		Total Cost
	Total	Per Officer	Total	Per Officer	
LPG	£4,568,494	£2,684	£12,443,510	£2,326	£17,012,004
WBL	£14,368,284	£8,442	£39,131,316	£7,317	£53,499,600
CPD	£1,921,640	£1,129	£5,344,658	£999	£7,266,298
PDU	£638,664	£377	£2,022,436	£377	£2,661,100
Employment	£8,833,380	£5,190	£23,745,120	£4,440	£32,578,500
Assessment	£2,876,809	£1,690	£7,832,988	£1,464	£10,709,797
Total	£33,207,271	£19,512	£90,520,028	£16,923	£123,727,299

Total cost of delivery, support, assessment and employment (year 2 distance learning)					
Table: OF1b	Cost – London		Cost – Other		Total Cost
	Total	Per Officer	Total	Per Officer	
LPG	£4,568,494	£2,684	£12,443,510	£2,326	£17,012,004
WBL	£14,368,284	£8,442	£39,131,316	£7,317	£53,499,600
CPD a	£796,944	£468	£2,160,004	£403	£2,956,948
PDU	£638,664	£377	£2,022,436	£377	£2,661,100
Employment	NIL	NIL	NIL	NIL	NIL
Assessment	£2,876,809	£1,690	£7,832,988	£1,464	£10,709,797
Total	£30,362,636	£17,850	£83,673,518	£15,643	£114,036,154

Table OF2 sets out the saving on a per officer basis comparing both ‘pre employment education’ and the ‘distance CPD’ options on the full – post independent patrol model:

Summary of projected savings on a per officer basis				
Table OF2	London (Pre-Emp)	London (Dist-CPD)	Other (Pre-Emp)	Other (Dist-CPD)
Savings if currently In - House	£33,866	£35,528	£29,136	£30,416
Savings if currently Cert HE	£36,866	£38,528	£32,136	£33,416
Savings if currently FD	£39,866	£41,528	£35,316	£36,416

Separating out the fees currently being paid to HE institutes the projected savings are:

London Option 1: £38,402,226 to £47,235,606

London Option 2: £57,639,932 to £60,648,656

Other Option 1: £103,301,968 to £127,367,968

Other Option 2: £155,819,328 to £162,664,768

Including the fees being paid to HE institutes the projected national savings now range from: £148,818,194 to £230,427,424.

#### Areas where costs will remain static

The following areas are static and would remain constant:

- Security / vetting checks
- Fitness testing
- Medical
- Issue of uniform and personal protective equipment

In the initial / pilot stages of the programme certain costs will remain static to support both employed and pre-employment recruitment routes but would potentially offer efficiency savings if pre-employment was adopted as the sole route for recruitment:

- Streamlining of learning and development (initial training)
- Streamlining of HR functions (recruitment and selection)

#### Area where additional costs may be incurred

1. It is acknowledged that FE / HE funding through Higher Education Funding Council for England (HEFCE) and government grants would potentially have

to be increased to accommodate the additional student numbers this project would generate. It is also acknowledged that this additional cost could potentially be passed on to the police by way of reduced police grants.

2. The provision of 'work placements' as special constables for university students will undoubtedly result in above average insurance / public liability insurance premiums for the university. This is a cost that could potentially be shared by the collaborative partners.
3. The Home Office / Police 'Could You' campaign would not address the recruitment needs of the pre-employment programme and whilst there was still an 'employed' recruitment option available a separate recruitment strategy would need to be developed and funded. Again, this is an area that could potentially be joint funded by the collaborative partners.

### **Associated areas where efficiency savings could be made**

1. A collaborative recruitment model, based on the system implemented by New South Wales Police and Charles Sturt University would significantly reduce the burden on forces in the management and administration of police recruitment.

For forces, the efficiencies in personnel alone have been estimated at 1 junior clerical / administrative and 1 administrative manager per 100 recruits. With employment oncosts of £32,915 and £37,210 respectively, for recruitment of 7050 officers this could potentially provide efficiency savings of £4,943,812.

2. The cost of supporting and submitting potential recruits to 'SEARCH', the national recruit selection centres has been calculated at £155 per candidate.

Assuming a success rate of 60%, to achieve recruitment of 7,050 officers, 11,750 applicants would need to be assessed.

Under option 2, where the 'SEARCH' assessment is not required, this would equate to a potential saving of (11,750 x £155) £1,821,250. However, this does not include the potential saving that could be realised by the NPIA who currently run the selection centres.

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**Appendix Seven  
Restricted**

**NFRC Milestones**

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**Appendix Eight**

**NFRC Brief Design Implementation**



# National Fraud Reporting Centre

## Brief – NFRC Design & Implementation

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**National Fraud Reporting Centre  
Brief – Web site Design**

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## **1. Context**

The Government announced a review of fraud to Parliament in October 2005, with the aim: 'to review the arrangements for dealing with fraud with the intent to reduce the amount of fraud and the damage it causes to the economy and society.' The Fraud review was completed in July 2006, and made 62 recommendations encompassing the prevention, reporting, measurement, investigation, and prosecution of fraud.

Following a period of public consultation the Government published its response in March 2007. The government selected four key recommendations to progress as part of an integrated strategy to combat fraud.

- To improve fraud recording
- To improve service to victims
- To improve fraud investigation and pursuit of the perpetrator
- To improve the volume and quality of intelligence and analysis

In total there are seven work streams emanating from the recommendations the NFRC/NFIB and NLF are two of those streams. The other streams are:

- National Fraud Strategic Authority
- Measurement Unit
- Extending Powers
- Financial Court Study and Working Group
- Framework Plea and Negotiations

It is widely held that fraud is the second highest source of harm to the economy and society. Fraud is conservatively estimated to cost the economy at least £20billion<sup>1</sup> in direct costs (based on 2005 statistics), not taking into account the cost of trying to do something about these losses, however, the reality is probably far higher.

Action to tackle fraud is undermined by the highly fragmented way that fraud is reported and then analysed.

Criminals exploit a routine failure of information sharing between organisations that hold fraud intelligence, which helps disguise the nature and extent of the criminal networks involved - increasing harm and driving up demand on police and the courts. Individuals and small businesses are often confused about where to report fraud.

To be effective, action against fraud by industry, law makers and law enforcers must be based on robust intelligence. But this in itself requires clear lines of reporting of fraud; and an ability to join-up pools of intelligence

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<sup>1</sup> Levi et al "The Nature, Extent, and Economic Impact of Fraud in the UK" published by ACPO 2006 (foreword)

## National Fraud Reporting Centre Brief – Web site Design

currently split between organisational silos; and strong links to law enforcements' wider criminal intelligence systems.

As set out in the government's Fraud Review, the National Fraud Reporting Center (NFRC) and the associated National Fraud Intelligence Bureau (NFIB) will provide the vehicle through which relevant organisations can work together to tackle the fraud problem. The NFRC and NFIB aim to close the gap between data gathering from multiple sources and analysis - much as JTAC<sup>2</sup> does for terrorism.

### 1.1 Overview

The NFRC will have two main access channels – a website and a call centre.

The first channel to be launched will be the website which will be hosted by Consumer Direct (CD) – the public enquiries branch of the Office of Fair Trading. The website will be piloted in a specific region (to be determined) of the country and supported by a targeted marketing campaign within that area. The pilot will last for approximately 3 months.

The NFRC website will effectively be a micro site of the Consumer Direct main website. It will retain the navigation of the main site, however it will have its own branding style, content and URL. It will also have a link from the home page of the CD site. The main elements of the site will be an 'intelligent' reporting form supported by fraud prevention advice.

The website will be communicated to the general public as a portal for all fraud reporting, apart from where pre-existing reporting arrangements are in place, for benefits, credit card, copyright fraud etc. In these cases the website will signpost individuals to the appropriate organisation.

Individual reports of frauds in progress will be redirected to the appropriate local force as the website will not be designed to receive reports of active crimes in progress.

The Fraud Review 2006 made the following recommendations:

- The NFRC should be housed within the National Lead (police) force (rec39) and staffed by police officers and civilians. It should work closely with the NFSA<sup>3</sup>.

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<sup>2</sup> Joint Terrorism Analysis Centre, a multi-agency unit staffed by members of the security agencies and other government departments.

<sup>3</sup> The National Fraud Strategic Authority (NFSA) was established on 1 October 2008. An Executive Agency of the Attorney General's Office will coordinate fraud activity across the whole economy, private and public sectors, to make the UK a hostile environment for fraudsters. It is aiming to initiate, co-ordinate and communicate on counter-fraud activity across the private and public sectors. The National Fraud Strategic Authority will have no operational responsibilities but will concentrate on measuring fraud, developing a national fraud strategy, assessing performance in the response to fraud and disseminating advice and assistance in response to fraud crime.

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- The NFRC should have the capacity to accept crime reports from victims (including businesses and Government departments, Regulators, etc) according to the Home Office Counting Rules (HOCR) and the National Crime Recording Standard (NCRS).
- The NFRC should work with police forces to agree criteria for screening and allocation of cases to forces. These criteria should be reviewed on a regular basis (e.g. annual or bi-annual).
- The NFRC should be compatible with the IMPACT programme and searchable by police forces. The NFRC analytical unit should run reports on the system upon request from forces.
- A pilot should be undertaken to match known frauds against other police data sets using IMPACT.
- The NFRC should identify trusted partners in different sectors and establish working relationships with them to identify how information on known fraudsters can be shared efficiently to prevent and detect fraud.
- The NFRC should analyse reports to provide strategic, tactical and other assessments to the police and partner organisations. Strategic assessment would pass to the NFSA and inform the United Kingdom Threat Assessment (UKTA). Tactical assessments would inform an operational response.
- Devising and implementing public anti fraud campaigns and warnings, drawing on generic and case specific information provided by NFRC.

**2. Aims and Objectives of the NFRC**

- To contribute to increased volume and better targeted fraud investigations in the UK.
- To encourage increased reporting of fraud.
- Provide fraud prevention advice for both consumers and industry stakeholders.
- To create a fuller and more intelligent picture of fraud trends throughout the UK.
- To prevent fraud.
- To increase public satisfaction to law enforcement's response to fraud.
- To provide an online reporting centre for victims of fraudulent activity.
- To collect comprehensive data on fraud.
- To feed data to the National Fraud Intelligence Bureau.
- To identify where investigations into fraudulent activity are appropriate.
- To provide fraud prevention advice to the public.
- To act as a signpost for victims with specific issues that may benefit from being handled by another expert agency.

### 3. Target audiences for website

<b>Audience</b>	<b>Information and service requirement</b>
Victims	Reporting facilities, advice, information on new fraud trends
Small and medium businesses <i>(small business as defined by Companies Act – turnover less than £5.6m)</i>	Reporting facilities, advice, new information on fraud trends
General public	Advice, information on new fraud trends
Media	Information on new fraud trends, advice (as reference tool)

### 4. Website outline

A visitor to the website will initially land on a home page where they will find a set of navigation choices. The home page will either be reached directly via its unique URL or through the home page of the CD main site.

The main sections of the website will be:

- Definitions of fraud
- Advice on fraud prevention with links to other expert sources of advice and assistance
- Link to counter fraud specialists (Police Fraud and Economic Crime specialist departments) within the UK
- A fraud news centre – to be able to post new trends in fraud as a prevention tool (including fraud alert subscription service)
- An interactive reporting form
- Victims of Fraud support

#### 4.1 **Definitions of fraud**

A comprehensive list of the different types of fraud a person may be a victim of. This information will help individuals identify whether they are a victim of fraud and raise their awareness of other prevalent types of fraud.

#### 4.2 **Advice and links**

A section covering advice on how to avoid becoming a victim, and organisations that can provide assistance .

#### 4.3 **Counter Fraud Specialists in the UK**

An area of the website which identifies local and regional centres of expertise within the police service who have established/dedicated fraud or economic crime departments. The site will provide local contact details or links to dedicated fraud web pages if available.

#### **4.4 News centre**

An area of the website where visitors can monitor fraud trends. This section will act as a prevention tool as well as potential catalyst for further publicity. It will also keep the site 'fresh' as content will regularly change.

#### **4.5 Interactive reporting form**

The form will act as a filter, directing people to the most appropriate outcome in relation to the type of reported fraud.

##### 4.5.1 Possible outcomes of reporting:

- A full report is taken and the information is passed to the NFIB for further analysis – the victim will be informed that they will be contacted further by police
- Urgent referrals to local forces?
- The victim is redirected to another agency better equipped to help with this type of fraud (i.e., e-crime)
- The victim is informed that their information has been collected and will be used in intelligence analysis but that no further action will be taken on that individual fraud. They will be redirected to fraud prevention advice (low level fraud)

#### **4.6 Support for Victims of Fraud**

Initially, the web site will provide links to support organisations such as Victim Support and Citizen Advice. A separate project is underway to identify the requirements for a National Victim support network for fraud. Information on this will be included as soon it is available.

### **5. Scope of the Work Package**

The design of the NFRC web-reporting site is broken down into 6 key stages:

#### 5.1 Initial scope:

Develop an initial model taking consideration of the requirements and recommendations of the Fraud Review 2006 and relevant legislation and guidance/policy documents which includes: -

- Compliance with 'Crime Recording Standards'
- Compliance with 'Minimum Investigation Standards'
- Compliance with 'Citizen Charter'

The initial model will be developed to a 'gold standard' incorporating the maximum data that could be recorded which will be rationalised to a standard (through consultation) that is acceptable for data matching, intelligence and where appropriate, allocation and investigation.

## 5.2 Stage one consultation:

Stage one consultation will focus on data field compatibility with the National Fraud Intelligence Bureau; this will be based on the cleansed data extracted from the data submitted by stakeholder organisations engaged with the NFIB proof of concept.

The City of London Fraud Desk will review the data fields and consider content as a direct comparison to crimes that are referred to the desk for consideration (mapped against acceptance criteria and crime recording standards). The Fraud Desk will be expected to make recommendations for additional fields and the streamlining of existing fields.

Additional subject matter experts may be consulted as appropriate.

## 5.3 National Consultation:

As the NFRC is a national project it is vital that forces are consulted and contribute to the design solution. The national consultation will bring together a small number of key stakeholders<sup>4</sup> from across the UK police services, the stakeholders will be selected from the forces with well established Fraud or Economic Crime departments and have the requisite knowledge and expertise to constructively influence the design solution of the NFRC.

The national consultation will focus on data quality & capture in relation to initial reports of fraud submitted to the NFRC. The group will also consider the minimum standards (including processes) for transfer to forces for both intelligence and investigation.

Note – this consultation is only in relation to the design solution for the web-reporting portal, consultation on the wider NFRC/NFIB project will include all forces and stakeholder groups.

## 5.4 Product sign off & construction:

The refined design solution will be presented to the Project Board for approval and product sign off. The approved design solution will form the basis of the product specification for the web design contract that will be delivered by the contracted supplier of web solutions to the OFT.

The design solution will be used to scope the requirements of the call centre reporting process to ensure data compatibility between the two channels. Having scoped the call centre reporting process a full training needs analysis will be conducted mapping the existing Consumer Direct training programme

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<sup>4</sup> The first national consultation will focus on the specific requirements of the Police service but additional consultation events will bring together key stakeholders from industry e.g. APACS, CIFAS, OFT and representatives from support networks/charities including Victim Support, Citizens Advice etc.



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and job description against the requirements to incorporate the NFRC. A train the trainer's package will be developed and cascaded across all Consumer Direct staff during the 3-month pilot in preparation for national roll out.

**5.5 Pilot & evaluation:**

The NFRC pilot will consist of a website including an on-line reporting facility (phase one) backed up by a call centre (phase two) which will be signposted on the website (perhaps). The target audience will be the general public and small businesses.

The NFRC Pilot is intended to establish whether the public would use a fraud reporting service, what the levels of uptake will be for call/web reporting and to understand the levels of expected data traffic and calls for a national rollout.

The pilot will provide feedback, which will indicate how useful/appropriate members of the public, found the web pages/content. The pilot will include web analytics to assess the level of use, number of individuals who commence a report in relation to the number who submit a report. Data quality comparison between web reports and call centre reports will inform any amendments or refinements required prior to national roll out.

**5.6 National roll out: -**

The findings of the NFRC pilot will form the basis of a business case that will be presented to the Project Board for approval prior to national roll out.

The business case will also inform the structure of the 'back room' requirements for managing both the NFRC and the NFIB. This will include both the technical solutions (data bank, intelligence analytics, data transfer etc) and people requirement (Fraud Desk v National Fraud Desk) to review allocate and transfer crimes for intelligence and investigation.

The national roll out of the NFRC will include promotion of the web site and the call center reporting facility.

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**Appendix Nine**

**NFRC Fraud Prevention Advice**

## **NFRC Fraud Definitions & Prevention Advice**

### **Account takeover fraud**

This type of fraud occurs when a fraudster manages to steal sufficient details about you and your account to get mail redirected or cards reissued. The fraudster can then get access to your money.

#### **Also known as:**

Identity theft

#### **Protect yourself**

- Don't throw out anything with your name, address or financial details on. Shred it using a cross-cut shredder first.
- If you receive an unsolicited email or phone call from what appears to be your bank or building society asking for your security details, never reveal your full password, login details or account numbers. Most banks will not approach their customers in this manner.
- If you're concerned about the source of a call, ask the caller to give you a main switchboard number so you can call it yourself and be routed back to them
- Check your statements carefully and report anything suspicious to the financial institution concerned
- If you're expecting a bank or credit card statement and it doesn't arrive, tell your bank or credit card company
- Don't leave things like bills lying around for others to look at, such as at work

## **Application fraud**

This type of fraud occurs when a fraudster steals enough personal details about you to open an account in your name. These could include real or fake utility bills, bank account or credit card statements, or documents like a passport or driving licence.

### **Also known as:**

False application fraud, identity theft

### **Protect yourself**

- Don't throw out anything with your name, address or financial details on without shredding it first.
- If you receive an unsolicited email or phone call from what appears to be your bank or building society asking for your security details, never reveal your full password, login details or account numbers. Most banks will not approach their customers in this manner.
- If you are concerned about the source of a call, ask the caller to give you a main switchboard number for you to be routed back to them
- Check your statements carefully and report anything suspicious to the financial institution concerned
- If you're expecting a bank or credit card statement and it doesn't arrive, tell your bank or credit card company
- Don't leave things like bills lying around for others to look at, such as at work
- Get regular copies of your credit report from a credit reference agency
- If you move house, always get Royal Mail to redirect your post

## **Asset misappropriation**

This is a crime in which third parties or employees of an organisation abuse their position to steal a business asset. This can be anything from intellectual property to customer details. Here's an example: A bank employee accesses customer security details in order to use them to commit a crime or pass them on to other criminals. This enables the fraudster to contact the bank, and pretend to be the customer. Typically he'll then transfer money to another account or ask for new cards etc. to be sent to a bogus address.

Asset misappropriation can also apply to all sorts of other things such as making false expense claims, payroll fraud or creating fictitious employees.

### **Also known as**

Stealing company assets, intellectual property theft, false expenses claims, payroll fraud

## **Protect yourself**

Your organisation can take the following steps to help to protect itself from asset misappropriation fraud:

- vet employees thoroughly checking employee CVs and references
- implement a whistleblowing policy
- control access to buildings and systems using unique identification and passwords
- restrict and closely monitor access to sensitive information
- impose clear segregation of duties
- consider job rotation
- use tiered authority and signature levels for payments
- regularly reconcile bank statements and other accounts
- periodically audit processes and procedures
- promote a culture of fraud awareness among staff
- adopt, and rigorously implement, a zero tolerance policy towards employee fraud
- have a clear response plan in place in case fraud is discovered.

## **ATM – Cash machine fraud**

Cash machine fraud isn't a type of fraud but describes where it takes place.

### **Card reading devices**

In this case, fraudsters capture your card details by attaching an electronic device to the card entry slot and a miniature pinhole camera above the PIN pad. These are highly sophisticated gadgets and are very difficult to spot as they're designed to look like part of the machine. The devices may only be placed on a particular machine for a very short period of time before they're moved to another one.

The fraudsters use the card details they've stolen to produce fake cards which can then be used with the appropriate PIN to withdraw money at cash machines overseas which have not yet been upgraded to chip and PIN.

### **Shoulder surfing**

Sometimes criminals watch over your shoulder while you enter your PIN, and then pick your pocket or distract you to steal your card. They have been known to do this by dropping money on the floor, then asking you if it's yours.

### **Card trapping devices**

In this case, a device is inserted into a cash machine's card slot which retains the card. The criminal tricks you into re-entering your PIN and watches carefully while you do it. When your card doesn't reappear, they just wait until you give up and leave. The criminal is then free to remove the device, with your card, and withdraw your cash.

### **Also known as:**

Skimming, counterfeit card fraud

### **Protect yourself**

- If you suspect a device has been placed on an ATM don't try to remove it. These are expensive gadgets and the fraudsters, who'll be watching nearby, may use violence if they think you're taking their property
- Instead, call the police or contact the bank immediately
- Never keep your card and PIN number together
- Beware of people behind you at cash machines. Don't let anyone see you entering your PIN number. (Try to cover your hand while keying in your PIN)

## **Benefit Fraud**

Benefit theft not only applies to those who are working for 'cash in hand' whilst claiming Job Seeker's Allowance, it can be committed in any number of ways.

For instance, it includes deliberately not telling the benefits agency about certain changes in your situation which may result in a reduction in your benefits:

- that you are now living with a partner
- about any savings or not telling the Benefits Office the right amount
- that your children have left home
- that you've started work, or about any earnings
- that you have inherited money
- that you're going abroad, are living abroad, or have changed address.

You may also be a victim whereby a criminal has fraudulently used your details to make a claim for state benefits.

### **Also known as**

Benefit theft, job seekers allowance fraud

### **Are you a victim of benefit fraud?**

- Being told that you are claiming benefits when you are not could mean that you have been a victim of identity theft and fraudsters are claiming benefits in your name.
- If you have applied for state housing and been told you do not qualify in your area, but have had housing before, you may have been a victim of benefit fraud.

### **What should you do if you're a victim of benefit fraud?**

- Notify your local council and benefits office.
- Report benefit fraud to the Department for Work and Pensions (DWP) via their secure, online report a benefit thief form.
- Call the National Benefit Fraud Hotline (NFBH) on 0800 854 440. Lines are open between Monday to Friday, 8am to 6pm. It is free and confidential. There is a text phone service available on 0800 328 0512.
- The Welsh National Benefit Fraud Hotline on 0800 678 3722 is open from 8am to 6pm, Monday to Friday (an out-of-hours messaging service operates from 7am to 8am and 6pm to 11pm weekdays and from 7am to 11pm at weekends).

## **Bribery and Corruption**

The scope of corruption is vast and very complex. Although bribery is probably its most common form, it could encompass anything from petty extortion to the amassing of personal wealth through embezzlement or other dishonest means. It's an issue that's of increasing concern to politicians and policymakers both here and abroad.

A classic definition of corruption is 'the abuse of public or private office for personal gain' but this is a very general description. If an ordinary citizen lies when they give testimony in court, this would be corruption of the criminal justice system. However, it does not involve abuse of public office by a public official. If a police officer were to fabricate evidence out of a misplaced sense of justice, this would be corruption of a public office, but not for private gain.

Nepotism is another form of corruption. Unlike bribery, where the person who accepts the bribe is understood as being required to return the favour, (otherwise it wouldn't be a bribe), the beneficiary of an act of nepotism doesn't have to.

### **Also known as**

Embezzlement, paying someone off, nepotism, cronyism, extortion, perjury,

## **Protect yourself**

- vet employees' CVs and references thoroughly
- put a whistleblowing policy in place
- control access to buildings and systems using unique identification and passwords
- restrict and closely monitor access to sensitive information
- impose clear segregation of duties
- consider job rotation
- promote a culture of fraud awareness among staff
- adopt, and rigorously implement, a zero tolerance policy towards employee fraud, bribery and corruption
- Implement a process of adequate procedures as defined by the Bribery Act 2010.



## Buying or selling online

Whenever you buy anything online, there are a number of steps you can take to make sure you don't fall victim to a fraudster.

### Protect yourself

- Deal with companies or people you know by reputation or experience. If you aren't familiar with the company, do your research. Find out their address and phone number. Don't do business with a company that doesn't list an address or telephone number on its website.
- Read the terms and conditions of the contract to make sure you understand the delivery options, return policy, and product or service warranty. When buying from abroad, ask for information about the exchange rate and any applicable duties and taxes.
- Look for a privacy policy. Make sure you're comfortable with how the company collects, protects, and uses your personal information before you submit any details. Responsible marketers have an 'opt-out' policy, which allows you to choose whether your information is shared with third parties.
- Make sure the business has a fair and clear process for dealing with complaints and/or cancelling orders.
- Before buying online, make sure your transactions are secure. Take a look at the symbol in your internet browser. Don't enter any financial information if you see a broken key or open padlock symbol. This means the transaction is not secure and could be intercepted by a third party. When the key is complete or the padlock is locked, your browser is indicating a secure transaction. The beginning of an online retailer's internet address will also change from 'http' to 'https' to indicate that the connection is secure.
- Remember, unlike secure order forms on a website, email messages are not private. Never send confidential personal or financial information by email.
- Check for endorsement by an association or a quality assurance program. There are several 'seals of approval' for websites that confirm the credibility of the company and the site.
- Be particularly wary of spam (unsolicited marketing email) by being careful about disclosing your email address both on and offline.
- Talk to your children about how to be safe online. Tell them to keep their personal information private and to check with you first.

## **Charity fraud**

Here, fraudsters contact you pretending to be representatives of a charitable organisation. They ask for donations for a worthy, emotive cause which could be anything from helping disabled veterans or injured animals to victims of natural disasters, epidemics or conflict. Very often they'll back up their request with information such as harrowing news stories and pictures or give you links to fake websites.

The fraudsters often target older people with this kind of scam, and it's easy to see how those who are always willing to help a good cause can be taken in. But once any money is handed over, it disappears into the pockets of the fraudsters.

### **Also known as:**

Disaster appeals fraud, senior fraud

### **Protect yourself**

- genuine charities are registered with the Charity Commission and print their registration details on all documentation, collection bags, envelopes etc. Check these details exist and also contact the Charity Commission to confirm they are authentic. You can call them on their helpline 0845 300 0218 or by visiting [charity-commission.gov.uk](http://charity-commission.gov.uk), where they have an online charity register
- as well as identity documents, people collecting money for a genuine charity must carry documents from the charity confirming they are collecting legitimately. Ask to see these documents and check the details
- if the collection is for a charity you know is genuine, check the collection is authorised by asking the charity directly, using contact details from the phone book or a website that you know is genuine
- contact your local authority or police station to check whether the collector has been given a licence to collect
- watch out for poor grammar and spelling in emails and other documents, including collection envelopes
- send your donation to the charity directly. This may mean going to a little more trouble, but at least you can be sure your donation will get to where it's intended.

## **Criminal Cashback**

This is a common trick that fraudsters use. It works like this: A buyer approaches you about an item you have for sale at an online auction. You agree a price and the cheque duly arrives. Surprisingly, however, it's for a lot more than the agreed price. Your buyer gives you an explanation, such as it includes an additional amount to pay a shipping charge as he wants the item sent through a particular shipping agent. He asks you to return the balance as a cash transfer, or pay it to his 'shipping agent' (another fraudster) and deliver the item at the same time. You wait three days for the cheque to clear then send off the goods and transfer the additional money as instructed. A few days later you find out that the cheque was stolen or counterfeit and the funds from it are not being credited to your account. But now the fraudsters have got your goods and your cash and you won't be reimbursed by your bank for your loss.

### **Also known as**

Overpayment fraud, shipping agent fraud,

### **Protect yourself**

- Be particularly wary of any sale where the buyer appears to want to remain distant from you (for instance, he doesn't want to meet you or see the goods prior to purchase, or wants to use a third party as an intermediary or 'shipping agent')
- Be suspicious if you receive a payment by cheque or banker's draft that's for more money than your asking price, especially if you're asked to send this or the difference to a third party or a 'shipping agent' by way of money transfer
- Don't release any goods until the end of the sixth working day after paying the cheque in. After this time, if the funds are still in your account, you can be sure that the money is yours
- Don't be afraid to ask your buyer questions
- Don't be hurried along by your buyer - this is a tactic often used by fraudsters to get you to make a mistake
- Check the details of any payment you receive. Make sure it corresponds with what you know of your buyer. If you're paid by company cheque or banker's draft try to contact the company directly to verify its legitimacy
- Talk to your bank – they'll be able to give you guidance and clarify the status of any payments you receive
- Ultimately, don't be afraid to turn down any suspect 'buyer'

## **Computer hacking and online frauds**

Computers, and the Internet in particular, have provided a means for fraudsters to commit crimes where previously an insider would have been required.

Computer hacking or misuse is not a fraud as such, but a tool to enable fraud. These kinds of frauds could include:

- Diverting funds from one bank account to another
- Posing as a legitimate business on the Internet and obtaining payment for goods that fail to be delivered or are of a lower specification than advertised.
- Manipulating the share price of a company or publicising incorrect news items.
- Initiating a distributed denial of service attack on a website to make use of vulnerabilities within the system to access records and information.
- Stealing intellectual property by unauthorised access to a network or computer system.

## **Protect yourself**

- Be careful when undertaking any transactions online
- Make sure your staff keep their user names/passwords safe
- Make sure that your company PCs are secure. Keep your software fire walls and malware/spyware sweepers up to date.
- Check your bank statements. If you find any unusual transactions that you can't recall, speak to your bank immediately.

## **Counterfeit cashier's cheque fraud**

Counterfeit cashier's cheque fraud targets individuals who use the Internet to sell goods or services. An interested buyer, normally located in a foreign country, contacts the seller informing him that he has an 'associate' in the seller's country. This 'associate', he says, owes him money and that he will pay for the goods for him by means of a cashier's cheque.

When this cheque arrives, it will be for a far greater amount than the price of the goods. The seller is given an appropriate excuse, such as that the excess amount is to cover shipping costs. The seller is instructed to deposit the cheque, wait for clearance, then wire the excess funds to the buyer or another associate (normally in West Africa).

Because a cashier's cheque is used, the bank will typically release the funds either immediately or after a couple of days. The seller assumes the cheque has cleared and wires the money as instructed. However, a few days after that, the bank discovers that the cheque is counterfeit and the seller loses their money.

### **Also known as**

Fake cheques, overpayment fraud, cheque fraud

### **Protect yourself**

- Be particularly wary of any sale where the buyer appears to want to remain distant from you (for instance, he doesn't want to meet you or see the goods prior to purchase, or wants to use a third party as an intermediary or 'shipping agent')
- Be suspicious if you receive a payment by cheque or banker's draft that's for more money than your asking price, especially if you're asked to send this or the difference to a third party or a 'shipping agent' by way of money transfer
- Don't release any goods until the end of the sixth working day after paying the cheque in. After this time, if the funds are still in your account, you can be sure that the money is yours
- Don't be afraid to ask your buyer questions
- Don't be hurried along by your buyer - this is a tactic often used by fraudsters to get you to make a mistake
- Check the details of any payment you receive. Make sure it corresponds with what you know of your buyer. If you're paid by company cheque or banker's draft try to contact the company directly to verify its legitimacy
- Talk to your bank – they'll be able to give you guidance and clarify the status of any payments you receive
- Ultimately, don't be afraid to turn down any suspect 'buyer'

## **Counterfeit goods**

Probably the most common form of Intellectual Property fraud is the theft of a brand name where fraudsters try to pass off their fake goods as originals. This can take the form of fake designer clothes, bags, accessories or perfumes etc. Another common forms are illegal copies of CDs, DVDs, computer games and software.

### **Also known as**

Fake goods, designer fakes, illegal copies, pirate CDs, DVDs, games or software, sold as genuine

### **Why should you avoid counterfeit goods?**

- You're helping the trader to break the law and many fraudsters use the proceeds from selling counterfeit goods to fund drug dealing or other types of organised crime.
- Buying fake goods contributes to job losses because genuine manufacturers are unable to match prices charged by rogue traders. You're also depriving the genuine manufacturers of any profit.
- Some counterfeit goods may be substandard, possibly dangerous and may even contain hazardous substances.

### **Protect yourself**

- If something seems too good to be true, eg a Rolex watch being sold for £10, it probably is. Don't be fooled into thinking you're getting a great deal.
- Always examine the quality of any goods you're thinking of buying and check the labels to see if they are genuine. It's often very easy to spot a fake as their labels may have spelling mistakes or other distinguishing marks.
- Always ask the trader you're buying from whether they offer an after-sales service, or a guarantee. Most rogue traders won't.

## **Dating scams**

In this kind of scam, the intended victim is befriended online, often via a chat room or social networking site. The fraudster creates a relationship with the victim, often tricking them by posting attractive pictures of someone else. Once the fraudster gains the victim's trust, they ask for money for a variety of emotive reasons.

These could include a whole range of false claims such as they've been trapped in a foreign country, that they have large medical bills to meet, or they need money to book a flight or hotel room.

### **Also known as**

Con artists, online grooming, love scams, sweetheart scams, romance scams, relationship scams

## **Protect yourself**

- Trust your instincts. If something feels wrong, it will be wrong
- Guard your privacy
- Never send money or give credit card or online account details to anyone you don't know and trust
- Communicate with people locally, not overseas
- Never reply to communications from someone who sends you a note and immediately includes their email address for you to continue the communication.

## **Domain name renewal frauds**

Every day, around 2,000 .org domain names become available. This is due to their registrants allowing them to expire or being unaware that their web address is up for renewal. The sophisticated, automated registration process for domain names leaves companies open to exploitation by fraudsters. For instance:

- You might be sent an invoice for a domain name that is very similar to your own – the scammer hopes that you don't notice the difference and that you'll just pay it.
- Alternatively, you could be sent a letter that looks like a renewal notice for your actual domain name, but it's from a different company to the one you registered with
- Make sure you don't forget to re-register your domain name. If you do, someone else can take it over. You'll not only lose all the traffic you've built up, but your credibility could take a serious hit if your customers go to what they assume is still your website, only to find strange content there.

### **Also known as**

Web address fraud, theft of IP and email addresses, corporate identity fraud

## **Protect yourself**

- Check the website address carefully.
- Try to avoid having a large number of people authorised to make orders or pay invoices.
- Make sure the business billing you is the one you normally deal with
- Make a note of when your domain names are due for renewal and be suspicious of invoices arriving too early.
- Read all the terms and conditions of any offer very carefully - claims of free or very cheap deals often have hidden costs.



## **Door-to-door sales and bogus tradesmen**

Many legitimate businesses sell things by going door-to-door, however, fraudsters also use this approach.

Door-to-door scams can take many forms including home maintenance services such as pest control, building or garden work. Fraudsters have even been known to pose as electricity and telephone suppliers or say they are conducting a survey or collecting for a charity. They may make contact by simply knocking on your door or by slipping a leaflet through your letterbox.

Such frauds involve promoting goods or services that are not delivered or are of a very poor quality. Fraudsters may also bill you for work that you didn't agree to. Even in the case of genuine businesses and products, you could still come across an unscrupulous operator. There are specific laws about door-to-door sales. Many are required to give you a 'cooling-off' period (where you can change your mind or request your money back). Bogus tradesmen will offer none of these, and even if they do, their 'guarantee' will not be honoured.

### **Rogue operators**

One common approach is that of the cowboy builder. He'll knock on your door, tell you that he's 'working in the area' and that your roof, drive (or something else) needs work. Without a thorough inspection, he'll provide you with a low quote, and perhaps also add that he has material left over from another job that he can use, thereby further reducing the cost to you. His vehicle will look unprofessional, he won't offer a specific schedule for the work, his only phone number will be a mobile, and he'll ask for payment before he begins - in cash - to avoid paying VAT. If it's a big job, such as an extension, you might find that the work goes on and on, with frequent requests for money, but very little visible signs of progress. It's worth remembering that 100,000 complaints are made every year in the UK against rogue builders.

### **Casing prior to a burglary**

At worst, their real purpose for gaining entry to your home could be to prepare for a subsequent break-in.

### **Also known as**

Cowboy builders, bogus callers, rogue operators, bogus utility providers

## **Protect yourself**

- Get at least three written quotes to make sure you're not being ripped off
- Always ask for identification before letting anyone you don't know into your house
- Check credentials, including a permanent business address and landline telephone number. The mobile phone numbers given on business cards are often pay-as-you-go numbers which are virtually impossible to trace
- Ask for references from previous customers or ask to see examples of their work
- Never pay for work before it has been completed, and only then if you are happy with it

## **False accounting**

False accounting involves the overstating of assets or understating of liabilities in order to make a company appear financially stronger than it really is. The main aim could be to obtain additional financing, inflate share prices or attract new customers or investment. Commercial pressures could also play a part leading the company to report unrealistic profits or earnings.

### **Also known as**

Commercial accounting fraud, business accounting fraud, exaggerated profits, understated losses, insider fraud

## **Protect yourself**

Your organisation can take the following steps to help protect itself from false accounting:

- vet employees' CVs and references thoroughly
- put a whistleblowing policy in place
- control access to buildings and systems using unique identification and passwords
- restrict and closely monitor access to sensitive information
- impose clear segregation of duties
- consider job rotation
- use tiered authority and signature levels for payments
- reconcile bank statements and other accounts on a regular basis
- audit processes and procedures from time to time
- promote a culture of fraud awareness among staff
- adopt, and rigorously implement, a zero tolerance policy towards employee fraud
- have a clear response plan in place in case fraud is discovered.

## **Financial fraud**

If your business offers any form of online trading there are many ways you could be targeted by fraudsters.

One of the simplest frauds you may come into contact with is the use of stolen credit cards to pay for goods or services. Although card issuers carry much of the risk in such transactions, you're obliged to ensure that the transactions are validated in accordance with your bank's contractual instructions.

This is even more important when dealing with 'cardholder not present' transactions, especially when the delivery address of the items purchased is different from that of the cardholder.

### **Also known as**

Online payment fraud

## **Protect yourself**

- Your bank issues its own instructions and guidelines for processing card transactions. Make sure your staff know they should always follow them.
- Get a 'Spot & Stop Card Fraud Pack' from Card Watch. Card Watch is the banking industry's body that works with police, retailers and other organisations to fight plastic card fraud. It offers advice to retailers and similar organisations who accept card payments.
- Make sure you have sound accounting practices.
- Always use a purchase order numbering system and never pay an invoice if there is no corresponding purchase order.

## **Fraud recovery**

These frauds target former fraud victims. The fraudster poses as a legitimate organisation, claiming that they can apprehend the offender and recover any monies lost - for a fee.

Another tactic fraudsters use is to contact former victims of 419 fraud and tell them that a fund has been set up by the Nigerian government to provide them with compensation. The fraudsters then ask for their personal details and request additional money as a fee to release the amount of the claim.

### **Also known as:**

Fraud asset recovery scams, victims of fraud scams, 419 victims fraud, Nigerian Government compensation scheme fraud

### **Protect yourself**

- Beware of any unsolicited communication you receive about being a victim of fraud from people you don't know, or companies you've never contacted.
- If they sound plausible, ask where they found out that you had been a victim of fraud. Any report of fraud is subject to data protection and would not normally be shared with anyone outside of law enforcement.
- Genuine law enforcement and other agencies don't charge fees when returning money to crime victims. Any request for fees indicates a fraud – particularly when you're asked to pay upfront.
- Criminals committing fraud recovery frauds often use the names of genuine law firms and agencies. Check any contact details the fraudsters give you against the real company's details. You can check against entries in:
  - the telephone directory or Yellow Pages
  - the organisation's genuine website (bearing in mind that criminals can copy a genuine website)
  - or regulatory agencies for lawyers. If you find that the details don't match, it's likely that you're dealing with fraudsters.
- Genuine government or law enforcement agencies and law firms don't normally use webmail addresses such as @Yahoo or @Hotmail. So beware if you are asked to contact one of these email addresses.
- Foreign law enforcement agencies and other official organisations normally ask UK authorities to help return money to fraud victims. If someone claiming to work for an official overseas agency contacts you directly, this is a good indicator of fraud.
- If the service sounds too good to be true, then it probably is.

## **Health & medical frauds**

### **Miracle cures**

These are emails claiming that a product is a 'miracle cure', a 'scientific breakthrough', an 'ancient remedy' or a quick and effective cure for a wide variety of ailments or diseases.

They usually say they're in very limited supply, request payment in advance, and offer a 'no-risk money-back guarantee'. Case histories or testimonials by consumers or doctors claiming amazing results are often used, but are rarely genuine.

### **Weight loss scams**

Such scams usually take the form of an email promising a revolutionary pill, patch, cream or other product that will result in weight loss without diet or exercise. Some products claim to block the absorption of fat, carbohydrates or calories. They may also offer a 'guarantee' of permanent weight loss or that you'll lose lots of weight at lightening speed. All such treatments are gimmicks. It's highly unlikely that anything available through an email that could cause permanent or even significant weight loss.

### **Fake online pharmacies**

These use the Internet and spam emails to offer drugs and medicine at very cheap prices or without the need for a prescription.

Most spam email offers selling medicines or drugs are designed to steal your credit card details or to download damaging files onto your computer.

Even if you actually do receive the products you order, there's no guarantee that they are the real thing. In some cases, they may even damage your health.

### **Psychic & clairvoyant scams**

Unsolicited emails and letters from bogus clairvoyants and psychics prey directly on the vulnerable and can be particularly unpleasant. There are a number of instances where people have received them at a time of misfortune, such as bereavement, and they've caused considerable distress.

In some cases, these mailings adopt a more aggressive tone, suggesting that the recipient will actually experience some misfortune if they don't respond by sending the money requested.

### **Fraud committed against the National Health Service**

There are various instances including:

- Patients avoiding payment of prescription charges by falsely claiming exemptions or use aliases to obtain controlled drugs.
- Professionals who alter prescriptions, claim for work not undertaken or create 'ghost patients'.
- Managers and staff who use false documents to gain employment or submit false claims – for example, timesheet and payroll fraud, claims for non-existent employees and for equipment never purchased.

- Contractors and suppliers who exaggerate or falsify records of work done for the NHS.

## **Protect yourself**

With thousands of bogus health products for sale online, the best advice is to proceed with real caution when considering any new medicine or healthcare product.

Always talk to your GP or local pharmacist first. They'll be able to tell you whether the product is safe and effective. If you're managing a health condition, never stop taking a prescribed medicine, or start taking a new medicine, without speaking to your GP or pharmacist first.

If you do decide to go ahead and buy online:

- try to avoid paying by money transfers. They aren't secure
- be careful when using direct banking transactions to pay for goods. Make sure transactions are secure
- don't send confidential personal or financial information by email.

### **Fraudulent health and medical websites often:**

- promise a new miracle cure or wonder breakthrough. But their products are neither tested, nor proven to work
- offer to supply prescription-only medicines without a valid prescription
- try to convince you with testimonials from satisfied customers. How do you know these testimonials are genuine? Even if they are, anecdotal evidence is no substitute for the scientific evidence that lies behind genuine medicines
- offer no risk money-back guarantees. But, if try to get your money back, the fraudsters simply disappear
- feature endorsements from a doctor or health professional quoting scientific evidence. But if you look more closely, you'll see that these individuals are not affiliated to any known institution or clinical practice. Nor has their evidence been published in a recognised journal.

## **Identity theft**

Assuming someone else's identity isn't a crime in itself, but fraudsters often do it in order to commit other types of crime.

Identity theft occurs when a fraudster gets hold of your personal information without your knowledge and then uses it to perpetrate a theft or fraud. This can be anything from renting a house or applying for a credit card or loan or even opening a phone account in your name. All kinds of information can be useful to them such as your name and address, national insurance number, credit card number or any other financial account information.

Identity theft fraudsters approach people by pretending to be a legitimate organisation and can get in touch in any number of ways - by email, letter, fax or phone call. They have even been known to 'bin dive' or go through bins, searching for personal or account information such as statements or utility bills. They can also use far more direct methods such as stealing your handbag, wallet or post.

### **Also known as:**

Application fraud,

### **Protect yourself**

- Don't throw out anything with your name, address or financial details without shredding it first.
- If you receive an unsolicited email or phone call from what appears to be your bank or building society asking for your security details, never reveal your full password, login details or account numbers. Most banks will not approach their customers in this manner. .
- If you are concerned about the source of a call, ask the caller to give you a main switchboard number for you to be routed back to them
- Check your statements carefully and report anything suspicious to the financial institution concerned
- If you're expecting a bank or credit card statement and it doesn't arrive, tell your bank or credit card company
- Don't leave things like bills lying around for others to look at, such as at work
- Get regular copies of your credit report from a credit reference agency
- If you move house, always get Royal Mail to redirect your post

## **Inheritance fraud**

A mass mailing is sent out to people who share the same surname, informing them that someone who may be related to them has died without leaving a will and that they may be in line to inherit. For a small fee, 'research specialists' offer to sell them an estate report which includes information on the inheritance and how it may be claimed. They may also offer to administer any inheritance claim for an additional fee. The fraudsters perpetrating this type of scam purposefully choose smaller inheritances just in case someone receiving their correspondence turns out to be a legitimate heir and subsequently mounts a successful claim. Any funds claimed are therefore likely to be less than their fee.

Another approach they may use is to send you an email from an apparently legal firm to inform you that you're the only known beneficiary of somebody's will.

They'll tell you that this person died in an accident abroad and has left you millions of dollars. They'll add that after intense research, they've discovered that you're the only known beneficiary. To confirm the point, they also send you a copy of what looks like the deceased's will, naming you as a beneficiary. The fraudsters will even create a website based around the name of a well-known law firm where you can find more information and contact telephone numbers. But be warned, this is just another scam.

### **Also known as**

Estate locator fraud, research specialist fraud, will fraud, heir fraud

## **Protect yourself**

- Although there are legitimate companies who make a living by tracking down heirs, they don't do it in this way. If you're asked for a fee for a report, it's very likely to be bogus.
- Letters/documents provided by the fraudsters are generally badly written. Look out for spelling mistakes and poor grammar.
- Beware if you are asked to contact a webmail address such as @Yahoo or @Hotmail. As a rule, legitimate law firms do not use them.
- A legitimate law firm is highly unlikely to pay out an inheritance to someone who isn't entitled to it. Any offer of a payout indicates that someone is up to no good.
- Fraudsters often claim that the person who has died was the victim of a well-publicised incident, such as a plane crash. To add credibility, they may even use the identity of someone who really did die in the incident.



## **Insider fraud**

Insider fraud is something that affects almost all organisations in some way or another. At one end of the scale, the problem may be limited to a few cases of expense fiddling or an employee having exaggerated their qualifications to obtain a job. But there are growing numbers of organisations whose assets make them a target for more serious kinds of fraud.

There is evidence that organised crime groups deliberately target firms to place insiders to commit financial crime. They also take advantage of poor processes and inadequate internal systems and controls.

Insider fraud can take many forms such as:

- Theft of an organisation's assets – for example, stealing money, goods, data or committing payroll fraud
- Accepting bribes and engaging in activities involving a conflict of interest
- Falsifying an organisation's financial statements – for example, overstating revenues and understating liabilities or expenses.

### **Factors that can help the fraudster**

Industries or businesses where there are high levels of organisational or process change are particularly vulnerable. Unchecked staff authority, high staff turnover or low staff morale all work in the fraudster's favour – as does the trend toward business process outsourcing.

### **Also known as**

Internal fraud, insider dealing, employee fraud, management fraud and staff fraud

## **Protect yourself**

- vet employees' CVs and references thoroughly
- put a whistleblowing policy in place
- control access to buildings and systems using unique identification and passwords
- restrict and closely monitor access to sensitive information
- impose clear segregation of duties
- consider job rotation
- promote a culture of fraud awareness among staff
- adopt, and rigorously implement, a zero tolerance policy towards employee fraud
- have a clear response plan in place in case fraud is discovered.

## **Intellectual property theft**

Intellectual property includes items such as patents, design rights and customer lists, and is just as much a business asset as plant and machinery or stock. Like any other asset, intellectual property is susceptible to theft by staff and third parties.

Cases of intellectual property theft could include:

- Direct theft of assets or customer details
- False expense claims
- Payroll fraud diverting payments or creating fictitious employees
- Receiving payment or commission from a preferred supplier.
- Intimidation from third parties to disclose information or process inappropriate transactions.
- Related party transactions where a staff member has an undisclosed financial interest in a transaction
- Departing employees using critical business information to set up in competition.

### **You and your IP**

You are responsible for enforcing your intellectual property (IP). If someone infringes your rights – if they use your intellectual property without your permission – it's down to you to decide what action to take. You could seek injunctions and damages, or you might find it's better and cheaper to try and negotiate a solution with the infringer before taking legal action. Your lawyer will be able to give you advice.

If you have not registered your IP rights, you may still be able to take action under common law of 'passing off'.

### **Also known as**

Asset misappropriation, theft of IP and email addresses, corporate identity theft, copyright infringement, trademark infringement

### **Protect yourself**

- For further information visit the Intellectual Property Office at: <http://www.ipo.gov.uk/home.htm>

## **International lottery frauds**

This is a widespread scam in which fraudsters randomly contact lists of e-mail addresses, postal addresses or faxes telling people that they've won a large sum of money in an International lottery.

The recipient is asked to get in touch to claim their prize. Although this correspondence is generated abroad, a UK point of contact is often also included. The 'winner' is asked to pay an initial fee ranging from \$100 to \$5,000 to initiate the process and more fee requests follow later on. Often victims are told not to use credit cards as these 'can be traced' and prizes would be liable to local taxes.

Fraudsters are completely unscrupulous - more than 80% of victims are aged over 65 and it's not unusual for them to target people more than once. Often they'll phone their victims and build up a rapport to encourage the flow of money.

### **What happens to the money?**

Communications from victims who respond to such scams are often sent to drop or P.O. Box addresses. These are then collected by couriers or third parties and sent on to the fraudsters, in most cases overseas.

Cheques can be cleared through international clearing services and the money will go through a series of further transactions before finally arriving in the pockets of the fraudsters.

### **Tax payments on lottery winnings scam**

This is a similar type of fraud in which you're informed that you have a parcel containing a cheque for your lottery winnings which has been impounded by HMRC. The fraudsters tell you it will only be released when a substantial amount of tax is paid.

### **Also known as:**

Foreign lottery fraud, overseas lottery fraud, Canadian lottery fraud, Spanish lottery fraud

## **Protect yourself**

- Never respond to any such communication. If you haven't entered a lottery then you can't have won it.
- Official lotteries in other countries operate in much the same way as the UK's National Lotto. No official lotteries that we know of contact people to tell them of their win.
- Any request for a fee payment is a good indication that someone is trying to defraud you.
- Never, ever disclose your bank details or pay fees in advance.
- If they've provided an email address to respond to, be very suspicious of addresses such as @hotmail.com or @yahoo.com or numbers beginning with 07 because these are free to get hold of.
- Genuine lotteries thrive on publicity. If they ask you to keep your win a secret it's likely to be a fraud.
- Many fraudulent lotteries have bad spelling and grammar – see this as a warning that fraudsters are at work.

## **Investment/investment seminar frauds**

The word 'investment' is often used loosely and misleadingly to disguise the true nature of a fraud. Scams such as pyramid schemes, chain letters or other types of scheme where a return depends on persuading others to join, fall into this category.

In this case you're asked to buy something – it could be high value or rare goods, stocks and shares or even property - in the expectation that it'll increase in value, and even provide you with an exceptionally high return compared to other forms of investment.

What potential investors don't realise is that a lot of so-called investments are unregulated. This means that they're not traded by authorised investment brokers, who might be expected to operate to professional standards. Nor are they traded on a regulated exchange, which means that their current value and prospects for appreciation are difficult or impossible to assess through any of the normal channels. There is no guarantee that the market will still be functioning when you come to sell your investment and almost no chance of any compensation if you've been mis-sold.

Sometimes fraudsters hook you in by asking you to attend an 'investment seminar' in which you and other investors are offered a return which is far more attractive than usual. You can therefore expect it to be exaggerated or unrealistic.

### **Also known as:**

Pyramid Investment Schemes

### **Protect yourself**

- If a deal seems to be too good to be true it probably is
- There's no such thing as a 'guaranteed risk-free investment'
- Beware of any communication in which you are asked to supply credit card or bank account details
- Don't be pressured into allowing a caller to 'send round a courier' to collect payment from you
- Beware of being told you must act quickly or you'll miss out on this 'one-time deal'
- Beware of being told of a little-known legal loophole that could enable you to make a fortune

## **Local Authority or Housing Association Fraud**

Here are some of the most common of these types of fraud:

### **Housing fraud applies to anyone who:**

- Illegally sub-lets their council or housing association home
- rented a property using a false identity
- is applying for, or has already been given, the right to buy but doesn't qualify
- has applied to the council as homeless but has somewhere to live

### **Housing benefits fraud applies to anyone who:**

- is working but hasn't told the Housing Benefits team about their income
- is sub-letting the property where they claim benefit but are living somewhere else
- hasn't told the Housing Benefits team about someone else living in their home
- is claiming housing benefits using a false identity
- has a property, assets or savings they haven't told the Housing Benefits team about

### **Residents parking / disabled badge fraud applies to anyone who:**

- is renting their garage or parking space to someone else
- is using their garage to store stolen goods
- obtained an estate parking permit illegally
- is using a forged parking permit or disabled badge
- is misusing a blue or white disabled badge

### **Also known as**

Housing benefit fraud, disabled badge fraud, residents' parking fraud, sub-letting fraud, right to buy fraud

# Long and Short Firm Fraud

## Long Firm Fraud

This occurs when an apparently legitimate business is set up with the purpose of defrauding its suppliers and customers after a relatively long period of time.

It starts off by placing numerous small orders with wholesalers and paying them promptly. This enables it to develop a good credit history and win the trust of suppliers. The fraudsters then place several larger orders with these businesses, but once they receive the goods, they promptly disappear and sell the goods on elsewhere.

## Short Firm Fraud

This is similar to long firm fraud, but it occurs over a shorter period of time, and without the business trying to establish any form of credit history or creditability.

The fraudulent business has no day-to-day trading activity, not even a cash-generating front. They obtain goods on credit which are delivered to third party addresses, often located at multi-occupancy trading estates. The goods are sold on for cash therefore creating no document trail.

## Also known as

Fraud against suppliers, fraud against wholesalers, bribery & corruption, intermediate long term fraud, pre-planned long form fraud, organised crime

## Protect yourself

There are several steps you can take to protect your organisation from long firm and short firm fraud:

- Stop and evaluate before accepting a much larger order from a business you've only been dealing with for a relatively short time.
- Check the trading history of any business you are dealing with.
- Ask the business for trade references. And check the authenticity of the referees. Sometimes, criminals form companies to fraudulently provide references for each other.
- Take steps to verify the identity of the office holders.
- Visit potential new customers for a thorough on-site inspection of the business premises.
- If it's a limited company, find out if it has filed accounts; check whether the accounts are credible given the trading period; and ensure they have been prepared by a genuine reporting accountant.
- Ask to check the credit histories of the people running the business.
- Check for evidence that they do live where they say they live.
- Check publicly-available databases on the Insolvency Service and Companies House websites to see if the individuals are bankrupt, or otherwise disqualified from acting as directors of a limited company.

- Check who owns the domain names of any website the business uses.
- Be wary if the only ways of contacting a business are through webmail-based email addresses and mobile telephone numbers.
- Ensure that goods are delivered to identifiable individuals and addresses, and don't allow goods to be cross-loaded to unidentifiable vehicles waiting at the delivery location.

## **Mandate Fraud**

In a mandate fraud or false billing scam, the fraudster sends a professional-looking invoice for products or services that were never ordered or received, hoping that it will be paid without investigation.

This type of scam is usually aimed at larger organisations with big billing/ payment systems, in the hope that smaller invoices will go through unnoticed. In some cases, false billing is pre-empted by a telephone call from the fraudster, intending to make the victim think that they may have bought something from them before at some point.

Similar scams include:

- Attempts to obtain payment for placing an advert in a non-existent publication. The fraudster may suggest that a previous advert has been placed and that this transaction is a follow-up or repeat.
- Attempts to sell advertising space in a bogus or limited-distribution business directory. Whilst many of these transactions are not fraudulent, some are at best deceitful, and are a waste of both money and resources.

### **Also known as**

False invoices, advertising sales fraud

## **Protect yourself**

- The best approach is to have sound accounting practices.
- Always use a purchase order numbering system and never pay an invoice if there is no corresponding purchase order.
- Don't leave things like bills lying around for others to look at and record details of standing orders and direct debits.
- Always verify changes to financial arrangements with the organisation directly using established contact details you have on file.
- If you are concerned about the source of a call, ask the caller to give you a main switchboard number for you to be routed back to them. Alternatively, hang up and call them back using established contact details you have on file.
- Check your bank statements carefully and report anything suspicious to your financial institution.

## **Mobile phone frauds**

There are a variety of frauds that target you on your mobile. Here are some of the most common:

### **Missed call scams**

Your phone registers a missed call. You don't recognise the number so you call it back. Most of the time the call will be perfectly legal and above board, but if not, you



may be redirected to a premium rate service which means you'll be charged a lot of money per minute, often up to £15 per call.

### **Recorded message scams**

The number may be a recorded message telling you that you've won a prize of some sort, and giving you another number to call to 'claim' your prize. But what they may not tell you is how much this call will cost. This second number may be a premium rate one, which will charge you a lot of money. Your prize may be nothing more than a ring tone subscription—which can also be a fraud

### **Text message scams**

In a text message fraud, you'll be sent a text from a number you don't recognise, but it'll be worded as if it's from a friend. For instance: 'Hi, it's John. I'm back! When do you want to catch up?' So you call it back, thinking you're doing them a favour by telling them they've got the wrong person, only to be charged a fortune for a premium rate call.

You may also receive a text message which sounds like someone's flirting with you. You text back to find out who it is, and end up engaging in a lengthy SMS exchange with the fraudster. Only later do you find out that you've been charged a high rate for your texts (and sometimes for your received messages as well).

### **Ring tone scams**

These scams might attract you with an offer of a 'free' or low cost ring tone. What you may not realise is that by accepting the offer, you're actually subscribing to a service that will keep sending you ring tones—and charging you a premium rate for them. There are many legitimate companies selling ring tones, but there are also fraudsters who will try to hide the true cost of taking up their offer.

### **Text competition & trivia scams**

You may receive a text message or advert encouraging you to enter a competition for a great prize (like an mp3 player). The fraudsters make money by charging extremely high rates for the messages you send, and any further messages they send to you. These could be as high as £2 each.

With trivia scams, the first few questions will be very easy. This is meant to encourage you to keep playing. However, the last one or two questions you need to answer in order to claim your 'prize' could be very difficult or even impossible (they may even require you to guess a random number).

If you get as far as trying to claim your prize, you may well have to call a premium number (that begins with 0906 for example). You'll then have to listen to a long recorded message and there's unlikely to be a prize at the end of it anyway.

### **Phone insurance scams**

Here, fraudsters target people with new phones and make them believe they are calling from the shop they bought it from or their mobile phone network. They often find your number by buying a cheap phone themselves, then calling numbers similar to their own.

**Also known as:**

Competition scams, premium rate number scams, telephone prize scams, prize draw and sweepstake scams

**Protect yourself**

- Most phone service providers have their own security policies in place to help protect your data; examples include a secret question or a personal PIN for your account. It's always worth checking what they have and make sure you sign up to use them
- Set up a password or passcode on your phone or tablet and keep it locked when you're not using it. Your user guide will tell you how to do this.
- Never store personal details like passwords or PIN numbers in texts or emails that are accessible through your phone or tablet.
- If your phone is stolen, tell your provider straight away – they can blacklist and deactivate it remotely. You should then change any passwords for online accounts you access through your phone as soon as possible (for example online banking).
- Never allow application or files to be installed from unknown sources particularly on smartphones/tablets (e.g. Android apps outside of Android Market™)
- If you visit a website through your mobile or tablet and the URL looks suspicious, close it down straight away
- Don't respond to unknown numbers.
- If you sell your phone/tablet or give it away, make sure you complete a factory reset to clear all your content from it - you'll find out how in your user guide.
- Set up a secure pin on your voicemail so that only you can access your messages. Call into your voicemail service to do this. Follow your service provider's guidelines if you're unsure.
- Many smartphones and tablets now come with the ability to remotely lock and track it if it's lost or stolen. There are a number of apps but some handsets themselves are capable of this. Check with your manufacturer's website.
- Be extra vigilant when you have an upgrade due or your contract is near its end as this is a key time for fraudsters to target your mobile phone account with fake contract and insurance deals.

## **Mortgage fraud**

Mortgage fraud could be anything from simple overstatement of income to obtain a mortgage to systematic abuses by organised crime groups for money-laundering purposes. Many people can be involved, either working alone or together, such as fraudulent brokers or intermediaries, valuers, surveyors, solicitors or accountants.

Mortgage fraud can include:

- over-valuing properties
- overstating a salary or income
- hijacking genuine conveyancing processes
- taking out mortgages in the name of unsuspecting individuals or those who are deceased after identity theft
- taking out a number of mortgages with different lenders on one address by manipulating Land Registry data
- changing title deeds without an owner's knowledge to allow the sale of a property.

### **Also known as**

Mortgage application hijack

### **Protect yourself**

Owners who are concerned their property might be subject to a fraudulent sale or mortgage can quickly alert Land Registry and speak to specially trained staff for practical guidance about what to do next by calling their Property Fraud Line on **0300 006 7030**

## **Online auctions**

Shopping and online auction fraud usually involves the misrepresentation of a product advertised for sale, or the non-delivery of products purchased through an Internet auction site.

If you're buying something online, be careful if the seller requests to be paid via Western Union, Money-Gram, or bank-to-bank money transfer. These types of payment make your money virtually unrecoverable and you get no recourse if something goes wrong.

Buyers from a legitimate auction site can also commit fraud by requesting a certain method of shipping in order to avoid tax, or if they use fraudulent cards or payment methods to purchase goods.

## **Protect yourself**

### **Get to know the basics first**

- Get to know the rules and parameters set by the site – they're there for your safety. Read the safety advice before trading. Never step outside of these or outside of the site no matter how enticing the deal. Fraudsters often try to trick you into doing this.
- Always compare prices. Beware of people offering you a deal below the current bid or reserve price, especially if they contact you direct. Remember if an offer sounds too good to be true it probably is
- Get to know the seller by looking at their selling history and the type of goods they sell. Be extremely careful when buying things from people with little or no selling history
- Don't get carried away in the excitement of winning an auction. Fraudsters rely on you being keen and off your guard. It's never too late to ask a seller questions to ensure that you are completely happy with what you're about to pay for. If you think a fraud is involved, report the seller to the site
- If your site offers 'second chance' bidding on an auction, verify that any notification actually comes from the site and not from a fraudster impersonating them. You can do this by carefully checking the email address or by contacting the site via its published website. Also be very wary of using any hyperlinks or numbers contained within such a 'notification' as these may also be false
- Protect your on line auction account details as you would your own bank account details, including your log in and password to your auction account and your payment account. Never reveal your name or account details.
- Be aware of phishing emails that look like they come from the online auction or payment site you are registered with, asking you to update your account details or re-enter them because your account has been suspended.

### **Help in spotting illegal emails**

- Take a good look at the URL in the web browser. A tactic fraudsters often use is to change the address very slightly (if they're spoofing an eBay site they may have an address such as '. . . @ebayz.com' whereas the real site is '. . . @ebay.com')
- Often these emails will contain links that take you to pages on the real website to make them appear genuine. But they may contain others that direct you to fake pages set up by the fraudsters.

### **Internet auction payment**

If you're buying:

- Never use money transfers as a payment method, no matter what anyone suggests to you, and don't be tricked into doing a deal outside the online auction site. There is little security in this – you're handing over your hard earned cash to a stranger 'on trust' alone
- There is little security in using direct banking methods either, especially if the seller has no or little trading history
- Always use the online payment options or a reputable ESCROW account to pay for things. ESCROW is a payment system where both the buyer's and seller's financial details are held separately by a legitimate third party company acting as middleman. The buyer makes their payment into the ESCROW account. The seller is only paid once the goods have arrived and are deemed satisfactory by the buyer. This offers far greater protection. Never enter an ESCROW account site through a link in an email. Fraudsters have been known to set up fake ESCROW websites. Use a search engine to locate the website or enter your chosen ESCROW site through its proper web address. Save this in your favourites. Always check the URL shown in your web browser address bar.

If you're selling:

- After a cheque is paid into your account, wait 6 days before releasing any goods. Although your bank or building society may tell you a cheque has 'cleared' after 3 days, all this means is that the money has passed between the banks. It could still turn out to be forged or stolen. If the funds from the cheque are still in your account at the end of the sixth working day, you can be sure that the money is yours.

## **Phishing or spoofing email frauds**

Phishing and spoofing are ways of trying to obtain your personal financial details over the Internet, by means of a false website or email.

Phishing and spoofing are somewhat synonymous. Spoofing generally refers to a fake website page which is designed to look like a legitimate one (such as an online login page to a bank). In many cases, the web site you are taken to will look just like the real one and will contain links to the genuine website. It will often also replicate the security padlock at the bottom of your screen.

Phishing is the act of sending an email falsely claiming to be from a legitimate source (like your bank or building society). It generally attempts to get you to reveal personal, sensitive information such as passwords, credit card numbers, and bank account information after getting you to click on a link which directs you to a specified (spoofed) website. These details are then picked up by the criminals who will use them to steal money from your account.

### **Also known as:**

Fake emails, financial institution fraud

### **Protect yourself**

- Never, ever, respond to an unsolicited request from anyone asking you to pass on your security details (whether it's your login name, password, mother's maiden name or other security information). A legitimate organisation, such as a bank, will never ask its customers for these details in this way
- If you're ever in doubt, it is always safer to say no. Then, telephone your bank on an advertised number, and tell them exactly what you have received. They'll always be happy to receive a call from you where security of your account is concerned
- Alternatively, you can report any suspicious email or website to the internet service provider (ISP) that the fraudster is using
- Never reveal your username/passwords/PINs to anyone
- Make sure your PC is secure. There are many excellent software firewalls and malware/spyware sweepers that you can download for free
- Check your bank statements regularly. If you find any unusual transactions that you can't remember, speak to your bank immediately

## Phone frauds

The global rise of telemarketing has produced a corresponding increase in telemarketing fraud. There are hundreds of excuses fraudsters can use for getting in touch with you in order to part you from your money and we're all vulnerable. Here's just one example: You're at home and the phone rings. The voice on the other end claims to be a fraud investigator from your credit card company. He tells you there's been suspicious activity on your card, but first, he needs to confirm some details as a security check. Naturally you're worried about your account and you're keen to help so you give him all the details he asks for. He promises to get back to you but you never hear from him again. He's off spending on your credit card.

However, the following pointers show how you can protect yourself:

### Protect yourself

- One of the best ways to reduce the number of unsolicited phone calls you get is to register with the Telephone Preference Service. You can register online at [tponline.org.uk](http://tponline.org.uk) or by calling 0845 070 0707
- Never reveal any details of accounts or personal information. Remember, if the caller is genuine they'll have access to all the relevant details. Let them give you the security details so that you can confirm them. Do not supply further security information unless you're completely sure who you're talking to.
- If you're concerned about the source of the call, ask the caller for a main switchboard number through which you can be routed back to them. Alternatively, take their details then make your own enquiries via a published contact number.
- If it seems too good to be true, it probably is. Think very carefully before committing yourself to any 'amazing deals'
- There is no such thing as a 'guaranteed risk-free investment'.
- Beware of any unsolicited communication where you're asked to supply any personal information such as your National Insurance Number
- Beware of any unsolicited communication where you're asked to supply user names and passwords for services that you use such as online banking, online shopping, your Internet account etc.
- Be suspicious if you receive a message telling you that you've won a prize and should phone a certain number (often starting 900 or 0900. You'll find that the telephone call is charged at premium rates and, in the unlikely event that there is actually a prize, it probably won't be anything worth having. In some cases you may even be asked to send a fee to cover postal costs.
- If you're offered something on a 'free trial' basis, always check deadlines for returning the items. If the scam involves obtaining credit card numbers illegally, you could be charged for goods even if you haven't (knowingly) supplied any payment information.

- Think twice before giving information to unknown parties. For example, some fraudsters pretend to be charities (often using names that seem close to real organisations) and ask for bank or credit card details.
- Other indications of possible fraud include:
  - Being pressured to allow the caller to 'send a courier around to take your payment'
  - Being told that you 'must act quickly or lose out on this one-time deal'
  - Being told of 'a little-known legal loophole' that will assist you in making a fortune
  - Being told that you are 'one of just a few special people to receive this offer'
  - Being told that you have purchased the caller's services previously



## **Prime bank guarantees fraud**

International fraudsters have invented an investment scheme that supposedly offers extremely high yields in a relatively short period of time. In this scheme, they say they have access to 'bank guarantees' from 'prime banks' (hence the name) which they can buy at a discount and sell at a premium.

By reselling the "bank guarantees" several times, they claim to be able to produce exceptional returns. For example, if \$10 million worth of "bank guarantees" can be sold at a 2% percent profit on 10 separate occasions, or "tranches," the seller would receive a 20% profit.

This kind of scheme is often referred to as a 'roll programme'. Other official sounding terms used include "Prime Bank Notes" and "Prime Bank Debentures." Legal documents drawn up by the fraudsters often require their victims to enter into nondisclosure and non-circumvention agreements, offer returns on investment in "a year and a day", and claim to use forms required by the International Chamber of Commerce (ICC). In fact, the ICC has issued a warning that no such investments exist.

The purpose of these frauds is to get you to send money to a foreign bank where it's eventually transferred to an off-shore account under the control of the fraudster.

Foreign banks do use instruments called 'bank guarantees' in the same way that they use letters of credit to pay for goods internationally. However, such bank guarantees are never traded or sold on any kind of market.

### **Also known as:**

Roll programmes, Prime Bank Notes, Prime Bank Debentures, high yield investments

### **Protect yourself**

- If a deal seems to be too good to be true it probably is
- There's no such thing as a 'guaranteed risk-free investment'
- Beware of any communication in which you are asked to supply credit card or bank account details
- Don't be pressured into allowing a caller to 'send round a courier' to collect payment from you
- Beware of being told you must act quickly or you'll miss out on this 'one-time deal'
- Beware of being told of a little-known legal loophole that could enable you to make a fortune

## Plastic card fraud

There are two main types of credit and debit card fraud – ‘card not present’ and ‘counterfeit card’.

**Card not present fraud** occurs when a fraudster manages to get hold of your card details (in a restaurant or bar, for example, when your card is taken out of sight) and then uses them to make purchases over the phone, online or by mail order.

**Counterfeit card fraud** mostly involves a process known as ‘skimming’, where a fraudster electronically copies your magnetic stripe details without your knowledge. This could happen at the till or a cash machine. Your details are later used to make a false card which is typically used in countries that do not yet have chip and pin.

### Also known as:

Credit card fraud, debit card fraud, payment fraud

### Protect yourself

- Look after your cards – treat them as if they were cash
- Don’t let your cards out of your sight when paying for anything
- Always check your statements carefully against your receipts
- If you find a strange transaction tell your bank or card company straight away. You’ll find the emergency number on your statement or call Directory Enquiries
- If you don’t want to keep your statements, shred them using a cross-cut shredder before throwing them away
- Never keep your PIN with your card
- Beware of ‘shoulder surfing’ at the cash machine, where a fraudster watches you entering your PIN then distracts your attention to steal your card
- If your card gets trapped in the cash machine, beware if someone in the queue suggests you re-enter your PIN. A card-trapping device may have been used and once the fraudster knows your PIN, he’ll be able to remove the device and use your card

## **Pyramid or ponzi scheme fraud**

Pyramid schemes (also known as ponzi schemes) are investment scams in which you're promised an abnormally high profit for making an investment and encouraging others to do the same thing.

Early investors are paid returns with the money paid by later investors, but because the money is siphoned off by the fraudsters, the system eventually collapses with later investors receiving nothing - including their initial investment.

The term 'ponzi' comes from the famous 1920's fraudster, Charles Ponzi, who defrauded people with a get rich scheme.

Fraudsters use various methods to contact you regarding such scams including e-mails, letters, faxes or phone calls. They often provide you with fake referrals.

### **Also known as:**

Investment fraud

### **Protect yourself**

- If a deal seems to be too good to be true it probably is
- There's no such thing as a 'guaranteed risk-free investment'
- Beware of any communication in which you are asked to supply credit card or bank account details
- Don't be pressured into allowing a caller to 'send round a courier' to collect payment from you
- Beware of being told you must act quickly or you'll miss out on this 'one-time deal'
- Beware of being told of a little-known legal loophole that could enable you to make a fortune

## **Revenue and VAT frauds**

The majority of Customs and VAT frauds involve an attempt to avoid payment of taxes. Another type is Carousel fraud.

Carousel frauds involve goods being exported to another EC member state, then re-imported without VAT by a newly formed VAT-registered company. The new company then sells the goods back to the original exporting company, plus VAT which the exporting company recovers as input tax. The newly registered company then vanishes before the VAT is due to be paid.

### **Also known as**

Tax avoidance fraud, VAT fraud, Tax fraud

## **HM Revenue & Customs impersonation scams**

These are some of the latest frauds carried out by people claiming to be a representative of HM Revenue and Customs:

### **Customs duty payments or VAT payments requests**

Fraudsters have been known to contact members of the public by phone to demand 'customs payments' on impounded parcels, or VAT payments on business activities unknown to the call recipient.

### **Tax rebate emails**

If you are sent an email saying it's from the HMRC, informing you that you are due a tax rebate, it will be a scam. HMRC would never inform customers of a tax rebate via email, or ask them to complete an online form to receive a tax rebate.

### **Customs Service emails**

These emails will tell you that a parcel has been received for you and is being held en-route from another country. They then go onto request that you fill out a customs declaration. This is not an official HMRC email. The attachment may contain viruses and should not be opened.

### **Tax or child benefit rebate phone calls**

If someone contacts you by phone, saying that they're from the HMRC and that you may be entitled to a tax or child benefit rebate, beware. They are really after your personal details and bank account information.

### **Tax payments on lottery winnings**

If you're told that a parcel containing a cheque in respect of lottery winnings has been impounded by HMRC and that it'll only be released when a substantial tax sum is paid, ignore it. It's a scam to get hold of your money.

## **Protect yourself**

- If you're asked for any payment or personal details over the phone you should always check with HMRC that the caller is genuine by calling 0800 59 5000.

## Scams involving timeshares

In Timeshare and Holiday Club scams the fraudsters will contact you at home, often by phone, to tell you that you have won a 'free' holiday. They may also approach you in the street while you're on holiday and give you a scratch card which reveals that you have won a 'free' holiday. To claim your prize, all you need to do is go to a presentation, more often than not in a plush hotel, and learn more about a new holiday venture (which you'll be told isn't about timeshare).

The brochures will all look glossy and convincing and you'll be made to feel as if you're joining an exclusive holiday club offering top class accommodation all over the world.

Your 'free' holiday, as you'll later discover, isn't free, as you'll have to pay for extras such as flights and other add-ons, and go somewhere you don't want to go at a time that doesn't suit you.

If you do consider joining, unlike the law covering timeshare arrangements, you won't necessarily be given a chance to cancel if you have second thoughts. Furthermore, what the bogus holiday club tells you in the sales pitch and what's in the contract you sign could be two very different things. You may well find out that you get no guarantee of dates or destinations and that holidays are often not available when and where you want them.

### **Also known as:**

Holiday clubs

### **Protect yourself against timeshare fraud**

- Be very wary of letters, phone calls or emails from companies you don't know offering you business deals out of the blue.
- If you are contacted by phone, don't continue the conversation.
- Don't pass on confidential information to people or companies who say you've been chosen especially, or that you've won something.
- Never make investments without thorough research. Check into the company and ask for several references.
- However much pressure the sales people put you under, never agree to anything on the spot. Refuse to sign anything then and there. Take the documentation home with you and sleep on it.
- Make sure a lawyer reads the contract before you sign it. Make a note of all the verbal promises you were given, and ensure they're in the contract. If they're not, refuse to sign.
- Ask about your cancellation rights and get them in writing.
- Remember, you can always walk out of the presentation. No one can make you stay, no matter what the salespeople may try and tell you.
- Think of buying a timeshare in the same way you'd consider buying any other membership - is it worth the money? Research the market and discover the property values.
- Remember, if something sounds too good to be true, it usually is.

## **Share sales or boiler room fraud**

Boiler room fraud is the term for a fraud in which victims are cold-called by fake stockbrokers and persuaded to buy shares in worthless, non-existent or near bankrupt companies, with the promise of quick, high returns.

Often these contacts are made from illegal offshore dealing rooms in Spain, Switzerland or the US. On the face of it they may appear quite legitimate as they may well have a well designed website, glossy brochures and a phone number with a London prefix (which diverts overseas). 'Boiler room' refers to the high pressure nature of the sales.

### **Also known as:**

Investment fraud

### **Protect yourself**

- If a deal seems to be too good to be true it probably is
- There's no such thing as a 'guaranteed risk-free investment'
- Beware of any communication in which you are asked to supply credit card or bank account details
- Don't be pressured into allowing a caller to 'send round a courier' to collect payment from you
- Beware of being told you must act quickly or you'll miss out on this 'one-time deal'
- Beware of being told of a little-known legal loophole that could enable you to make a fortune

## **Spam**

Spam, or unsolicited bulk email, is widely used to commit crimes such as financial institution fraud, credit card fraud and identity theft, among others.

Criminals will send out thousands of emails to people who may not even have an account with the bank mentioned, in the hope that some (who do have such an account) will respond to it. Most people generally view it as a nuisance, but a number of people are tricked into responding to it and providing personal information to the fraudster.

Spam can also act as a vehicle for accessing computers and servers without authorisation, often transmitting viruses and Botnets.

### **Also known as:**

Fake emails, phishing, spoofing, financial institution fraud, bank account fraud, personal account fraud

### **Protect yourself**

- Never, ever, respond to an unsolicited request from anyone asking you to pass on your security details (whether it is your login name, password, mother's maiden name or other security identifier). A legitimate organisation, such as a bank, will never ask its customers for these details in this way
- If you're ever in doubt, it is always safer to say no. Then, telephone your bank on an advertised number, and tell them exactly what you have received. They'll always be happy to receive a call from you where security of your account is concerned
- Alternatively, you can report any suspicious email or website to the internet service provider (ISP) that the fraudster is using
- Never reveal your username/passwords/PINs to anyone
- Make sure your PC is secure. There are many free software firewalls and malware/spyware sweepers available
- Check your bank statements regularly. If you find any unusual transactions that you can't remember, speak to your bank immediately

## **West African communications (or 419 fraud)**

The term '419' refers to the violation of Section 419 of the Nigerian Criminal Code. This kind of scam is a mixture of impersonation and advance fee frauds. It occurs when individuals who say they are Nigerian or foreign government officials get in touch with you by letter, email or fax, to offer you the 'opportunity' to share in a percentage of millions of dollars. All you have to do is help them place large sums of money in an overseas bank account.

The fraudsters will give you a variety of reasons as to why they need your help, such as taxes, bribes to government officials or legal fees, which they'll often describe in great detail. They'll also promise you that all expenses will be reimbursed as soon as the funds are out of the country. Sometimes they'll also ask you to fax them information such as blank letterheaded stationery, your bank details and account numbers, and other personal information.

### **Also known as:**

Nigerian emails, advance fee fraud, overseas bank account frauds

### **Protect yourself**

- The first question to ask yourself is "why me?" This person doesn't know you and has no reason to trust you. The best way to deal with an e-mail like this is to delete it straight away.
- Governments and large corporations do not transfer money through another person's bank account. Any suggestion that they do so is a reliable indication that you have been approached by fraudsters.
- Letters and documents sent by fraudsters are usually badly written. Look out for spelling mistakes and poor grammar.
- If a deal seems to be too good to be true, then it probably is.
- Beware of being told you must act quickly or you'll miss out on this 'one-time deal'.
- Never send your bank or personal details. If you have done, contact your bank immediately to stop money being withdrawn and sent overseas.
- Never send any money.
- Never, under any circumstances, travel anywhere in response to one of these scams. You won't see your money again, and you could put yourself in physical danger.



## **Work-at-home Employment Frauds**

These are frauds in which bogus foreign-based companies recruit people living in other countries for a variety of work-at-home employment schemes. They work in various ways:

- They can simply be a means of soliciting the personal details of victims under the guise of potential employment
- They can use employees to resell/reship goods abroad
- They can provide a cover for criminal cashback. This is a scam in which employees are informed that their salary will be paid by cheque by a company in their own country (reported to be a creditor of the employer). When the cheque arrives it's significantly more than the employee is owed. The employee is instructed to deposit the cheque into their own personal bank account, and then wire the overpayment back to the employer's bank, often in Eastern Europe. The bank cheques are later found to be fraudulent, often after the wire transfer has taken place.

### **Also known as**

Employment/business opportunities frauds, work scams, career opportunity scams

## **Protect yourself**

- Don't respond to unsolicited business propositions and/or offers of employment from people you are unfamiliar with
- Never disclose your personal or financial details to anyone you don't know
- Wait at least 6 days after you've deposited a cheque into your account. A bank will know within that time whether it's fraudulent or not.
- Beware of adverts for business opportunities that state you can earn a specific or minimum amount of money.
- Any advert that tells you that you can sit back and let a business run itself is a good indication of fraudsters at work.
- Look out if the scheme operators give contact details that include mobile phone numbers beginning with 07 or web mail email addresses such as @yahoo or @hotmail. Genuine businesses do not use them.
- Don't be tempted by seemingly easy offers for work. You might find your personal details sold on to other scammers and you'll become seen as an easy target.

**Delivering the Recommendations of the  
Fraud Review 2006  
and the  
Paradox of Police Leadership**

**Appendix Ten**

**NFRC Test Design and Content**

# National Fraud Reporting Centre

## Test paper – NFRC Design & Content

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April 2009

Document Version	Amendment Detail	Author	Date	Approved
01	First Draft	SS	07/04/09	

**Produced by:**  
Insp Steve Strickland  
Fraud Review Team

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***Fraud Types***

- Fraud Relating to the Banking and Credit Industry
  - Credit Card Fraud **NON-Recordable\***
  - Account/Facility Takeover **NON-Recordable**
  - Application Fraud **NON-Recordable**
  - Fraud Relating to Mortgages **NON-Recordable**
  
- Identity Theft **NON-Recordable**
  
- Fraud Relating to Financial Investment
  - Share Sales or Boiler Room Fraud **NFRC-Recordable**
  - Pyramid or Ponzi Schemes **NFRC-Recordable**
  - Telemarketing Fraud **NFRC-Recordable**
  - Prime Bank Guarantees **NFRC-Recordable**
  - Investment Seminar **NFRC-Recordable**
  - Time Shares & Holiday Clubs **NFRC-Recordable**
  
- Fraud Relating to Advance Fee Payments
  - West African Letter or "419" **NFRC-Recordable**
  - Lottery Scams **NFRC-Recordable**
  - Counterfeit Cashier's Cheques **NFRC-Recordable**
  - Employment/Business Opportunities **NFRC-Recordable**
  - Dating Scam **NFRC-Recordable**
  - Charity Fraud **NFRC-Recordable**
  - Fraud Recovery **NFRC-Recordable**
  - Inheritance Fraud **NFRC-Recordable**
  
- Preparatory acts relating to the Internet
  - Phishing/Spoofing Emails **NON-Recordable\***
  - Spam Emails **NON-Recordable\***
  
- Online Shopping, Auctions and selling
  - Shopping and Auction Fraud **NFRC-Recordable**
  - Domain Name Renewal Frauds **NFRC-Recordable**
  - Health & Medical Scams **NFRC-Recordable**
  
- Mobile Phone Frauds
  - Missed calls & Text messages **NFRC-Recordable**
  - Ring Tone Scams **NFRC-Recordable**
  - SMS competition & Trivia scams **NFRC-Recordable**
  - Phone Insurance scams **NFRC-Recordable**
  
- Door-to-door sales and bogus tradesmen **NFRC-Recordable**
  
- Frauds relating to Business & abuse of position and authority
  - Long Firm Fraud **NFRC-Recordable**

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Short Firm Fraud **NFRC-Recordable**  
Asset Misappropriation **NFRC-Recordable**  
False Accounting **NFRC-Recordable**  
Insiders **NFRC-Recordable**  
Bribery and Corruption **NFRC-Recordable**

- Computers Hacking & Unauthorised use **NON-Recordable**
- Fraud Relating to Insurance **NON-Recordable**
- Fraud Relating to Intellectual Property & Counterfeit Goods  
Intellectual Property Theft **NON-Recordable**  
Counterfeit Goods **NON-Recordable**
- Fraud Relating to Revenue, Customs and benefits  
Revenue and Customs Fraud **NON-Recordable**  
Benefit Fraud **NON-Recordable**
- Fraud Relating to the provision of public services  
Fraud Relating to the National Health Service **NON-Recordable**  
Fraud Relating to Local Authority or Housing Association **NON-Recordable**

## **TRIAGE PAGE**

**Are you making this report as the victim, on behalf of a victim, on behalf of a business or as a witness to a Fraud?**

- I am the Victim

**Is this the first time you have been a victim of this type of Fraud?**

- Yes / No

**Did the last fraud occur within the last 12 months?**

- Yes / No
- On behalf of the Victim

**Is the victim aware that you are reporting the Fraud on their behalf?**

- Yes / No

**Why is the victim not able to report the fraud personally?**

- ❖ Due to Ill Health
- ❖ Due to Language difficulties
- ❖ Other

**Why is the Victim not aware of this Fraud report?**

Free text:

- On behalf of a business or organisation
  - I am a Witness
  - I have not been a victim of Fraud.
- 

**Are you in immediate threat from the fraud of, either physical attack or financial loss?**

- Yes / No
- 

**How would you classify your vulnerability**

- I don't not consider myself vulnerable
- I was vulnerable to this fraud but it was one off
- I consider myself vulnerable because of my job &/or professional position
- I consider myself vulnerable because of my personal circumstances
- I consider myself vulnerable for other reasons

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**What is the Address of the Offence Location?**

Free text:

---

**From the list, which group best describes the Fraud you have been a victim of?**

- Banking & Credit Industry Fraud **N\***

**Have you reported the fraudulent activity to your bank or finance provider?**

➤ Yes / No

**Have they refused to reimburse you for the loss or required you to report the fraud to police?**

- ❖ Yes, they have refused to reimburse me
- ❖ Yes, they have required me to report the fraud to the police
- ❖ No, I am reporting this independently having reported it to the financial institution

- Identity Theft **N**
- Investment Fraud **Y**
- Advance Fee Fraud **Y**
- Preparatory acts relating to the Internet **N\***
- Online shopping, Auctions and selling **Y**
- Mobile phone fraud **Y**
- Door-to-door sales and bogus traders **Y**
- Frauds and corruption relating to business and abuse of position or authority **Y**
- Computer Hacking & Unauthorised use **N**
- Insurance Fraud **N**
- Intellectual Property Fraud & Counterfeit Goods **N**
- Revenue, Customs and Benefits **N**
- Frauds relating to the provision of public services **N**
- OTHER FRAUD - non classified **Y**

---

**Have you reported this Fraud elsewhere?**

- Yes / No

**Was your report Recorded?**

➤ Yes / No

**Where did you report the Fraud?**

❖ Police

Free text:

❖ Bank/Building Society

Free text:

❖ Insurance Company



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Free text:

- ❖ Trading Standards

Free text:

- ❖ Internet Crime Complaint Centre or Regulatory Authority

Free text:

- ❖ Other

Free text:

---

**Have you done one of the following?**

- Supplied money

➤ Yes / No

How much money have you supplied?

**Free Text:**

- Supplied goods

➤ Yes / No

What is the value of the goods you supplied?

**Free text:**

- **Supplied a service**

➤ Yes / No

What is the value of the service you supplied?

**Free text:**

- Supplied sensitive information i.e passwords, account or pin number

➤ Yes / No

---

**Is the suspect known to you?**

➤ Yes / No

- ❖ **Is the Suspect?**

- An Individual(s)

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- A business/organisation
- Both an Individual and a business/organisation

**Do you have any information which could help identify or locate the suspect, ?**

➤ Yes / No

❖ **What form does this information take?**

- Suspect known to family member, friend or associate
- E-mail correspondence
- Letters/mail correspondence
- Contracts, quotes or legal papers
- Photos, own CCTV, recordings or minutes of meetings
- Other

---

**Are there any individuals who witnessed the Fraud?**

- Yes / No
- 

**Was the Fraud or the suspects captured on any public or commercial electronic media?**

- Yes / No

**How was this captured?**

➤ Local Authority CCTV

❖ Is the location of this media the same as the Offence location?

- Yes / No

➤ Commercial CCTV

❖ Is the location of this media the same as the Offence location?

- Yes / No

➤ Congestion Charging

❖ Is the location of this media the same as the Offence location?

- Yes / No

➤ ANPR

❖ Is the location of this media the same as the Offence location?

- Yes / No

➤ Other

❖ Is the location of this media the same as the Offence location?

- Yes / No

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---

**VICTIM OR PERSON REPORTING**

**Victim**

**Title**

- Mr
- Mrs
- Miss
- Ms
- Dr
- Other

**Surname**

Free text:

**Forename**

Free Text:

**Date Of Birth DAY**

Format DD/MM/YYYY:

**Gender**

- Male
- Female

**Ethnic Appearance**

W1	W2	W9	M1	M2	M3	M9	O1	O9	B1	B2	B9	A1	A2	A3	A9	NS

**Contact details**

**Personal Address of Complainer/Victim**

Free text:

**E-mail Address**

Free text:

**Home Phone Number**

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Free text:

**Work Phone Number**

Free text:

**Mobile Phone Number**

Free text:

**Preferred Method of Contact**

- Home Phone
- Work Phone
- Mobile Phone
- E-Mail

**How many victims of this fraud are you aware of?**

- I am the only victim
- There are other victims who are known to me personally
- There are other victims who are known to me professionally
- There are other victims but they are not known to me
- I don't know if there are any other victims

**Has any civil action been taken by yourself or others in relation to this fraud?**

- Yes / No

**Please provide a summary of the action taken and its outcome –**

Free text:

**How would you grade the impact that this fraud has had on you?**

- Severe - impacting on health & financial well being
- Moderate - impacting on health or financial well being
- Minor - negligible impact on either health or financial well being
- Concerned - as to vulnerability but not impactful on health or financial well being
- Embarrassed - at becoming a victim, not concerned about vulnerability or suffered any impact on health or financial well being

**Reporting on Behalf of the Victim**

**Title**

- Mr
- Mrs
- Miss
- Ms
- Dr
- Other

**Surname**

Free text:

**Forename**

Free text:

**Date Of Birth**

Format – DD/MM/YYYY:

**Relationship to Victim**

- Spouse
- Relative
- Friend
- Work associate
- Carer / Health visitor
- Other

**Are you also a witness to the Fraud?**

- Yes / No

**Contact details**

**Address of Person Reporting**

Free text:

**E-mail Address**

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Free text:

**Telephone**

**Home Phone Number**

Free text:

**Mobile Phone Number**

Free text:

**Preferred Method of Contact**

- Home Phone
- Mobile Phone
- E-Mail

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**Business/Organisation**

**Person Reporting**

**Position within the Business/Organisation**

Free text:

**Title**

- Mr
- Mrs
- Miss
- Ms
- Dr
- Other

**Surname**

Free text:

**Forename**

Free text:

**Date Of Birth**

Format DD/MM/YYYY:

**Name of the Business**

Free text:

**Type of Business/Organisation**

Free text:

**Business Address**

Free text:

**E-mail Address**



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Free text:

**Telephone**

**Work Phone Number**

Free text:

**Mobile Phone Number**

Free text:

**Preferred Method of Contact**

- Work Phone
- Mobile Phone
- E-Mail

**How many victims of this fraud are you aware of?**

- I am the only victim
- There are other victims who are known to me personally
- There are other victims who are known to me professionally
- There are other victims but they are not known to me
- I don't know if there are any other victims

**Has any civil action been taken by yourself or others in relation to this fraud?**

- Yes / No

Free text:

**How would you grade the impact that this fraud has had on your business?**

- Severe - impact could potentially threaten the future of the business
- Moderate - impact will be felt across the organisation
- Minor - short term impact on profit or turnover but no long term effects
- Concerned - as to the ongoing vulnerability of the business to future frauds
- Embarrassed - at becoming a victim, not concerned about vulnerability of the business to future frauds

## **FRAUD MO**

### **Fraud Relating to Banking & Credit Industry**

**How have you been targeted by the fraudsters?**

- Credit Card has been compromised and unauthorised transactions made
- The fraudster has assumed your identity and made unauthorised transactions from your bank account
- A fraudster has assumed your identity and opened new accounts or taken credit out in your name

**How much have you lost?**

Free text:

**Do you believe that you have been contacted by the fraudsters?**

**Yes, by E-mail**

Free text:

**Yes, through a Website**

Free text:

**No, not that I know of**

**Have you received any of the following?**

- Phishing E-mails
- Spooking E-mails
- Spam E-mails

**Were you asked to provide any of following information?**

- Credit Card details
- Bank Account details
- Passwords
- None of the above

**Have you recently suffered any of the following?**

- Theft of property including personal / sensitive information
- Mail containing personal / sensitive data has not been delivered and posting has been confirmed
- Completed a survey or provided personal / sensitive information to anyone out of the ordinary
- Suffered a computer virus or attack on a system where you hold personal / sensitive information
- Had your household or business waste which contains personal / sensitive information interfered with.
- None of the above

**Fraud Relating to Financial Investment**

**How where you contacted?**

**Telephone**

Free text:

**Fax**

Free text:

**Post**

**E-mail**

Free text:

**Website**

Free text:

**Investment Seminar invitation**

Free text:

**In Person**

Free text:

**When were you first contacted?**

Format DD/MM/YY:

**How often were you contacted?**

**Between -**

- 1 & 5 times
- 6 & 10 times
- more than 10 times

**Were you contacted by?**

- Individual
- Individual representing a business
- Numerous representatives of business

**Were you offered or did you invest in a product or service?**

- Shares
- Investment Service
- Pyramid Scheme
- Prime Bank Guarantee

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- Time Share or Holiday Club
- Other type of Investment or high yield scheme
- None of the above

**How much did you invest?**

Free text:

**How did you pay for the product or service?**

**Bank Transfer**

- Name of the Account holder \_\_\_\_\_
- Name of the Bank \_\_\_\_\_
- Account Number \_\_\_\_\_
- Sort Code \_\_\_\_\_

**Cheque**

- Who was the Cheque made payable to? \_\_\_\_\_
- What address was the Cheque sent to? \_\_\_\_\_

**Cash**

**Is the person the money was paid to the same as the suspect?**

- Yes / No

**Money Transfer**

Free text:

**Have you attempted to realise your investment?**

- Yes / No

**Have you Managed to realise any of the funds?**

- Yes / No

**How much you recover?**

Free text:

**Fraud Relating to Advance Fee**

**How would classify the fraud you have been a victim of?**

- West African letter / mass marketing fraud
- Overseas Lottery Fraud
- Employment or Business opportunity
- Criminal Cash back / Counterfeit Cashiers Cheque
- Dating Fraud
- Charity Fraud
- Fraud Recover Service Fraud
- Inheritance Fraud
- None of the above

**How where you contacted?**

**Telephone**

Free text:

**Fax**

Free text:

**Post**

**E-mail**

Free text:

**Website**

Free text:

**Investment Seminar invitation**

Free text:

**In Person**

Free text:

**When were you first contacted?**

Format DD/MM/YY:

**How often were you contacted?**

**Between -**

- 1 & 5 times
- 6 & 10 times
- more than 10 times

**Were you contacted by?**

- Individual
- Individual representing a business

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- Numerous representatives of business

**Where you supplying a financial service or acting as an intermediary?**

- Supplier
- Intermediary

**Who were you acting on behalf of?**

Free text:

**Where you offered or did you commence employment?**

- Employed
- Offered Employment

**Did you receive an overpayment for goods, services or set up costs?**

- Yes / No

**Where you asked to refund the overpayment?**

- Yes / No

**When was this money Paid**

Format DD/MM/YYYY

**Were you asked to make a donation to charity?**

- Yes / No

**Were you asked to pay a tax or release fee?**

- Yes / No

**Where you Asked to fund one of the following?**

- Flight
- Hotel
- Medical bills
- Other

**Had you previously been a victim of a Fraud?**

- Yes / No

**Was this reported to the Police or an appropriate regulatory authority?**

- Yes / No

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Free text:

**How much did you pay?**

Free text:

**How did you pay the funds?**

**Bank Transfer**

- Name of the Account holder \_\_\_\_\_
- Name of the Bank \_\_\_\_\_
- Account Number \_\_\_\_\_
- Sort Code \_\_\_\_\_

**Cheque**

- Who was the Cheque made payable to? \_\_\_\_\_
- What address was the Cheque sent to? \_\_\_\_\_

**Cash**

**Is the person the money was paid to the same as the suspect?**

- Yes / No

**Money Transfer**

Free text:

**Have you attempted to recover any monies paid?**

- Yes / No

**Have you Managed to realise any of the money?**

- Yes / No

**How much you recover?**

Free text:

**Preparatory Acts relating to the Internet**

**Have you received any of the following?**

- Phishing E-mails
- Spooking E-mails

**How where you contacted?**

**E-mail**

Free text:

**Website**

Free text:

**When were you first contacted?**

Format DD/MM/YY:

**How often were you contacted?**

**Between -**

- 1 & 5 times
- 6 & 10 times
- more than 10 times

**Were you contacted by?**

- Individual
- Individual representing a business
- Numerous representatives of business

**Were you asked to provide any of following information?**

- Credit Card details
- Bank Account details
- Passwords
- Non of the above

**Has any of this information been used in subsequent frauds?**

- Yes / No

**Has this been reported to the police or an appropriate investigative / regulatory authority?**

- Yes / No

Free text:



**On-line Shopping, Auctions & Selling**

**Did you use an online Auction site?**

- Ebay
- cqout.com
- ebid.net
- Amazon Auctions
- bid1p.co.uk
- swoopo.co.uk
- Other

Free text:

**Did you use an online shopping site?**

- Yes / No

Free text:

**Where you acting as a buyer or seller?**

- Buyer
- Seller

**Buyer**

**Where the goods purchased?**

- Jewelry &valuables
- Designer goods
- Electrical goods
- Collectibles
- Domain Name renewal
- Health or medical products
- Other

**How did you pay for the goods?**

**Bank Transfer**

- Name of the Account holder \_\_\_\_\_
- Name of the Bank \_\_\_\_\_
- Account Number \_\_\_\_\_
- Sort Code \_\_\_\_\_

**Cheque**

- Who was the Cheque made payable to? \_\_\_\_\_
- What address was the Cheque sent to? \_\_\_\_\_

**Cash**

**Is the person the money was paid to the same as the suspect?**

- Yes / No

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**Money Transfer**

Free text:

**Have you attempted to recover any monies paid?**

- Yes / No

**Have you Managed to recover any money?**

- Yes / No

**How much you recover?**

Free text:

**Seller**

**Where you supplying the goods/service or acting as an intermediary?**

- Supplier
- Intermediary

**Intermediary**

**Who were you acting on behalf of?**

Free text:

**In relation to the payment for the goods?**

- No payment was received
- Payment was received but not honoured
- An overpayment was received

**Where you asked to refund the overpayment?**

- Yes / No

**When was this money Paid**

Format DD/MM/YYYY

**How did you transfer the overpayment?**

**Bank Transfer**

- Name of the Account holder \_\_\_\_\_
- Name of the Bank \_\_\_\_\_
- Account Number \_\_\_\_\_
- Sort Code \_\_\_\_\_

**Cheque**

- Who was the Cheque made payable to? \_\_\_\_\_
- What address was the Cheque sent to? \_\_\_\_\_

**Cash**

**Is the person the money was paid to the same as the suspect?**

- Yes / No

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**Money Transfer**

Free text:

**Have you attempted to recover the overpayment?**

- Yes / No

**Have you Managed to recover any of the overpayment?**

- Yes / No

**How much you recover?**

Free text:

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**Mobile phone fraud**

**How would classify the fraud you have been a victim of?**

- Missed Call Fraud
- Text Message Fraud
- Ring Tone Fraud
- SMS Competition or Trivia Fraud
- Phone Insurance Fraud

**How where you contacted?**

**Telephone**

Free text:

**Fax**

Free text:

**Post**

**E-mail**

Free text:

**Website**

Free text:

**In Person**

Free text:

**When were you first contacted?**

Format DD/MM/YY:

**How often were you contacted?**

**Between -**

- 1 & 5 times
- 6 & 10 times
- more than 10 times

**Were you contacted by?**

- Individual
- Individual representing a business
- Numerous representatives of business

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**How much were you asked to pay for the service?**

Free text:

**How much did you actually pay for the service?**

Free text:

**How did you pay the funds?**

**Phone Charges applied to monthly account**

Free text:

**Bank Transfer**

- Name of the Account holder \_\_\_\_\_
- Name of the Bank \_\_\_\_\_
- Account Number \_\_\_\_\_
- Sort Code \_\_\_\_\_

**Cheque**

- Who was the Cheque made payable to? \_\_\_\_\_
- What address was the Cheque sent to? \_\_\_\_\_

**Cash**

**Is the person the money was paid to the same as the suspect?**

- Yes / No

**Money Transfer**

Free text:

**Have you attempted to recover any monies paid?**

- Yes / No

**Have you Managed to recover any money?**

- Yes / No

**How much you recover?**

Free text:

**Door-to-door sales and bogus traders**

**How would classify the fraud you have been a victim of?**

- Door-to-door - pressure sales
- Door-to-door - sale of substandard good
- Door-to-door - purchase of goods not delivered
- Door-to-door - survey

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- Door-to-door - Charity collection
- Door-to-door - Utilities or services
- Bogus Trader - substandard building work
- Bogus trader - building work not started or completed
- Other type of Door-to-door or bogus trader

**How where you contacted?**

**Telephone**

Free text:

**Fax**

Free text:

**E-mail**

Free text:

**Website**

Free text:

**Post or Hand delivered flyer**

Free text:

**In Person**

Free text:

**When were you first contacted?**

Format DD/MM/YY:

**How often were you contacted?**

**Between -**

- 1 & 5 times
- 6 & 10 times
- more than 10 times

**Were you contacted by?**

- Individual
- Individual representing a business
- Numerous representatives of business

**Have you previously been a victim of a Fraud?**

- Yes / No

**Was this reported to the Police or an appropriate regulatory authority?**

- Yes / No

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Free text:

**How much did you pay for the service or goods?**

Free text:

**How did you pay the funds?**

**Bank Transfer**

- Name of the Account holder \_\_\_\_\_
- Name of the Bank \_\_\_\_\_
- Account Number \_\_\_\_\_
- Sort Code \_\_\_\_\_

**Cheque**

- Who was the Cheque made payable to? \_\_\_\_\_
- What address was the Cheque sent to? \_\_\_\_\_

**Cash**

**Is the person the money was paid to the same as the suspect?**

- Yes / No

**Money Transfer**

Free text:

**Have you attempted to recover any monies paid?**

- Yes / No

**Have you Managed to recover any money?**

- Yes / No

How much you recover? Free text:

**Business Trading Fraud**

**When did you start trading with the business?**

Format – DD/MM/YYYY:

**How many orders where placed?**

Between

- I and 5
- 6 and 10
- More than 10

**Where you supplying the goods/service or acting as an intermediary?**

- Supplier
- Intermediary

**Intermediary**

**Who were you acting on behalf of?**

Free text:

**What was the value of orders placed starting with earliest order**

Free text:  
Order 1  
Order 2

**How did you provide payment?**

**Bank Transfer**

- Name of the Account holder \_\_\_\_\_
- Name of the Bank \_\_\_\_\_
- Account Number \_\_\_\_\_
- Sort Code \_\_\_\_\_

**Cheque**

- Who was the Cheque made payable to? \_\_\_\_\_
- What address was the Cheque sent to? \_\_\_\_\_

**Cash**

**Is the person the money was paid to the same as the suspect?**

- Yes / No



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**Money Transfer**

Free text:

**Have you attempted to recover any monies paid?**

- Yes / No

**Have you Managed to recover any money?**

- Yes / No

**How much you recover?**

Free text:

**Business Assets and Accounting Fraud**

**Have business assets been misappropriated?**

- Customer Lists
- Intellectual Property
- Payroll
- Expenses
- Procurement
- Account information
- Other

**Were the assets misappropriated by coercion or intimidation?**

- Coercion
- Intimidation
- Other

**Have business assets or accounts been overstated?**

- Public Literature
- Accounts
- Annual Report
- Shareholder Report
- Other

**To what extent has the business overstated its assets or accounts?**

Free text:

**Was this done with the intention of?**

- Attracting additional funding
- Inflating the share price
- Attracting new custom
- Other

Free text:

**How has this perpetrated against the business?**

- Member of direct Staff
- Member of contract staff
- External Business
- External individual
- Other

Free text:

**Has the business has suffered as a result?**

- Yes / No

**Loss of Income**

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**What would you estimate the total loss of income to be?**

Free text:

**Increased costs**

**What would you estimate the increase of costs to be?**

Free text:

**Loss of Custom**

**What would you estimate the loss of custom to be in financial terms?**

Free text:

**Reduced share price / business value**

**What would you estimate the total loss to be in your share price or business value?**

Free text:

**Other**

**Please explain how your business has suffered and what you estimate the financial loss to be.**

Free text:

**Has the business benefited as a result?**

- Additional finance has been provided to the Company
- What is the value of the finance extended to the Company?
- Further Credit has been extended to the Company
- What is value of the credit extended to the Company?
- Additional Investment has been made in the Company
- How much has been invested in the Company?
- Shares in the Company have been sold
- What is the value of the shares sold in the Company?
- Other - please provide details of how the business has benefited and the value

Free text:

**Bribery, Corruption and Insider Fraud**

**Which of the following are you a victim of?**

- Received fraudulent/exaggerated CV's or applications for employment, advancement or promotion
- You or your Business or Organisation has suffered as a result of an insider
- Been asked to pay a bribe or backhand by an official or individual
- Been offered sensitive or confidential information by an official or individual
- You or your Business or Organisation has suffered because sensitive or confidential information has been provided to another
- You or your Business or Organisation has suffered because another has been given an advantage or treated more favourably
- Other

Free text:

**How would you classify the suspect?**

- Individual
- Organised Crime Group
- Government Official
- Local Authority or Council Official
- Other Public Official
- Person in position of Authority
- Person in position of trust

**What was the purpose of the act?**

- Gain employment
- Advancement or promotion
- Financial reward
- Business advantage
- Political advantage
- Market advantage
- Power and control
- Other

Free text:

**How was the act done?**

- Persuasion
- Coercion
- Intimidation
- Threats
- Other

Free text:

**Have have you suffered as a result?**

- Yes / No

**Loss of Income**

**National Fraud Reporting Centre  
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**What would you estimate the total loss of income to be?**

Free text:

**Increased costs**

**What would you estimate the increase of costs to be?**

Free text:

**Loss of Custom**

Free text:

**What would you estimate the loss of custom to be in financial terms?**

Free text:

**Other**

**Please explain how your business has suffered and what you estimate the financial loss to be.**

Free text:

**National Fraud Reporting Centre  
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**OTHER FRAUD - non defined**

**How where you contacted?**

**Telephone**

Free text:

**Fax**

Free text:

**Post**

**E-mail**

Free text:

**Website**

Free text:

**Investment Seminar invitation**

Free text:

**In Person**

Free text:

**When were you first contacted?**

Format DD/MM/YY:

**How often were you contacted?**

**Between -**

- 1 & 5 times
- 6 & 10 times
- more than 10 times

**Were you contacted by?**

- Individual
- Individual representing a business
- Numerous representatives of business

**Had you previously been a victim of a Fraud?**

- Yes / No

**Was this reported to the Police or an appropriate regulatory authority?**

- Yes / No

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Free text:

**If you purchased goods or a service how much did you pay?**

Free text:

**If you have sold goods or a service what was the value?**

Free text:

**Have you attempted to recover any goods, funds or payments?**

- Yes / No

**Have you Managed to recover any of the goods, funds or payments?**

- Yes / No

**Where you acting as a buyer or seller?**

- Buyer
- Seller

**Buyer**

**What were you purchasing?**

- Goods
- Service

**How did you pay for the goods or service?**

**Bank Transfer**

- Name of the Account holder \_\_\_\_\_
- Name of the Bank \_\_\_\_\_
- Account Number \_\_\_\_\_
- Sort Code \_\_\_\_\_

**Cheque**

- Who was the Cheque made payable to? \_\_\_\_\_
- What address was the Cheque sent to? \_\_\_\_\_

**Cash**

**Is the person the money was paid to the same as the suspect?**

- Yes / No

**Money Transfer**

Free text:

**Have you attempted to recover any monies paid?**

- Yes / No

**Have you Managed to recover any money?**

- Yes / No

**How much you recover?**

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Free text:

**In relation to the goods or service purchased?**

- They were not received
- They were received but not as advertised
- The goods received were fake / counterfeit
- The service received was substandard or not as stated

**Seller**

**Where you supplying the goods/service or acting as an intermediary?**

- Supplier
- Intermediary

**Intermediary**

**Who were you acting on behalf of?**

**Bank Transfer**

- Name of the Account holder \_\_\_\_\_
- Name of the Bank \_\_\_\_\_
- Account Number \_\_\_\_\_
- Sort Code \_\_\_\_\_

**Cheque**

- Who was the Cheque made payable to? \_\_\_\_\_
- What address was the Cheque sent to? \_\_\_\_\_

**Cash**

**Is the person the money was paid to the same as the suspect?**

- Yes / No

**Money Transfer**

Free text:

**Have you attempted to recover any monies paid?**

- Yes / No

**Have you Managed to recover any money?**

- Yes / No

**How much you recover?**

Free text:

**In relation to the payment for the goods?**

- No payment was received
- Payment was received but not honoured
- An overpayment was received

**Where you asked to refund the overpayment?**

- Yes / No



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**When was this money Paid**

Free text:

**How did you transfer the overpayment?**

**Bank Transfer**

- Name of the Account holder \_\_\_\_\_
- Name of the Bank \_\_\_\_\_
- Account Number \_\_\_\_\_
- Sort Code \_\_\_\_\_

**Cheque**

- Who was the Cheque made payable to? \_\_\_\_\_
- What address was the Cheque sent to? \_\_\_\_\_

**Cash**

**Is the person the money was paid to the same as the suspect?**

- Yes / No

**Money Transfer**

Free text:

**Have you attempted to recover any monies paid?**

- Yes / No

**Have you Managed to recover any money?**

- Yes / No

**How much you recover?**

Free text:

**Suspect**

**Person**

**Is the Suspect known to you personally?**

- Yes / No

**How is the Suspect known to you?**

- Relative
- Friend
- Neighbour
- Colleague
- Business associate
- Other

**Title**

- Mr
- Mrs
- Miss
- Ms
- Dr
- Other

**Surname**

Free text:

**Forename**

Free text:

**Is the Suspect known by any other names?**

- Yes / No

**Title**

- Mr
- Mrs
- Miss
- Ms
- Dr
- Other

**Surname**

Free text:

**Forename**

**National Fraud Reporting Centre  
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Free text:

**Gender**

- Male
- Female

**Date Of Birth if given or recorded**

Format – DD/MM/YYYY

**Approximate Age if DOB not known**

Free text:

**Ethnic Appearance**

W1	W2	W9	M1	M2	M3	M9	O1	O9	B1	B2	B9	A1	A2	A3	A9	NS

**Can you describe the suspect?**

- Yes / No

**Vehicle Details**

Was a Vehicle used?

- Yes / No

Make & Model

Free text:

Registration Number

Free text:

Colour

Free text:

Other Features

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Free text:

**Address**

**Personal Address of Suspect**

Free text:

**Business Address of Suspect**

Free text:

**E-mail Address**

Free text:

**Telephone**

**Home Phone Number**

Free text:

**Work Phone Number**

Free text:

**Mobile Phone Number**

Free text:

**Additional Suspects**

**Are there any additional suspects?**

- Yes / No

**Business/Organisation**

Is the business/organisation known to you personally?

- Yes / No

How is the business/organisation known to you?

- Established trading relationship
- New customer/client
- Referral by a business associate
- Through trade body/association
- Business members known personally
- Other

Free text:

**Name of the Business**

Free text:

**Type of Business/Organisation**

Free text:

**Business Address**

Free text:

**E-mail Address**

Free text:

**Web Site**

Free text:

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**Business Contact details**

**Telephone**

Free text:

**Fax**

Free text:

**Have you met a representative from the business/organisation?**

- Yes / No

**Is this person the same as the Suspect?**

- Yes / No

**Please complete the additional fields for the representative you have met. (if different from suspect)**

**Title**

- Mr
- Mrs
- Miss
- Ms
- Dr
- Other

**Surname**

Free text:

**Forename**

Free text:

**Is the Suspect known by any other names?**

- Yes / No

**Title**

- Mr
- Mrs
- Miss
- Ms
- Dr
- Other

**Surname**

Free text:

**National Fraud Reporting Centre  
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**Forename**

Free text:
------------

**Gender**

- Male
- Female

Approximate Age if known

Free text:
------------

**Ethnic Appearance**

W1	W2	W9	M1	M2	M3	M9	O1	O9	B1	B2	B9	A1	A2	A3	A9	NS

**Can you describe the suspect?**

- Yes / No

**It is not necessary to record your description of the suspect at this stage, however, we request that you keep this information safe and if necessary make a note of the description as it may be necessary if this fraud is investigated.**

### **Additional Information**

**Please use this area to record any additional information about the fraud, suspects, witnesses or evidence. You can use this as a narrative to explain how the fraud occurred or simply as a list of events or facts:**



## **Victim Care**

At this time there is no dedicated or specialist victim support services for the victims of Fraud or Financial Crime. This is currently under review and it is anticipated that there will shortly be a dedicated service for these victims. In the meantime you can still call upon the services of Victim Support.

### **Who is Victim Support?**

Victim Support is the national charity which helps people affected by crime in England, Wales Scotland, Northern Ireland and Republic of Ireland. They give free and confidential support to help you deal with what you've been through as a victim or witness, whether or not you report the crime to the police.

### **How can Victim Support help you?**

If you are a victim of crime, their local Victim Support branches can give you and your family and friends information and support. And if you are going to court, their Witness Service can help before, during and after the trial. Or you can phone the national helpline, the Victim Supportline.

For further information visit: <http://www.victimsupport.org.uk/>

**The National Fraud Strategic Authority are conducting research in to support for victims of fraud. Would you be willing to participate in a follow up Victim Support Survey and for us to pass your contact details to them?**

Yes

*How would you Prefer to be Contacted for this follow up survey?*

Home Phone

Work Phone

Mobile Phone

E-Mail

No

## **Report review/submission page**

**Your report will be reviewed by the National Fraud Intelligence Bureau to assess and grade the appropriate level of response or action. If your report is assessed and graded as suitable for investigation an investigating officer will be in touch with you. Your report will also be used for intelligence purposes to help inform the police and their investigative partners of local and national fraud trends and may form part of a larger investigation into organised fraud networks.**

**Your Unique Fraud Crime Number is \*\*\*\*\*/09**

**Delivering the Recommendations of the  
Fraud Review 2006  
and the  
Paradox of Police Leadership**

**Appendix Eleven**

**NFRC & NFIB Conference Brochure**



**NPIA**  
National Policing  
Improvement Agency

# Fraud: The Financial Frontier

National Fraud Reporting and Intelligence Forum

SO10H0609





CITY UNIVERSITY  
LONDON

# We're looking for informants

## Centre for Investigative, Security and Police Sciences CISPS

Economic Crime and Fraud Investigation  
Intelligence and Security  
Applied Investigation  
Policing

**Combating increasingly sophisticated forms of fraud requires new skill sets for analysts, investigators and managers. Our mission at the Centre for Investigative, Security and Police Sciences (CISPS) is to create practitioner programmes that will enable public and private sector organisations to deal with the challenges of economic crime, fraud, intelligence and security in the 21st century. To deliver cutting edge training and higher education that really meets those needs, we are looking to gather intelligence from those who will ultimately employ such programmes. If you'd like to give us your input or to follow a programme, simply email us at [cisps@city.ac.uk](mailto:cisps@city.ac.uk).**

[www.city.ac.uk/cisps](http://www.city.ac.uk/cisps)

# National Fraud Reporting and Intelligence Forum

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## Exploiting the National Fraud Reporting Centre (NFRC) and National Fraud Intelligence Bureau (NFIB)

On behalf of the Association of Chief Police Officers (ACPO) and the National Policing Improvement Agency (NPIA), I welcome you to the National Fraud Reporting and Intelligence Forum's three day conference and symposium, Fraud: The Financial Frontier, here at NPIA, Ryton on Dunsmore.

This year, the country finds itself in the midst of some trying times, and policing is no exception. Individually, we are confronting difficult economic decisions; our partner agencies, colleagues from industry and communities are also faced with economic problems which were not anticipated a year ago which will undoubtedly lead to an unprecedented rise in fraud across all sectors.

The conference and symposium is an important event in the ACPO calendar for 2009. It is supported by the Home Office and the National Fraud Authority and will focus on the historic and timely opportunities presented by the National Fraud Reporting Centre (NFRC) and the National Fraud Intelligence Bureau (NFIB) in the fight against fraud.

The UK's ability to succeed in the global fight against fraud is highly dependant on the successful implementation and use of the NFRC & NFIB. The NFRC and NFIB will bring together previously unconnected fraud data from the general public

and industry, which, once analysed will provide opportunities to advance operational practices and procedures to prevent fraud and to bring fraudsters to justice.

Through presentations and case studies, you will be provided with an insight into the NFRC and NFIB and how through cooperation between public and private sectors, they will enhance productivity and boost information, intelligence and investigation.

The conference and symposium will provide you with the opportunity to develop a consensus around appropriate service level agreements and identify concrete measures that are quick to implement - with direct effects on communities, industry and public bodies. Tangible results will be built on public-private partnerships and a nationally acceptable service level agreement in the development, take up and expansion of NFRC and NFIB operating procedures.

The conference and symposium will provide the perfect opportunity for us to connect and share knowledge and expertise. Over the three days we aim to promote and harvest ideas and participation in developing the practices and procedures necessary to take the NFIB and NFRC forward in support of our own local challenges to make the UK a hostile environment for the fraudster to operate in.

DCC. Stuart Hyde  
Strategic lead for engagement on NFRC and NFIB  
Cumbria Police

# Fraud: The Financial Frontier

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## Background to the National Fraud Reporting Centre and National Fraud Intelligence Bureau

The Government announced a review of fraud to Parliament in October 2005, with the aim: 'to review the arrangements for dealing with fraud with the intent to reduce the amount of fraud and the damage it causes to the economy and society.' The Fraud Review was completed in July 2006, and made 62 recommendations encompassing the prevention, reporting, measurement, investigation, and prosecution of fraud.

Following a period of public consultation the Government published its response in March 2007. The government selected four key recommendations to progress as part of an integrated strategy to combat fraud.

- To improve fraud recording
- To improve service to victims
- To improve fraud investigation and pursuit of the perpetrator
- To improve the volume and quality of intelligence and analysis

In total there are seven work streams emanating from the recommendations, the NFRC/NFIB and NLF are two of those streams. The other streams are:

- Creation of the National Fraud Authority
- Implementation of a Fraud Loss Measurement Unit
- Extending Powers
- Financial Court Study and Working Group
- Opportunities for introducing a plea negotiation

framework It is widely held that fraud is the second highest source of harm to the economy and society. Fraud is conservatively estimated to cost the economy at least £20 billion<sup>1</sup> in direct costs (based on 2005 statistics), not taking into account the cost of trying to do something about these losses, however, the reality is probably far higher.

Action to tackle fraud is undermined by the highly fragmented way that fraud is reported and then analysed.

Criminals exploit a routine failure of information sharing between organisations that hold fraud intelligence, which helps disguise the nature and extent of the criminal networks involved - increasing harm and driving up demand on police and the courts. Individuals and small businesses are often confused about where to report fraud.

To be effective, action against fraud by industry, law makers and law enforcers must be based on robust intelligence. But this in itself requires clear lines of reporting of fraud; and an ability to join-up pools of intelligence currently split between organisational silos; and strong links to law enforcements' wider criminal intelligence systems.

As set out in the government's Fraud Review, the NFRC and NFIB will provide the vehicle through which relevant organisations can work together to tackle the fraud problem. The NFRC and NFIB aim to close the gap between data gathering from multiple sources and analysis - much as JTAC<sup>2</sup> does for terrorism.

<sup>1</sup> Levi et al "The Nature, Extent, and Economic Impact of Fraud in the UK" published by ACPO 2006 (foreword)

<sup>2</sup> Joint Terrorism Analysis Centre, a multi-agency unit staffed by members of the security agencies and other government departments.

# National Fraud Reporting and Intelligence Forum

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## The Fraud Review 2006 made the following recommendations:

- The NFRC/NFIB should be housed within the national lead (police) force and staffed by police officers and civilians. It should work closely with the NFA<sup>3</sup>.
- The NFRC/NFIB should have the capacity to accept crime reports from victims (including businesses and Government departments, Regulators, etc) according to the Home Office Counting Rules (HOCR) and the National Crime Recording Standard (NCRS).
- The NFRC/NFIB should work with police forces to agree criteria for the screening and allocation of cases to forces. The criteria should be reviewed on a regular basis e.g. annual or bi-annual.
- The NFRC/NFIB should be compatible with the IMPACT programme and searchable by police forces. The NFIB should run reports on the system upon request from forces.
- A pilot should be undertaken to match known frauds against other police data sets using IMPACT.
- The NFRC/NFIB should identify trusted partners in different sectors and establish working relationships with them to identify how information on known fraudsters can be shared efficiently to prevent and detect fraud.
- The NFRC/NFIB should analyse reports to provide strategic, tactical and other assessments to the police and partner organisations. Strategic assessment would pass to the NFA and inform the United Kingdom Threat Assessment (UKTA). Tactical assessments would inform an operational response.
- Devising and implementing public anti fraud campaigns and warnings, drawing on generic and case specific information provided by NFRC/NFIB.

The NFRC is the public facing channel originally proposed in the 2005 Fraud Review. It has two strands – a website and a call centre.

The first strand to be launched will be the website which will be hosted on Directgov – the designated portal for all transactions between citizens and the government. Ultimately the website will be the main channel for individual victims to seek advice on and report confirmed cases of fraud. Although at its launch it will be an advice only site with the reporting capability following.

The site will retain the navigation of the main Directgov website and will incorporate a link from the home page to a campaign site which will be branded with the NFRC Know Fraud trademark. The main elements of the site will be an ‘intelligent’ reporting form supported by information on fraud types and advice on how to avoid becoming a victim, fraud prevention, developing trends and links to partner agencies within the counter fraud community.

The website will be communicated to the general public as a portal for all fraud reporting, apart from where pre-existing reporting arrangements are in place, for benefits, credit card, copyright fraud etc. In these cases the website will signpost individuals to the appropriate organisation.

The website will be piloted in a specific region (to be determined) of the country and supported by a targeted marketing campaign within the area. The Pilot will last approximately 3 months.

<sup>3</sup> The National Fraud Authority (NFA) previously known as the National Fraud Strategic Authority, was established on 1st October 2008. An Executive Agency of the Attorney General’s Office will coordinate fraud activity across the whole economy, private and public sectors, to make the UK a hostile environment for fraudsters. It is aiming to initiate, co-ordinate and communicate on counter-fraud activity across the private and public sectors.

The National Fraud Authority will have no operational responsibilities but will concentrate on measuring fraud, developing a national fraud strategy, assessing performance in the response to fraud and disseminating advice and assistance in response to fraud crime.

# Fraud: The Financial Frontier

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Individual reports of frauds in progress will be redirected to the appropriate local force as the website will not be designed to receive reports of active crimes in progress.

The second strand of the NFRC to be launched will be the call centre, which will be delivered in partnership with the Office of Fair Trading, and their Consumer Direct call centres. The Call centres will offer advice and guidance on all aspects of fraud and where appropriate record or direct the caller to a more appropriate agency.

## Overview of the National Fraud Intelligence Bureau

The NFIB will bring together previously unconnected fraud information, analyse that information and share it across sectors in line with the National Fraud Strategy, bringing significant intelligence gains to the fight against economic crime.

The NFIB will produce intelligence products such as target profiles, problem profiles, highlight current and emerging trends and identify organised crime and associated organised criminal gangs.

There will be two primary sources of data into the NFIB to allow for data matching and analysis.

- a. The NFRC Data Warehouse - This contains all confirmed reports of fraud at a national level. This information will be cleansed and prepared for matching and analysis by the NFIB.
- b. Intelligence – The NFIB will have access to a variety of Intel inputs, including Police crime/intelligence systems and databases of counter fraud partners. It will be the analyst's role to pull together confirmed fraud and intelligence to produce actionable intelligence packages.

It is anticipated intelligence will be received from a variety of sources. Intelligence will be NIM compliant and graded on the police 5x5x5 system. Intelligence will not be accepted outside this format. Intelligence received by the NFIB will be processed according to existing intelligence procedures, with reports being input into COLP UNIFI crime and intelligence system. This approach has the potential to allow other law enforcement and organisations ability to see fraud intelligence received by the NFIB via the automatic load into the IMPACT system.

Additional data<sup>4</sup> collated by data providers will remain in their systems initially. The value of this data is recognised, however, it is yet to be determined the most appropriate format in which this data can be utilised both effectively and securely. Resources within the NFIB can access this data in line with The Data Protection Act 1998 in regards to specific cases or when working on specific intelligence products.

The NFIB is a private/public partnership operated and controlled by the City of London police. It will operate under a clear police driven management structure with clear supervisory roles and responsibilities. There will be long term and short term developmental secondment opportunities for all partners that submit data.

All major partner organisations will be encouraged to have a SPOC within the NFIB to facilitate information exchange. Examples of resource origins are as follows: SOCA, APACS, CIFAS, and MPS e-crime.

Specialist resources including financial investigators, data analysts, and crime analysts and intelligence resources will be employed within the NFIB.

Input from government organisations, private industry and regulatory bodies during the development phase will inform the governance procedures and processes to ensure all data and intelligence dissemination complies with current legislation and guidance.

<sup>4</sup> This could include information that does not amount to a fraud crime, however could be of value. For example if a person reported an incident to Consumer Direct and it didn't amount to fraud it may however inform the wider intelligence picture



# National Fraud Reporting and Intelligence Forum

## Strategic Conference 1st July

### Theme 1: The strategic dimension.

09:30 – 10:00	Registration and Refreshments
10:00 – 10:20	Event Opening and Welcome Conference Chair, Mr Hyde
10:20 – 10:50	The Fraud Review and the National Fraud Strategy Dr Herdan, NFA
10:50 – 11:30	Victims of Fraud – Meeting the Policing Pledge Colin Cowan
11:30 – 11:50	Refreshment Break
11:50 – 12:30	NFRC and NFIB, the Journey and the Destination David Clarke and Steve Strickland
12:30 – 13:00	Open Forum and Facilitated Discussion
13:00 – 14:00	Lunch Break
14:00 – 14:30	NFIB, proving the concept Tim Hutchings
14:30 – 15:00	Impacts for the NCRS and Home Office Counting Rules Steve Proffit
15:00 – 15:30	Issues for Local Implementation Mark Salt and Simon Wallis
15:30 – 15:50	Refreshment Break
15:50 – 16:30	Strategic Risks & Benefits (International case studies) L Hoppey, G Donewar and K Petryshyn
16:30 – 16:50	Open Forum and Facilitated Discussion
16:50 – 17:00	Conference Closing – Summary and the Next Steps Conference Chair, Mr Hyde

# Fraud: The Financial Frontier

## Fraud Practitioners Symposium 2nd July

### Theme 2 – The tactical dimension

09:30 – 10:00	Registration and Refreshments
10:00 – 10:15	Event Opening and Welcome (including strategic overview of day one) Conference Chair, Mr Hyde
10:15 – 10:40	NFRC and NFIB, the Journey and the destination David Clarke
10:40 – 11:20	Consistency in Fraud Investigation & Prosecution David Levy
11:20 – 11:50	Refreshment Break
11:50 – 12:30	Operational Risks and Benefits (an International case study) Leslie Hoppey and Greg Donewar
12:30 – 13:00	Open Forum and Facilitated Discussion
13:00 – 14:00	Lunch Break
14:00 – 14:30	An Operational Guide to the NFRC Steve Strickland
14:30 – 15:00	NFIB, Proving the concept Tim Hutchings
15:00 – 15:30	NFIB, processes and products Amanda Lowe
15:30 – 15:50	Refreshment Break
15:50 – 16:35	Organised Crime and Fraud Prof Mike Levi
16:35 – 17:00	Open Forum and Facilitated Discussion
17:00 – 17:15	Symposium Closure Day 1 (Summary of the Day and Key Points) Conference Chair, Mr Hyde
19:00	Pre-dinner Drinks
19:30	Conference Dinner After Dinner Speaker SRO Tyson Hepple

# National Fraud Reporting and Intelligence Forum

## Fraud Practitioners Symposium 3rd July

### Theme 2 – The tactical dimension

08:50 – 09:00	Review of Day one and overview for Day two Conference Deputy Chair, David Clarke
09:00 – 09:30	Issues for National Implementation Charles Roe
09:30 – 10:00	Issues for Local Implementation Mark Salt and Simon Wallis
10:00 – 10:30	Impact of Local Crime Recording and Detection Figures Steve Proffitt
10:30 – 11:00	Refreshment Break
11:00 – 11:30	Perspective from the National Lead Force Andy Fyfe
11:30 – 12:10	Operational Risks and Benefits (an International case study) K Petryshyn
12:10 – 12:30	Open Forum and Facilitated Discussion
12:30 – 13:45	A National Resource, Making it work (Breakout Sessions) David Clarke and Steve Strickland
	Including Buffet Lunch
13:45 – 14:45	Facilitated Discussion - Findings of Break out Groups Steve Strickland and Marc Baker
14:45 – 15:30	Symposium Closure – Summary and the Next Steps

# Fraud: The Financial Frontier

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## Deputy Chief Constable Stuart Hyde – Conference Chair

Stuart Hyde was born and educated in Bristol. On leaving school he studied Law at Birmingham University completing his studies in 1983.

In 1983 he joined Avon & Somerset Constabulary where he held a variety of posts.

In 1997 he was promoted to Detective Superintendent in West Yorkshire Police where he managed a number of Force Crime departments. He moved to a Senior Investigating Officers role in Bradford and was subsequently promoted to Detective Chief Superintendent.

In April 2004 he was promoted to the post of Assistant Chief Constable in the West Midlands and took on the portfolio for Operations then from August 2008.

His national responsibilities have included the Police use of DNA, creating the Child Exploitation and Online Protection centre CEOP and reducing crime against students.

In 2006 to 2007 he was seconded to The Home Office (Immigration) as Strategic Director of Enforcement and helped to tip the balance of returning failed asylum seekers and increased the return of foreign national prisoners.

On his return to force from the Home Office he undertook the Operations Portfolio and transformed the force state of preparedness for critical incidents and acts of terrorism.

He is the lead nationally for Student Crime Reduction, Election Fraud and Forensic Pathology.

Stuart is President of the Society for the Policing of Cyberspace ([www.polcyb.org](http://www.polcyb.org)) and Chair of the Charity Bullying UK ([www.bullying.co.uk](http://www.bullying.co.uk)).

He recently received an Honorary Doctorate in Technology from the University of Wolverhampton in recognition of his achievements in tackling online crime.

In June 2009 he started a new role as Deputy Chief Constable of Cumbria Constabulary

## Dr Bernard Herdan

Dr Bernard Herdan has had a varied career in the public and private sectors in the UK and Continental Europe. A Graduate from Cambridge University, Bernard's early career was in space science and technology: he spent eleven years at the European Space Agency in the Netherlands where his first position was Broadcast Satellites Programme Manager.

Back in the UK, Bernard worked in the private sector for six years undertaking market research, consultancy and then managing a technology licensing and transfer company.

Bernard moved into the public sector in 1990, initially as Director of Commercial Services at the Met Office. He was subsequently Chief Executive at the Driving Standards Agency, Criminal Records Bureau and UK Passport Service. More recently he has done freelance consultancy work for various parts of Government, has been interim Chief Executive of the Security Industry Authority, and is now Chief Executive of the National Fraud Authority. Bernard is also Deputy Chairman of Bedford Hospital NHS Trust.

## Key Note speakers

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### **Detective Superintendent Colin Cowan**

Colin Cowan is a Detective Superintendent within the City of London Police Economic Crime Department and the head of the UK's 'Overseas Anti Corruption and Bribery Unit'. This role means that he is responsible for strategy and investigations relating to the policing of UK Citizens and Businesses, involved in corrupt practices overseas. In addition to this operational role Colin is the staff officer to Mike Bowron QPM, the Commissioner for the City of London Police, who is the UK Police lead for Economic Crime. In 2008 Colin graduated with a Masters degree in Criminology, from the University of Cambridge, where he studied the impact of economic and social drivers behind internal banking fraud.

### **Detective Superintendent David Clarke**

David was the Deputy Head of the City Police's Economic Crime Directorate for two years and was a member of the original Fraud Review Team. He now leads the projects for the National Fraud Reporting Centre, National Fraud Intelligence Bureau and Lead Force for Fraud Investigation, which have emanated from the Fraud Review.

He started his policing career in 1980, serving for six years with the Royal Air Force Provost, two years of which were in Northern Ireland. He joined the City Police in 1987 and has been involved in policing high profile events including the poll tax riots at Trafalgar Square and anti-capitalist protests in June 1999. He was involved in policing operations following the terrorist attacks in the City in the early 1990s and 7/7 bombings in 2005. Secondments outside the Square Mile have included work on drugs and vice and as a Trainer at the Home Office police training college. In 2001 he was seconded to the UN in Bosnia & Herzegovina investigating human rights and corruption allegations.

As a Senior Investigating Officer, he has managed a variety of violent and serious crime investigations. David remains a keen supporter of capacity building

overseas and he and his team have assisted the EU by delivering investigative techniques training for law enforcement staff from Europe, the Middle East and beyond.

### **Detective Inspector Steve Strickland**

Detective Inspector Steve Strickland is the project lead for the design and implementation of the National Fraud Reporting Centre (NFRC), a project managed by the City of London Police's Economic Crime Department (ECD) on behalf of the Attorney Generals Fraud Review Team.

Steve started his policing career in 1996, serving with Cambridgeshire Constabulary stationed at Cambridge, Wisbech and Huntingdon. His duties included uniform patrol, local intelligence and volume crime management. Steve was also attached to Cambridgeshire's National Intelligence Model implementation group as an operational advisor.

Steve qualified as a police trainer and in 2000 was seconded to National Police Training (now National Policing Improvement Agency – NPIA) where he worked as law trainer and specialist & tactical skills trainer.

He joined the City of London Police in 2004 and has served in a variety of roles and support functions. He was involved in policing operations following the London bombings in 2005 and has worked as the Inspector and Head of Learning and Development.

In 2006 Steve qualified as a project manager and was seconded to City University, London where he conducted international research into models and methods of police training. Steve then designed and implemented a unique degree programme for new recruits to the police service. Whilst seconded to the university Steve also designed the first modular 'Professionalising the Investigation Process' (PIP) which has been promoted as a model of best practice for the training of new investigators.

# Fraud: The Financial Frontier

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## Tim Hutchings

Tim joined National Westminster Bank (now part of the RBS Group) in 1976 and worked at branches and offices within the City. In late 1992 he obtained a role within the banks Group Audit function and on to Internal Investigations.

He has also worked as an Area Manager Operations and in 2004 set up a proactive fraud investigation team.

In September 2008 Tim was given the opportunity to be seconded to the Fraud Review project team at the City of London police and he is now responsible for delivering the NFIB stream.

## Detective Sergeant Steve Proffit

Steve is a Detective Sergeant with the Metropolitan Police and has 28 years service. He has spent most of his service in the CID. He has worked on crime squads, murder and rape squads and has spent a number of years working on protracted fraud enquiries covering National Health Service Fraud, Mortgage fraud, Legal Aid fraud and collusive cheque and credit card fraud. Ten years ago he took a break from operational police work to work on the Mets Crime Recording System and helped develop the current system with outside contractors.

Steve has spent the last seven years as one of the MPS's Assistant Force Crime Registrars. During this time he obtained a Law degree from the University of East London.

Three years ago, Steve went on secondment to the Home Office as the National Counting Rules Manager for Recorded Crime. As part of this role Steve was responsible for writing the new Fraud counting rules for recorded crime that were necessary following the new Fraud Act 2006. The Attorney Generals Review of Fraud team also consulted with him during the preparation of their report into fraud.

## Detective Inspector Amanda Lowe

Detective Inspector Amanda Lowe joined the Attorney Generals Fraud Review programme in 2007. She is the project lead for crime and intelligence process design and the operational interface with law enforcement. Her responsibility encompasses the National Fraud Reporting Centre (NFRC), National Fraud Bureau (NFB) and National Lead force (NLF).

Amanda began her policing career in 1996 and she served with the British Transport Police until 2004 where she carried out the roles of neighbourhood policing officer, response officer and later her duties progressed to crime investigation and performing the role of Duty Officer.

Amanda joined the City of London Police in 2004 and has served in a variety of operational roles and Head Quarter support functions. As Acting Chief Inspector she was involved in the policing operations dealing with the aftermath of the 2005 bombings and was head of operations at Snow Hill. In 2006 she was responsible for implementing the 'drug testing on arrest legislation' in the City of London.

In 2007 Amanda joined the Economic Crime Directorate in the area of intelligence and was responsible for the National Threat Assessment on Motor Insurance Fraud in partnership with the Insurance Fraud Bureau (IFB). Amanda is a keen supporter of diversity taking an active role in the initial conception of the City of London Police Lesbian, Gay, Bisexual and Transgender (LGBT) group working closely with the Metropolitan Police (LGBT).

## Key Note speakers

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### **Detective Inspector Mark Salt**

Mark Salt , Detective Inspector, West Midlands Police 28 years policing service. Mark is an experienced Senior Investigating Officer with many years of experience in murder investigation and other serious crime investigations on a regional and national level. Mark joined West Midlands Police Economic Crime Team in May 2008 and has been the National Police SPOC for Electoral Crime and is committed , on behalf of his ACPO , to a number of national Working Groups and projects . Mark fills his spare time as the Force Co Ordinator for negotiators with many years experience at a high level in this area. He is in the final stages of study for a Doctorate of Psychology.

### **Simon Wallis, Detective Chief Inspector , West Midlands Police**

He has 23 years policing service. Simon has worked within the West Midlands Police Economic Crime Team for four years enjoying the chance to contribute to a number of ACPO Working Groups and projects. With responsibility for implementation of local Proceeds of Crime opportunities he also manages the Regional Asset Recovery Team. He is a Director of the Midland Fraud Forum Ltd ,a public / private venture to share good practice in the prevention and reduction of fraud . He is part of the investigative response to critical crimes in action. Academic qualifications include an upper second degree in Law.

### **Supervisory Special Agent Leslie Hoppey**

Acting Unit Chief (A/UC) Leslie D. Hoppey began her federal career with the National Park Service as a Park Ranger throughout her college summers. She worked in the Boston Historical National Park, Morristown National Park, and Yellowstone National Park.

After these seasonal assignments, A/UC Hoppey began working with the United States Customs Service (USCS) in the North Eastern part of the United States as a Customs Inspector.

After her assignment with the USCS, she became a Special Agent with the Drug Enforcement Administration.

She joined the FBI in 1991 as a Special Agent and was responsible for investigating all different types of federal crimes to include, Violent Crimes, White Collar Crimes, and Domestic Terrorism.

Shortly after 9/11, she joined a Joint Terrorism Task Force. During this assignment she was temporally assigned to the Strategic Information and Operations Center at the FBI Headquarters.

In October of 2005, SSA Hoppey was promoted to the Supervisory Special Agent position in the Cyber Division. She is currently assigned as the Acting Unit Chief of the Internet Crime Complaint Center (IC3) in Fairmont, WV. The IC3 tracks the latest Internet schemes and provides trend analysis to the field. SSA Hoppey works directly with Case Agents and has the opportunity to work with Legats and foreign police officers worldwide.



# Fraud: The Financial Frontier

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## **Greg Donewar**

Greg Donewar is the Manager of the Internet Crime Complaint Centre. He holds a Masters Degree in Management and has attended the FBI National Academy, FBI Hazardous Devices School for bomb technicians, and the FBI Southwest Command College.

He also has nearly fourteen years of experience as a police chief and over twenty years of experience in law enforcement with a through-the-ranks progression of achievement. He has served as a certified fire fighter and Program Leader of West Virginia University's fire academy. He also developed and delivered Homeland Security training programs for colleges and universities nationwide.

## **Inspector Kerry Petryshyn**

Inspector Kerry Petryshyn is the Officer in Charge of Major Frauds and Bankruptcy in the Commercial Crime Branch of the Royal Canadian Mounted Police located at the RCMP National Headquarters in Ottawa, Ontario, Canada.

Inspector Petryshyn graduated from University with degrees in Sociology, Criminology and Law before joining the RCMP in June of 1988. He served his first 18 years in the Province of New Brunswick performing a variety of duties which included: General Duty Policing, Highway Patrol, Customs & Excise along the Canada/US Border, Marine Patrol in the Bay of Fundy, Underwater Recovery, Commercial Crime Investigations and lastly managing the Provincial Emergency 911 Police Dispatch Centre.

In January of 2007 Kerry was transferred to National Headquarters where he took over the role of National Counterfeit Coordinator in the Commercial Crime Branch. In September of 2008 he received his Commission and assumed his current duties which also include the management of PhoneBusters, the Canadian Anti-Fraud Call Centre located in North Bay, Ontario.

## **David Levy Assistant Director Fraud Prosecution Service**

David is a Solicitor and Higher Court Advocate who has been based in London since 1988. He began his career in South Shields, North East England in private practice mainly dealing with defence advocacy and prosecuted for the Police and the NSPCC.

He joined Durham Police Prosecutions Department in 1984 and in 1986 transferred to Hertfordshire with the CPS, moving to London in 1988. He has held senior posts in Harrow, Wood Green & Stratford followed by Acting Assistant Chief Crown Prosecutor and Sector Director as well as Head of the Central Criminal Court HOMICIDE Unit.

In 2005 he was asked to set up the FPS and was appointed Head. In 2006 the FPS became a National Entity and he was appointed the Assistant Director.

David has a managerial and operational role both in the Crown and Magistrates Court. He also deals with Eurojust and OLAF in Europe and on a wider international basis.

## **Professor Mike Levi**

Dr. Michael Levi has degrees from Oxford, Cambridge, Southampton and Cardiff Universities and has been Professor of Criminology at Cardiff University since 1991.

He has been conducting international research on the control of white-collar and organised crime, corruption and money laundering/ financing of terrorism since 1972, and has published widely on these subjects as well as editing major journals, including Criminology and Criminal Justice. He was granted a D.Sc. (Econ.) from Cardiff University (2007) and elected to the Academy of Social Sciences (2006).

In 2007, he was awarded a 3-year Professorial Fellowship by the UK Economic and Social Research Council to develop research on transnational economic and organised crime and on responses to it.



# Conference and Symposium Abstracts

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## Tyson Hepple

A biography will be provided in separately in your pack.

## Charles Roe

Charles is enjoying an 18-month secondment to the NFRC/NFIB project team from the Financial Services Authority (FSA), where he was a manager within their small firms division.

At the FSA Charles was the Business Implementation Manager for an electronic data analysis and management information system, which enabled the FSA to analyse over 30,000 financial returns received from organisations on an annual basis.

Before working at the FSA, Charles spent 10 years in the travel industry where he worked in the accounting and management information areas of the business, enjoying extended stints working in Germany, Spain, Malta and the United States.

He started his career in International Corporate Banking, spending 10 years working with a number of FTSE 100 firms who had significant international trade relationships in the Far and Middle East and Africa.

In his spare time he enjoys spending time with his two children and sailing; recently spending time on a 68ft round the world racing yacht learning how to sail it in race (and gale force) conditions!

## Detective Inspector Andy Fyfe

DI Andrew Fyfe is a Physics Graduate, having gained a BSc (Honours) from London University in 1988.

He joined the City of London Police in 1991, and after 4 years as a uniformed officer he became a Detective in 1995, specialising in Fraud Investigation.

In 2006 he was invited to become Head of Training in the Economic Crime Department. In this role he devised the Force Fraud Reduction Strategy, and he introduced the groundbreaking theme of sharing knowledge, intelligence and skills with the financial industry.

In May 2008 Andrew returned to mainstream fraud investigation, heading one of the operational teams making up the Fraud Squad within the Economic Crime Department.

Since April 2009 Andrew has been tasked with building the Lead Force Centre of Excellence for Fraud Investigations.

# Fraud: The Financial Frontier

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## The Fraud Review and the National Fraud Strategy

**Dr Bernard Herdan**  
**National Fraud Authority**

An abstract will be provided separately in your pack.

## Victims of Fraud & the Policing Pledge

**D.Supt Colin Cowan**  
**Victims of Fraud Project Lead**

During this session Colin Cowan will discuss the 'Victim Support for the Victims of Fraud' project. This will include an overview of existing structures and services before presenting the results from the project research. Colin will then use this evidence base, showing what victims really need, to detail the way forward for victim care.

## NFRC & NFIB, the Journey & the Destination

**D.Supt David M Clarke**  
**NFRC and NFIB Project Director**  
**david.clarke@cityoflondon.police.uk**

The Fraud Review is seen as a landmark piece of work, a once in a generation look at a dangerous virus that has spread across society. The decision to commence the Review in 2005, ahead of the current economic turmoil appears to have been a shrewd move. The nature, scale and harm from fraud are beginning to emerge but are still unclear.

The Review illustrated the difficulties a victim experiences when they seek to report a fraud - three years on and reporting such crime can still be a

challenge and much fraud goes unreported. The NFRC/ NFIB project team have built relationships with dozens of organisations across the public and private sector – groups that record fraud against them, their customers and the state. What has emerged is that confirmed reports of fraud sit in silos across many organisations. The Police service rarely has access to these reports of crime, police forces do not count them the service does not see the full picture. Consequently, the authorities and the community do not know who has been victimised, when, where and by whom. For a victim, their loss frequently goes unrecorded, their distress unrecognised, often leading to feelings of despair and a loss of trust. Conveniently for fraudsters, law enforcement bodies often do not see the full nature of their activity – they effectively stay under the radar as law enforcers target those whose attacks are more visible.

The recommendations from the Review were endorsed by the Government and public alike and resulted in three year funding for the National Fraud Programme. The Programme offers some laudable solutions but are they workable? We are now into year two of the process and whilst the Lead Force has a string of successful joint investigations underway, eyes are now fixed on the NFRC and NFIB. The important questions are can they be delivered? Can they make a real difference? If they do really work, can the services survive the economic downturn.

Doing nothing is not an option. This once in a generation opportunity offers some unique but simple solutions to tackle the menace of fraud – the message from every law-abiding citizen and organisation must be, lets make this work.

# Conference and Symposium Abstracts

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## An Operational Guide to the NFRC

### **D.Insp Steve Strickland** **NFRC Project Lead**

The reporting of fraud across law enforcement and industry has arguably become fragmented. It is quite feasible for a fraudster to operate within different arenas and still go undetected because of the shortfalls in the recording, sharing and analysis of fraud data across Law Enforcement and industry.

Until the formation of the National Fraud Authority (NFA) and the publication of the National Fraud Strategy there was no overarching strategy recognising the need a single national structure to co-ordinate the recording and analysis of fraud data. The National Fraud Reporting Centre (NFRC) and National Fraud Intelligence Bureau (NFIB) is the solution to this issue.

Discussion will begin with the remit of the NFRC, how it will feed into the NFIB and how this fits with existing fraud reporting structures. The NFRC will combine national standards for crime reporting with the data requirements of specialist fraud investigations.

Consideration will then be given to the scope of fraud recorded by the NFRC, the level of data recorded and what happens to those who find themselves unable to report their fraud via the NFRC. Finally, the NFRC brand, what does it look like and how will be this used across law enforcement and industry.

## NFIB, proving the concept

### **Tim Hutchings** **NFIB Project Lead**

The Fraud Review in 2006 articulated that one of the key issues is one of knowledge management – without a central repository of knowledge detailing what fraud is perpetrated, where, by whom, against whom, in what form and at what cost, it is impossible for law enforcement agencies and other key stakeholders adequately to combat this crime or to reduce the direct and subsidiary harm it causes to the economic well-being of the nation.

Fraudsters benefit from the lack of continuity and the lack of strategic or operational oversight that could otherwise detect multiple frauds in different areas with similar or identical characteristics.

The objective of the National fraud Intelligence bureau is to improve fraud investigation and pursuit of the perpetrator as well as providing trend and pattern analysis by bringing fraud data under one roof.

As part of our first steps on this journey we have obtained confirmed fraud data from a small number of providers, which has been cleansed and matched as part of the first Proof of Concept pathfinder stage.

My talk will share with you some of the high-level findings and learning's from this first stage and inform you of plans for the next stage of this part of the project.

# Fraud: The Financial Frontier

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## NFIB, Processes & Products

### **D.Insp Amanda Lowe**

#### **Project Lead for NFRC & NFIB Products**

The National Fraud Reporting Centre (NFRC) and National Fraud Intelligence Bureau (NFIB) will undoubtedly impact on fraud (crime) reporting and investigation at a national level, but what will it mean for individual organisations.

With change comes apprehension, uncertainty and many questions. Consultation is a key part of any new programme, but more so in the case of the NFRC and NFIB. Discussion will commence with what the NFIB will look like and how it will integrate with the NFRC. The detailed process of analysis and National Intelligence Model product formation will be explored and the associated dissemination procedures that will follow.

Consideration will be given to the various Service Level agreements that will be needed and how products will integrate and add value to individual force working practices and national fraud intervention. Finally, the impact of the NFRC and NFIB on community policing and compliance with the policing pledge will be addressed.

## Impacts for the NCRS and Home Office Counting Rules

### **D.Sgt Steve Proffit**

#### **Home Office Counting Rules Manager**

Fundamental to the processes of the National Fraud Reporting Centre (NFRC) is that they are compliant with the National Crime Recording Standard (NCRS). This is non negotiable from the Home Office Perspective.

The Fraud Home Office Counting Rules were re-drafted in 2007 to accommodate the New Fraud Act. As part of this re-write there was a new concept of recording Cheque and Credit card Fraud. This involved victims reporting the crimes to their Financial Institution who would then pass the details onto APACS. There was

no need to report to police. The Home Office then obtained figures for this type of fraud from APACS. This process has been inspected by HMIC and passed as fit for purpose.

With the implementation of NFRC the cheque and credit card model has been extended to cover most areas of fraud and the new rules are being drafted to reflect this. The opportunity to develop a 'fraud type' approach has also been taken, rather than count all fraud in a General category within fraud.

It is hoped that in the future, most fraud will be reported direct to the NFRC by victims and Industry and very little will be recorded by Police freeing up their time to investigate solvable fraud and not just record f

## Perspective from the Proposed Pilot Force (West Midlands Police)

### **Detective Inspector Mark Salt**

#### **West Midlands Police, Economic Crime Unit**

The non London experience of fraud will seek to describe recent case examples of why fraud is anything but a white collar accountant "fiddling the books". Simon and Mark will talk through their experience of the inter relationship between fraud and other serious criminal enterprises including guns , drugs , extortion and corruption.

The impact upon victims can vary tremendously. They will talk through a small number of cases which demonstrate the more severe consequences to individuals and communities. The reputation at stake is not only that of the police service. They will talk of a small number of cases where getting it right and getting it wrong can have strategic consequences!

Drawing on these experiences they will seek to rationalise the West Midlands appetite for the National Fraud Reporting Centre and National Fraud Intelligence Service and the early thoughts of their force on how they hope to take the pilot forward .

# Conference and Symposium Abstracts

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## The Strategic/Operational Risks & Benefits— An International Experience

**Supervisory Special Agent Leslie Hoppey (FBI)  
Greg Donewar (IC3)  
Inspector Kerry Petryshyn (RCMP,  
Canadian Anti-Fraud Centre)**

In May of 1999, the Internet Fraud Complaint Center (IFCC) was formed to serve as the nation's central repository to receive Internet related crime complaints, research, develop, and refer intelligence to law enforcement agencies for any investigation they deem appropriate. At its inception as the IFCC, and as it evolved into the Internet Crime Complaint Center (IC3), the project emphasized serving the broader law enforcement community to include federal as well international, state and local agencies combating Internet crime. The Federal Bureau of Investigation (FBI) has for decades sought to establish partnerships in order to best capitalize on the benefits and expertise of diverse work groups.

The National White Collar Crime Center (NW3C) enjoyed a long and prosperous history in supporting law enforcement agencies' investigations of fraud and white collar crime, so the partnership seemed a natural fit. NW3C's intimate knowledge of the challenges faced by law enforcement at the local level coupled with the FBI's far reaching law enforcement authority met the need for both addressing crime at the individual level while at the same time applying a wide area of influence; an essential element for internet crime issues.

The FBI perspective will include a brief synopsis on how we have taken aggressive steps to exponentially strengthen law Enforcement's ability to identify and

combat Internet crime, by creating and expanding alliances with private industry. Large companies have also adopted a very proactive posture in teaming with the FBI to identify and respond to cyber crime schemes. As part of this effort, several companies have provided guidance and/or links for their customers to the IC3 website.

In general, the FBI's effort to increase its alliances with private industry has become a key component of its success. The information received from private industry coupled with the IC3 database complaints, produce valuable intelligence which can provide future trend analysis. The FBI follows a very proactive approach to educating the consumer through Public Service Announcements.

The NW3C perspective will include a brief explanation of the scope and purpose of the national initiative to learn from local law enforcement how NW3C's participation in the project could improve. Discussion will reveal the results of the national initiative. From the results, an implementation plan was developed where concurrent strategies were defined coupled with prioritization of the strategies and proposed timelines for process completion. As resources have been extremely limited, the presentation will reveal how those obstacles were hurdled while keeping development moving forward. Within the first part of the calendar year of 2008 portions of the process plan were completed and tested while others would not come to fruition until much later in the year.

We will explore the outcome of the testing with a target date of January 1, 2009 for launching a reengineering of the NW3C participation in the IC3 process. The presentation will conclude with an exploration of problem solving for issues that were unanticipated and untested as well as the solutions that were applied.

# Fraud: The Financial Frontier

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## Consistency in Fraud Investigation and Prosecution

**David Levy**  
**Fraud Prosecution Service**

The overall need for the Fraud Prosecutor is to maintain the highest standard of prosecution procedure is followed in handling complex and serious frauds by sharing best practice with the police and other partners in the Criminal Justice system to ensure investigations follow the correct path both in the UK and abroad with the ultimate aim of maintaining a high and fair success rate in prosecutions. Examples of how this is achieved are by effective planning, training and liaison together with an active involvement with Head Quarters Policy, the National Fraud Authority and the Lead Fraud Force. Examples of significant successes in multi-victim crimes will be given (Boiler Room Frauds) as well as in corruption both nationally and internationally.

## Organised Crime and Fraud

**Professor Mike Levi**  
**Cardiff University**  
**Levi@Cardiff.ac.uk**

When assessing the links between fraud and organised crime, one simple question is what is disorganised about serious frauds, i.e. the sorts of frauds that are of interest to the NFA and to major police and non-police agency units?

The paper will question that traditional assumption that white-collar crimes are not organised crime, and review what evidence there is about the overlap between the sort of people who commit fraud and the sort of people who commit other major crimes for gain, including those that threaten and/or use violence for gain.

Such linkages are more likely with volume fraud than with elite frauds, but the talk will examine whether some of these labels have outlived their usefulness for media, operational and strategic purposes. Fraud and forgery can be used to fund and supply false identities for use in terrorism: the paper will also disentangle some of the issues involved in fraud-terrorism linkages.

## Issues for National Implementation

**Charles Roe**  
**NFRC and NFIB Deputy Director**

The development of the NFIB and NFRC give police and law enforcement organisations a unique opportunity to collate, understand and act upon fraud data from a central point. This opportunity should be seen as a pivotal point in the UK's fight against crime.

Whilst the first day of the conference focused on the background to the journey we have taken; the early results and experiences of some of our International partners, I will attempt to highlight and address some of the issues that forces need to consider prior to a national roll out. The presentation will cover future milestones, key issues, explore some of the myths and give a 5 point plan for implementation for forces to take away with them.

## Perspective from the National Lead Force

**D.Insp Andy Fyfe**  
**National Lead Force – Centre of Excellence**

Since April 2008, the City Police has already been operating as the national lead force for fraud. As such, 50 extra investigators have been recruited to help tackle the large increase in fraud cases taken on. Some 64 extra cases have been taken on so far, representing approx £1billion in losses to the UK economy.

Discussion will begin with how the Lead Force helps other forces and law enforcement agencies through the provision of resources, expert assistance and the provision of advice and guidance as required. Consideration will then be given to the 3 key strands of the Lead Force Centre of Excellence and how they can support forces with the implementation of the NFRC & NFIB. The 3 strands are the centre for fraud investigation resources; the centre for fraud investigation training – which is available to law enforcement and the financial industry; and the centre for fraud analysis and information - through operational learning, dissemination of fraud alerts, and the dissemination of intelligence and evidential packages.



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## A National Fraud Reporting Centre – Risks & Benefits The Canadian Perspective

### Royal Canadian Mounted Police – Commercial Crime Branch

Fraud, often categorized as a white collar crime, does not receive the attention from law enforcement and government that it deserves. In Canada fraud has been historically under reported, poorly measured and limited with regard to studies and research. All of this has propagated a false perception that fraud has limited impact on citizens and the economy placing fraud regrettably low on most priority lists.

A National Fraud Reporting Centre (NFRC) serves many purposes. Firstly, it provides a central point of contact where victims, both domestic and international, can go to not only report the crime but seek help in recovering from the financial attack. It also stands as a platform for coordinating a national prevention strategy through education and awareness. A central national repository for fraud complaints gathers data and statistics that form the most comprehensive snapshot of the level of fraud available. Most importantly a NFRC provides analysts with the data needed to create strategic and tactical intelligence reports. Reports that piece together complex puzzles created by organized crime groups that commit their crimes across numerous domestic and international boundaries. Crimes that might not otherwise be investigated or connected to a bigger picture.

With the benefits come risks. A National Fraud Reporting Centre can become the dumping ground for complaints that some police agencies can't, or don't, want to be bothered with. It can be mistaken for an investigative body by victims who expect their complaint to be acted upon. The NFRC can suffer from too much success with an inability to handle the volume of complaints and demands for service from victims, law enforcement, government and the media. And lastly, the NFRC can suffer from lack of support due mostly to those issues identified in the first paragraph above. This can affect funding levels creating shortfalls with regard to human resources, operating costs and keeping up with technology and demand.

## The RECOL Experience Multi-jurisdictional Issues, Risks, Benefits & Solutions

### Royal Canadian Mounted Police – Commercial Crime Branch

The issue of policing jurisdictions in Canada is rather unique. The Royal Canadian Mounted Police (RCMP) is responsible for municipal policing, provincial policing and/or federal policing mandates depending upon the region of Canada. In many areas of the country all 3 roles are performed at the same time. Given this unique arrangement there exists the means to gather national crime data through a national records management system. Historically however, the greatest concentrations of victims and scammers are located in major cities and regions in which the RCMP is not the police force of jurisdiction. In these instances the RCMP relies heavily on partnerships and information sharing.

To address this shortcoming the RCMP decided to develop and launch an online presence whereby victims of Canadian based fraud, or residents of Canada victimized by scammers outside the country, can log on and report frauds. As a result RECOL.ca (Reporting Economic Crime OnLine) was created. The intent in the beginning was to have RCMP analysts review the complaint data and produce intelligence reports for law enforcement.

Funding and resource issues however made it impossible to keep up with the volume of complaints. In time it was decided to leverage the capabilities of the Intelligence and Analysis Unit of the Canadian Anti-Fraud Call Centre (CAFCC – formerly known as PhoneBusters) where RECOL complaint data is forwarded for addition to their database.

PhoneBusters was initially created in 1991 by the Ontario Provincial Police (OPP) in response to the victimization of citizens in the City of North Bay, Ontario by telemarketing fraud. It is now jointly managed by the RCMP, OPP, and Competition Bureau Canada and has expanded its mandate nationally and includes numerous types of fraud. It houses

# Fraud: The Financial Frontier

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a Call Centre, Intelligence and Analysis Unit, and the SeniorBusters volunteer assistance program. Complaints are received from across Canada and around the world via telephone, e-mail, facsimile and regular post.

Being jointly managed provides a variety of benefits through multiple revenue sources, leveraged resources and varied expertise and skill sets but this same arrangement also comes with its challenges. Survival and viability regularly depends on the continued financial and strategic commitment of partners which can change based on each agency's shift in priorities. As well, management and operational decisions are often slow to occur when consensus is required.

A specialist exhibition will accompany both the one day conference and two day symposium – giving delegates the opportunity to meet and chat to representatives of some of the leading companies in the antifraud industry.

This is your chance to see products and innovative solutions in action, ask questions and be kept up to date with the changing technologies that you will need to rely on in your continuing fight against fraud.

## Conference Organising Committee

### Conference Chair

**Deputy Chief Constable Stuart Hyde**  
Strategic lead for engagement on NFRC & NFIB

### Conference Director

**Detective Superintendent David Clarke**  
NFRC & NFIB Project Director

### Organising Committee Members

**Charles Roe**  
NFRC & NFIB Deputy Director

**D.Insp Steve Strickland**  
NFRC Project Lead

**Tim Hutchings**  
NFIB Project Lead

**D.Insp Amanda Lowe**  
NFRC & NFIB Products, Project Lead

**Event management**  
**Katie Purnell**  
Events Manager, NPIA Ryton-on-Dunsmore



## Exhibitors and Sponsors

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# Amethyst

Risk Management Limited

### Amethyst Risk Management Ltd.

Amethyst's Information Assurance (IA) services to the Public Sector focus on security accreditation support, advice and solutions. We also provide specialist training, covering technical risk assessment, accreditation, and IA within Government. Amethyst has a strong and extensive background of successful delivery and support to a wide variety of public sector organisations for both IA and risk management.

Within the criminal justice sector, Amethyst consultants have worked closely with the National Policing Improvement Agency to provide professional accreditation support for national systems and projects such as Airwave, PNC, DORS, and PentIP. We are also working with the City of London Police Fraud Review Team, addressing issues around data ownership and sharing.

We also undertake penetration testing of IT systems, and are pursuing opportunities to establish other technical and forensic data recovery and analysis services to meet the needs of UK policing and law enforcement.

Our consultants have a breadth and depth of knowledge and experience that allows Amethyst to provide IA support at all levels within a project or programme. Our services are of particular value to Senior Information Risk Owners (SIRO), Information Asset Owners (IAO), and project or programme managers who have responsibility for systems accreditation.

Telephone: +44 (0)1256 345612  
Fax: +44 (0)1256 811876  
E-mail: jude.jones@amethystrisk.com  
Web: www.amethystrisk.com

### Teesside University

For a number of years Teesside University has been the only higher education institution to deliver an MA Fraud Management During this time we have developed a wide partner base which includes the Police and other enforcement agencies, for example the Department for Works & Pensions, the Law Society and the Financial Services Authority.

Our partnerships with the Serious Organised Crime Agency and the National Policing Improvement Agency have led to the delivery of a masters level course in financial investigations and financial crime whilst elsewhere we have delivered a foundation degree in the discipline and our new BA (Hons) programme will commence in 2010. In addition to this the university is now in its 10th year of accrediting the Police National Fraud Course and its second year of accreditation for the Fraud Supervisors programme.

The success of these programmes have led Teesside University to create the Centre for Fraud and Financial Crime which is fast gaining national and international acclaim for its work in the field.

The centre is justifiably proud of its modern approach to teaching which pays particular attention to the needs of both the student and the employer

The university has a stand in the exhibition hall where you can meet a member of staff to discuss your needs.

Telephone: 01642 342843  
Fax: 01642 342925  
E-mail: n.wise@tees.ac.uk  
Web: www.tees.ac.uk

Also present - The Forensic Science Service, Key Forensic Services Ltd and Consumer Direct.

Also present -  
Key Forensic Solutions  
Forensic Science Services  
Police Review  
Teeside University  
Police Mutual  
DCPCU  
Consumer Direct – Scambusters

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**Appendix Twelve  
Restricted**

**NFRC Functional Design V9 Final**

**Delivering the Recommendations of the  
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**Appendix Thirteen**

**NFRC & NFIB Projections<sup>2</sup>**

# ‘Projections Document’

## NFIB Products and Referrals

### What is the purpose of document?

The document and the table overleaf is intended as a guide for the NFIB project team to assist them with the planning and implementation of the NFIB; it shows the potential impact that changes to fraud reporting and the subsequent intelligence functions could have on policing areas.

For illustration purposes, the current impact of fraud on forces has been estimated by using the percentage of fraud victims and fraud addresses per force area that have then been used to identify the potential cost of fraud to that force area. These figures exclude some major areas such as income tax and EU fraud where it has not as yet been possible to gather data or where statistics are simply not available.

With the limited data available, an assumption has been made that these figures are representative of all frauds and have been used as an initial projection of what forces could potentially receive from the NFIB, this includes ‘real time’ referrals and packages (termed products). Due to the lack of detailed figures available for the volume of fraud, the figures assume the maximum number of products that are anticipated to be produced per annum.

As more accurate data becomes available this table will be updated to reflect the volumes and location of actual fraud reported.

### Understanding the Table

Column 1: lists all of the Home Office police forces of England, Wales, Scotland, Northern Ireland and the Crown Dependencies of Isle of Man, State of Jersey and State of Guernsey.

Column 2: shows the percentage of victims that live within a particular policing area. This figure is derived from CIFAS<sup>1</sup> data based on an assumption that this data is indicative of all fraud victims.

Column 3: shows what percentage of fraud addresses sit within a particular policing area, these are addresses actively involved or directly linked to fraud and include both victim and suspect addresses. This figure is derived from CIFAS data based on an assumption that this data is indicative of all UK based fraud addresses.

Column 4: is the projected cost (based on the percentage from column 3) of fraud to each policing area based on annual cost to UK plc of 14 billion (Button et al, 2009). This is a conservative estimate; the true cost could be much higher.

Column 5 & 6: these columns project the number of packages<sup>2</sup> a police force could receive per annum (based on the percentage from column 3) if the NFIB output was 300 packages (column 5) and 450 packages (column 6).

Columns 7, 8 & 9: these columns project the number of ‘real-time’ referrals<sup>3</sup> (based on a 1% referral rate) that a force could receive from the NFIB based on total frauds reported (direct to NFIB from stakeholders and via the NFRC by individual victims). Column 7 is representative of the upper estimates for year 1 of business as usual for the NFIB. Columns 8 & 9 show how, if the reporting of fraud increases to a level that is representative of the number of victims nationally how these increases could impact on real time referrals to forces.

The assumptions made within this document have been made by the NFIB project team, not by CIFAS.

### Footnotes

1: This document draws on data from CIFAS documents on ‘Impersonations/Facility Takeovers by Police Force’ and ‘Fraud Addresses by Police Force’. Whilst the figures presented in columns 2 and 3 are based on actual data gathered, the derivations must be seen as no more than an estimate of the impact.

2: The projected number of packages is based on the assumption that each member of the NFIB team will produce one package, per person per month. The number of analysts in the NFIB will increase as the process moves from pilot – implementation – business as usual, for illustration purposes an illustrative staffing of 30 & 45 personnel has been assumed. The actual number will depend on the level of seconded staff that joins the team.

3: ‘Real-time’ referrals are reports that the NFIB have assessed which require immediate action by the local force. The actions could include support and aftercare for vulnerable victims, retrieval and retention of time sensitive evidence or positive investigative leads including (but not exclusive to) identifiable suspects or recoverable proceeds of crime.

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1	2	3	4	5	6	7	8	9
Police Force	% Fraud Victims	% All Fraud Addresses	Cost to Victims	Fraud Packages Circa. 300pa	Fraud Packages Circa. 450pa	Est Fraud Referrals Circa. 2.5m	Est Fraud Referrals Circa. 3.75m	Est Fraud Referrals Circa. 5m
Avon & Somerset	2.1	1.6	£224m	5 pa	7.5 pa	400	600	800
Bedfordshire	1.3	1.2	£168m	3.5 pa	5.5 pa	300	450	600
Cambridgeshire	1	1.2	£168m	3.5 pa	5.5 pa	300	450	600
Central Scotland	0.25	0.2	£28m	0.6 pa	1 pa	50	75	100
Cheshire	1.7	1	£140m	3 pa	4.5 pa	250	375	500
Cleveland	0.6	0.6	£84m	2 pa	3 pa	150	210	270
Cumbria	0.5	0.3	£42m	1 pa	1.5 pa	75	112	150
Derbyshire	1.1	1	£140m	3 pa	4.5 pa	250	350	450
Devon & Cornwall	2	1.3	£182m	4 pa	6 pa	325	487	650
Dorset	1.2	0.7	£98m	2 pa	3 pa	175	262	350
Dumfries & Galloway	0.1	0.08	£11m	0.25 pa	0.35 pa	20	30	40
Durham	0.5	0.5	£70m	1.5 pa	2.5 pa	125	187	250
Dyfed-Powys	0.4	0.25	£35m	1 pa	1.5 pa	62	93	124
Essex	4.6	4.5	£630m	13.5 pa	21 pa	1125	1672	2250
Fife	0.4	0.3	£42m	1 pa	1.5 pa	75	112	150
Gloucestershire	0.8	0.5	£70m	1.5 pa	2.5 pa	125	187	250
Grampian	0.5	0.4	£56m	1.5 pa	2 pa	100	150	200
Greater Manchester	3.6	5.7	£798m	17 pa	25 pa	1425	2112	2850
Gwent	0.4	0.4	£56m	1.5 pa	2 pa	100	150	200
Hampshire	3.3	2.1	£294m	6 pa	9 pa	525	787	1050
Hertfordshire	3.6	2.3	£322m	7 pa	11 pa	575	862	1150
Humberside	1	1	£140m	3 pa	4.5 pa	250	375	500
Isle of Man	0.08	0.01	1.4m	0.05 pa	0.1 pa	2.5	3.7	5
Kent	3	2.6	£364m	8 pa	12 pa	650	975	1300
Lancashire	1.6	1.5	£210m	4.5 pa	7.5 pa	375	562	750
Leicestershire	1.4	1.4	£195m	4.5 pa	7 pa	350	525	700
Lincolnshire	0.8	0.6	£84m	2 pa	3 pa	150	225	300
London, City of	0.07	0.06	£8.4m	0.2 pa	0.3 pa	15	22	30
London Metropolitan	22	31	£4,340m	93 pa	139 pa	7750	11625	15500
Lothian & Borders	1	1	£140m	3 pa	4.5 pa	250	375	500
Merseyside	1.4	1.5	£210m	4.5 pa	7.5 pa	375	562	750
Norfolk	1	0.8	£112m	2.5 pa	4.5 pa	200	300	400
North Wales	0.5	0.4	£56m	1.2 pa	2 pa	100	150	200
North Yorkshire	0.8	0.5	£70m	1.5 pa	2.5 pa	125	187	250
Northamptonshire	1	1.1	£154m	3 pa	4.5 pa	275	412	550
Northern	0.4	0.2	£28m	.5 pa	1 pa	50	75	100
Northern Ireland	0.8	0.8	£112m	2.5 pa	4.5 pa	200	300	400
Northumbria	1.4	1.4	£196m	4.5 pa	7 pa	350	525	700
Nottinghamshire	1.3	1.5	£210m	4.5 pa	7.5 pa	375	562	750
South Wales	1.5	1.5	£210m	4.5 pa	7.5 pa	375	562	750
South Yorkshire	1.2	1.4	£195m	4.5 pa	7 pa	350	525	500
Staffordshire	1.1	0.9	£126m	3 pa	4 pa	225	337	450
State of Guernsey	0.03	0.01	£1.4m	0.05 pa	0.1 pa	2.5	3.5	5
State of Jersey	0.03	0.01	£1.4m	0.05 pa	0.1 pa	2.5	3.5	5
Strathclyde	2.3	2.7	£378m	8 pa	12 pa	675	1012	1350
Suffolk	1	0.6	£84m	2 pa	3 pa	150	275	300
Surrey	3	1.5	£210m	4.5 pa	7.5 pa	375	562	750
Sussex	2.7	1.8	£252m	5.5 pa	8 pa	450	675	900
Tayside	0.4	0.3	£42m	1 pa	1.5 pa	75	112	150
Thames Valley	5.3	3.7	£518m	11 pa	16 pa	925	1387	1850
Warwickshire	0.9	0.5	£70m	1.5 pa	2.5 pa	125	192	250
West Mercia	1.5	1	£140m	3 pa	4.5 pa	250	375	500
West Midlands	4.9	5.9	£826m	18 pa	27 pa	1475	2212	2950
West Yorkshire	2.6	3	£420m	9 pa	13 pa	750	1125	1500
Wiltshire	1.1	0.7	£98m	2 pa	3 pa	175	262	350

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**Appendix Fourteen**

**NFRC Yorkshire Evening Post Article**

# Exclusive: Workload fears for police in new purge on fraud

**Published Date:**

02 August 2009

By [Simon Bristow](#)

A NEW national centre to tackle fraud is expected to unearth so many new crimes that police fear they will lack the resources to investigate them all. Humberside Police has already admitted it does not expect to be able to cope with the likely surge in reported crimes and none of the region's other three forces could give assurances they would be able to handle the increased workload.

The extra work is expected to be generated from the new National Fraud Reporting Centre which is being set up to encourage the public and businesses to highlight suspected cases of fraud.

The centre, which is expected to be fully operational next year, is partially in response to the massive rise in economic crime that has swept through the country in recent years.

Identity fraud is soaring – CIFAS, the UK's fraud prevention service, has reported a 40 per cent increase in people falling victim compared with the same period in 2008. The recession has also brought an increase in economic crime.

Now police are concerned they will be unable to deal with issues such as anti-social behaviour because of the extra demand.

The acting Chief Constable of Humberside Police, David Griffin, warned in a report to Humberside Police Authority: "The National Fraud Reporting Centre is likely to impact on the force with a considerable rise in reported crime which the force does not currently have the capacity to investigate. This could impact on public confidence and divert resources from existing police authority targets."

Two pilot schemes are to be launched later this year, including a website offering an online crime reporting facility, run in conjunction with West Midlands Police and a dedicated call centre.

The information gathered through both channels will be assessed by analysts at the National Fraud Intelligence Bureau, which will decide what is passed on for investigation, either by individual forces or other organisations such as the Serious Organised Crime Agency or counter-terrorism units.

Mr Griffin's report continues: "The National Fraud Reporting Centre is likely to be fully operational by 2010.

"This is likely to lead to an increase in reported crime, particularly relating to Internet, credit card and identity fraud.



"As the purpose of the centre is to make it easier for the public to report fraud, the capacity of the force to adequately deal with such an increase is questionable and this could have an impact in overall confidence."

The report said the rise in fraud cases could harm Humberside's efforts to meet its own policing priorities, which include tackling anti-social behaviour, protecting the public, responding to issues at neighbourhood level, and increasing public confidence and satisfaction in the service.

One MP said a better co-ordinated response to fraud was overdue, but it was up to the Government and police to make sure adequate resources were available to investigate crime.

East Yorkshire Tory MP Graham Stuart said: "If there's a new fraud reporting centre and it's being brought in because fraud tends not to be taken seriously by police then this should be welcomed, and resources and priorities will need to be suitably adjusted to respond.

"If there's a genuine need for investigation they will have to take this information on board and prioritise resources."

Both North Yorkshire and West Yorkshire Police said they were still assessing the likely impact of the plans and could not comment further at this stage.

South Yorkshire Police referred inquiries to City of London Police, the lead force on fraud.

A City of London spokesman said: "As a result of this initiative figures for reported cases of fraud are likely to rise.

"However, this data will be collated and specifically used to find matches in offending that can assist police investigations."

A Home Office spokesman said it was up to individual forces to set their priorities.

- **Last Updated:** 03 August 2009 9:05 AM
- **Source:** n/a
- **Location:** Yorkshire

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**Appendix Fifteen**

**Restricted**

**NFIB General Guide**

**Delivering the Recommendations of the  
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**Appendix Sixteen**

**NFIB Case Study**

# Detica system helps bring fraudsters to justice

Fraud has been described as a 'silent' crime. But it is not a victimless one. It affects tens of thousands of people in the UK each year and is second only to the illegal drugs trade in terms of its impact on the UK. Each year fraud costs every adult living in the UK around £621.

The human cost is even higher because the proceeds of fraud are used to fund crimes such as drug smuggling and people trafficking. The challenge for law enforcement is combating the increasingly sophisticated and professional methods employed by the criminals.

The National Fraud Intelligence Bureau (NFIB) was established in 2010 as a central body to help the police, and their partners, catch and disrupt fraudsters. It is also working to make the UK a more fraud-resistant society, by alerting communities to threats from fraud and working together to prevent crime.

To catch and disrupt fraudsters, the NFIB recognised that it needed to build a more detailed picture of the criminals and their techniques. To do this, large volumes of fraud information needed to be gathered, analysed and turned into actionable intelligence. This intelligence could then be used to support law enforcement operations or alert organisations and the public to fraudulent behaviour.

*“Detica provided some of the most talented, dedicated colleagues I have ever encountered in my career”*

David Clarke, Director of the NFIB

## The business challenge

Commercial organisations – from retail banks and insurance companies through to telecommunications companies – have departments responsible for tackling different types of fraud. Government departments are also trying to catch fraudsters – from law enforcement agencies through to revenue and customs. All of these organisations gather and keep data that could be useful for detecting and prosecuting fraud.

One of the NFIB's key strategic priorities was to generate and share knowledge about fraudsters and their techniques within this widely-affected community. They needed a system that could convert fraud reports into investigations and arrests. A particular challenge faced by the NFIB was assembling the data from across the community and using it to build a single view of fraudulent activity.

Detica was chosen to build a fraud-detection system based on our advanced data analytics capabilities, specialist technical expertise and experience of providing similar services to a number of other customers.



## What did Detica do?

Initially, we worked with key stakeholders to work out the best way of using technology. We recognised that the NFIB was a new organisation, with new staff and without defined procedures. We worked with the newly-appointed investigators to understand their requirements and to help them learn how the 'KnowFraud' system would be used. We also helped them to define the procedures they would use along the way.

We worked with the organisations and government departments that would be sharing data with the NFIB – data that would be entered into the KnowFraud system. It was vital that we understood where the data was coming from, the format and its potential value or use.

The KnowFraud information intelligence system is based on Detica NetReveal® – a fraud-detection product that uncovers hidden relationships between people and data to detect both opportunistic and large-scale organised fraud. KnowFraud needed to enable investigators to search and retrieve data quickly and easily. It also needed to assess high volumes of data and then quickly prioritise the results. We tailored Detica NetReveal® to match the specific requirements of the NFIB.

The KnowFraud system pilot went live within twelve weeks. The NFIB's investigators were able to analyse fraud data immediately. Over the next four months the pilot system was developed further so that it could accept daily updates from different data providers. The system had to be robust enough to be able to cope with data of varying quality, quantity and complexity.

## A revolutionary new system

Once the data has been entered into the system, KnowFraud then uses advanced data analytics and social network analysis to link millions of fraud-related entities – such as people, addresses and documents – into networks. This single "network view" of fraud activity was previously unavailable when investigators were forced to use pockets of data in isolation. The networks are scored and prioritised according to the risk associated with the behaviours apparent within them. Suspicious networks are visualised and investigated. The resulting intelligence is then collated into fraud intelligence packs for the law enforcement community to act upon.

The entire KnowFraud system was delivered in six months – from proof-of-concept to final solution. It processes data from more than 50 organisations including 43 police forces, Land Registry, Companies House and the Royal Mail. The time taken to investigate a case has been considerably reduced as KnowFraud makes all the information related to a case readily available to the investigators. The system has already delivered a number of significant leads. A recent case prioritised by the system led to conviction in less than 37 days – a first within the world of fraud.

## About Detica

By combining technical innovation, domain knowledge and information intelligence, we develop, integrate and manage world-class solutions to help our clients deliver critical business services more effectively and economically. We also develop solutions to strengthen national security and resilience, enabling citizens to go about their lives freely and with confidence.

Detica is part of BAE Systems.



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**Appendix Seventeen**

**NFIB Newsletter October 2011**

## HEADLINE NEWS

### Online and phonline fraud disruption sees NFIB save millions

A major NFIB campaign to shut down the websites, email addresses and telephone numbers fuelling much of today's fraud has already stopped at least £7 million being lost to fraudsters in the last 2 months.

During September and October the NFIB has suspended **12 websites, 179 telephone**

**numbers and 155 email accounts**, which were enabling organised crime gangs to target and steal from individuals and the public and private sector.

The threat of personal information being stolen through phishing e-mails is now being tackled in partnership with UK Payments Administration (UKPA). 978 emails have been passed to the UKPA-run [www.banksafeonline.org.uk](http://www.banksafeonline.org.uk), for suspension.

NFIB analysis has shown how fraudsters can be resilient, with the ability to quickly reinvent their criminal operation.

#### Re-creation of websites

In recent months the NFIB has identified fraudsters who are reproducing suspended websites with a similar sounding name and/or signing up for new phone numbers with a different provider. The public is told this has been done for 'technical reasons'.

The NFIB has moved quickly to block this new line of attack.

People who visit certain suspended websites are now being automatically redirected to an alert page on the NFIB website. This provides users with a fraud warning and directs people who believe they have been a victim of fraud to Action Fraud. For legal reasons some ISPs have not been able to comply with the redirection but overall the system is making a positive impact.

Click on [www.saltzmankramer.com](http://www.saltzmankramer.com) to see how the NFIB is unmasking the criminal practices of online fraudsters.

The NFIB is taking a similar approach with phone numbers. Once a number is identified as part of a fraudulent operation, the NFIB looks to suspend the line and leave a message to callers explaining exactly why, along with details on how to contact Action Fraud. The aim is to stop the same victim being repeatedly conned and to protect any new, prospective victims.

To hear an NFIB message call:  
**020 3318 1273** or **020 3318 1274**

### NFIB launching response to the threat of cyber crime

**In November, the NFIB and Action Fraud will launch a response to financially-motivated cyber crime and computer enabled fraud.**

Phase 1 will see the introduction of a system able to deliver fast-time response to the threat of phishing emails that often seek to extract people's personal information for use in fraud. This will be followed by the launch of cyber crime reporting and analytical tools.

The threat to the UK from cyberspace (including the internet, wider telecommunications networks and computer systems) has been identified as one of the highest priorities for UK national security over the next five years.

The NFIB and Action Fraud will be part of a close partnership between the Government, industry and the counter-fraud community in delivering a multi-faceted approach to the

cyber threat, providing a core front line reporting and analytical function.

Deputy Director of the NFIB, Richard Waight, said: "When you consider the UK consumer already spends £4.4 billion shopping online there is no surprise this is also our largest area of fraud reporting. This new resource will play a key role in making cyberspace a safer place to do business."

# Message from Tony Crampton



Welcome to our new look NFIB newsletter to keep you fully updated on how the Bureau is helping to combat national and international fraud. The fraud landscape is constantly evolving

for those good and bad, and so must the NFIB. I hope you enjoy reading about how we are responding to this ever changing challenge.

The NFIB is already demonstrating its commitment to the UK's strategic plan for reducing fraud, *Fighting Fraud Together* and its core objectives to be **tougher** on fraudsters by **disrupting** and **punishing** them more efficiently and effectively.

In the last couple of months we have successfully focused on reducing harm from

an early stage through the suspension of the key enablers that facilitate fraud – websites, emails and phone numbers.

We are also increasing our public and private sector engagement, delivering on a number of initiatives. Our work with the Department for Work and Pensions' Identity Assurance Programme and the launch of our cyber response demonstrates the importance we place on greater online security.

Close ties with UK Payments Administration are also bearing fruit, with the Know

Fraud system finding a high number of links between Action Fraud reports and bank reported information, which is being disseminated to law enforcement.

Looking further afield we are working with SOCA and our US and Canadian partners to counter India-based criminal call centres targeting people on both sides of the Atlantic. An international threat combated with an international response.

**Tony Crampton**  
Director of the NFIB

## eNewsletter

NFIB eNewsletter is published quarterly by the National Fraud Intelligence Bureau

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## Intelligence and information for the counter fraud community and beyond

**The power of the Know Fraud system and the potency within Action Fraud reports are now well harnessed. During the last quarter the NFIB circulated 71 themed intelligence products alerting law enforcement, the wider counter fraud community and the general public.**

These reports included:

- The public alerted to fraudsters offering tickets online to Coldplay's sell-out tour.
- City of London Police, Surrey Police, Durham Constabulary and the FSA

received an intelligence summary about a fraudulent land banking scheme

- Banks via UKPA were sent a warning of commodities being sold by bogus brokers
- Dissemination of an intelligence network alerted the MPS to a property rental fraud
- CIFAS members were alerted to a payment diversion fraud. Victim companies received false invoices purporting to represent genuine suppliers and instructions to change account details for future payments

- A networked series of fraudulent insurance claims was sent to West Mercia
- A bank has launched an investigation after being alerted to Green Carbon Credits potentially linked to a boiler room fraud
- Intelligence from the NHS linking an organised crime gang involved in theft, burglary and payment card fraud was sent to West Midlands Police
- Kent Police was informed of two suspects linked to card not present fraud suspected of other crimes in the Kent area.



# Charity bag fraud: major strike

Charity bag fraud targets the people working to help some of the most vulnerable in society both at home and abroad. In the last year, tens of millions of pounds worth of second hand clothes destined for charities have been stolen off the streets and sold in shops across Eastern Europe.

In September, intelligence from the NFIB Charity Fraud Desk led the City of London Police to make a major strike against an organised crime gang suspected of stealing charity bags worth hundreds of thousands of pounds.

During an early morning raid at an Essex depot, four men were arrested and £20,000 in cash was seized, along with charity bags and criminal evidence. This operation generated considerable media interest, featuring prominently in *The Times*, *BBC One Show* and *BBC London TV news*.

Importantly the charity desk has noticed that some gangs are altering their approach to

avoid getting caught. When this crime was first reported as a problem, the gangs posed as either legitimate charities or completely fake ones. But in recent weeks a new strategy is emerging, with bags and flyers being produced giving the impression the cause is charitable but does not mention a charity at all. This could be considered as fraud by false representation but could be difficult to prove.

Investigations have also provided further evidence of the links between the Lithuanian organised crime gangs involved in charity bag fraud and other crimes that include driving insurance fraud, fuel theft and human trafficking.



**CoLP officer asking questions during the early morning operation**

The Fundraising Standards Board held a meeting in September to discuss the problem of charity bag fraud. Nick Hurd, the Minister for Civil Society was the keynote speaker and DI Amanda Lowe, who heads up the National Fraud Desk, provided an update on the work of the NFIB and City of London Police.

## Hajj fraud

**In November, hundreds of UK citizens are likely to find their dreams of making a once in a life-time pilgrimage to Mecca damaged or destroyed by fraudsters disguised as travel agents.**

For the second year running, the NFIB and City of London Police are working with the Muslim community to raise awareness of Hajj fraud and encourage victims to report the crime to Action Fraud.

The Muslim Council for Britain's Deputy Secretary General, Dr Shuja Shafi, said:



"Prospective Hajjis are urged to remain careful and vigilant and do due diligence by checking that their tour operator is a current ATOL holder. The MCB also encourages Muslims to report immediately to the police any fraudulent activity."

Go to [www.nfib.police.uk](http://www.nfib.police.uk), for a Hajj fraud leaflet available in seven languages.

## International investigations

**More often, NFIB intelligence is being used by law enforcement operating far beyond these shores to disrupt frauds committed within or running through their jurisdiction.**

In September the NFIB uncovered evidence of a major share purchase fraud using a network of national and international bank accounts to launder stolen money. In response, analysts circulated intelligence summaries via Interpol to law enforcement in Hong Kong, Spain and Italy alerting them to accounts registered within their borders suspected of facilitating the fraud.

As a result, Hong Kong Police has launched its own money laundering investigation. At the same time details of addresses linked to the criminal network were sent to UK police forces, with local intelligence checks being fed back into a wider City of London Police investigation.

### **Boiler room fraud**

In separate cases NFIB intelligence has directed Seychelles Police to a bank account suspected of being used by a boiler room company and alerted Dubai Police to a possible boiler room fraud operating on their patch.

# Partners against crime

During August and September, the NFIB assessed more than 7,500 Action Fraud reports. From this data, 672 crime reports containing total losses of more than £19 million were disseminated to UK police forces.

The most prevalent of these were:

Online shopping	278
Other Consumer Non Investment	108
Other financial investment	75
Other advance fee frauds	62

And the main recipients of crime reports were:

MPS	271
Trading Standards, Merseyside and City of London Police	47
Greater Manchester Police	43
Sussex Police	36

Notable and continuing trends include growing cases of companies claiming to sell voluntary and government funded carbon credits, money transfer services being used as a key enabler of fraud and voucher based e-money products being used in loan lender fraud.

### A new form of reporting

A new Crime Related Information tool has been developed to enable the public and small businesses through Action Fraud to

report information that does not constitute a crime. This has already become an invaluable data source for the NFIB in the assessment of crimes for national distribution and intelligence development. The top five information categories are banking and credit industry fraud, computer software service fraud, inheritance fraud information and lottery scams.

### Action Fraud in forces

Leicestershire Police is the latest force to join the pilot and refer all reports of fraud to Action Fraud. Learning from the City of London Police pilot is already being incorporated into the reporting tool. For example, corporate bodies and financial institutions revealed problems in reporting large corporate frauds via the Action Fraud web reporting tool. System and process development is underway to address this.

Making sure police forces have the training and support to use Action Fraud and understand their role and responsibilities is critical to the success of both the pilot programme and the national roll out. The NFIB and Action Fraud are currently working on an

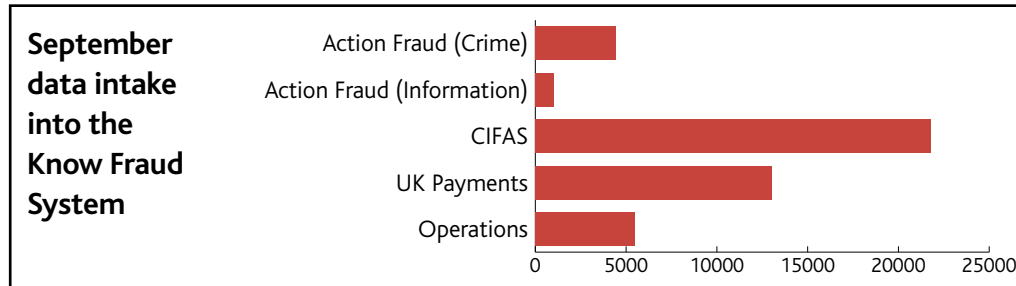


e-learning training package to help forces that are preparing to change the way they handle reports of fraud.

### Feedback

The NFIB has just finished collecting feedback from those forces which have received Action Fraud-generated crime reports. But we will not be stopping here. Feedback from all our partners is essential to the improvement of our service. The information you provide is invaluable. It enables us to better understand what you want so we can provide the products that best fit your needs.

To provide feedback please contact DI Amanda Lowe & DCI John Osibote (see page 2 for contact details). Please give as much information as possible on the quality of crimes disseminated to you, operational learning gained from investigations and any other relevant information.



## Specialist police unit to tackle insurance fraud

A new specialist police unit to tackle insurance fraud is being set-up in January.

Paid for by the insurance industry and housed and run by the City of London Police, the Insurance Fraud Enforcement Department (IFED) will act with operational independence to combat a crime valued at £3 billion per year.

By working with the NFIB and drawing on its intelligence and expertise, the unit will be capable of bringing to justice hundreds of offenders each year. It will also benefit from the City of London Police's position as national lead force for fraud and forge close ties with UK law enforcement and the insurance industry.

Ahead of the launch the NFIB is finalising the General Insurance Threat Assessment for publication in November. As well as reporting on the problem, the recommendations will assist direction of IFED's enforcement response. Special thanks to RBS Insurance for seconding one of their team to us in support of this activity.

**Delivering the Recommendations of the  
Fraud Review 2006  
and the  
Paradox of Police Leadership**

**Appendix Eighteen  
Restricted**

**NFIB Quarterly Report Q1 2013-14**

**Delivering the Recommendations of the  
Fraud Review 2006  
and the  
Paradox of Police Leadership**

**Appendix Nineteen**

**Academy Business Case V0.1**

**2011  
3 Year Plan**

**Centre of Excellence Business Case for:  
Fraud Prevention, Training & Accreditation**



**Economic Crime Directorate,  
City of London Police**

# **Centre of Excellence Business Case for:** **Fraud Training, Accreditation & Prevention**

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## **Forward**

My first year as Commissioner began with the challenges of the Comprehensive Spending Review (CSR) and the need for the City of London to make savings of 20% over four years. In such times there two options, streamline and reduce resources and potentially services to meet financial constraints or more ambitiously, identify alternative methods to generate income to maintain or increase resources to deliver the services the City has come to expect from the City of London Police.

This Business Case sets out my vision for funding to expand the Centre of Excellence functions which has the potential to become self funding within three years, generating significant income to help offset the CSR budget cuts.

The City is an international stage and the City of London Police is an international brand recognised for excellence within fraud intelligence, investigation and training, this Business Case aims to capitalise on this and maximise opportunities for income generation through the Centre of Excellence. Understanding and recognising the business imperative is essential in maintaining confidence in the City of London Police and our ability to provide specialist fraud and front line policing services.

Through the proposals set out in this Business Case the City of London Police aims to continue its ground breaking national drive to investigate and deter fraud, incorporating new methods and ways of working to deal with the growing threat from fraud and cyber crime. The Centre of Excellence will draw together operational learning and real time intelligence to lead the way internationally with fraud prevention activities, awareness & educational campaigns, target hardening and delivery of cutting edge training programmes. Investment in the Centre of Excellence will enable the City of London Police to continue to deliver and improve the service to the public that it is rightly recognised for throughout the world.

In conclusion, I would like to thank you for taking the time to read this Business Case and consider the proposals for investment and growth. I realise it is not always easy to justify new investment in hard economic times but I believe the potential of the Centre of Excellence is a worthy investment for the City of London, the financial community and UK as a whole.

Adrian Leppard  
Commissioner of Police for the City of London

## **Introduction**

### **Context**

Fraud has a detrimental impact on society and can have a devastating effect on businesses and individuals within the UK and internationally. The National Fraud Authority (NFA) published its second Annual Fraud Indicator (AFI) Jan 2011, which estimates fraud is costing the UK over £38 billion a year. The new estimate and comprehensive data breakdown is testament to improved methodologies and cooperation across Government and industry. It also shows the real impact fraud has on individuals, businesses and Government. Loss estimates to fraud by sector:

- Public - £21 billion
- Private - £12 billion
- Individuals - £4 billion
- Charity - £1.3 billion

### **What is a Centre of Excellence?**

Following the Attorney General's Fraud Review of July 2006, The City of London Police was granted government funding to enhance the UK's fraud capabilities nationally and internationally through the Development of a Centre of Excellence for fraud investigations, including organised training, disseminating best practice, general fraud prevention advice, advising on complex enquiries in other regions, and assisting with or even directing the most complex of such investigations.

In general terms, a Centre of Excellence is regarded as a nationally or multinationally sponsored entity, which provides recognised expertise and experience for the benefit of its business area. It consists of a team of people that provide support and training, promote collaboration and using best practices around a specific focus area to drive business results.

The City of London Police Centre of Excellence, as above, will focus on five key functions:

- Support
- Guidance
- Shared Learning
- Measurement
- Governance

### **The Centre of Excellence and Economic Crime Directorate functions**

In April 2008 as a result of this funding a National Lead Force for Fraud and National Fraud Intelligence Bureau were established. These national assets sit within City of



London Police's Economic Crime Directorate. To date the primary focus of National Fraud Intelligence Bureau and National lead Force have been the investigation and prosecution of organised fraud groups who cause the most harm to UK plc.

In the current economic climate with limited resources available to both the public and private sectors to tackle fraud it is more important now than ever before to focus, not on enforcement but on the opportunities for prevention and disruption. The Centre of Excellence has started a programme of fraud training for public and private sector organisations focussed on fraud awareness, prevention and disruption.

The demand for these programmes far exceed the Centre's current capacity, this business case looks at the opportunities for growth, investing in the Centre of Excellence to capitalise on the fraud training opportunities to enhance City of London Police brand and generate income for the Economic Crime Directorate.

The Economic Crime Directorate are dedicated to preventing and investigating fraud at all levels and have a world-renowned reputation for their levels of professionalism and effectiveness in tackling fraud, with the operational experience that comes from investigating more serious fraud criminal cases than any other law enforcement organisation in the UK.

The Centre of Excellence will capitalise on the operational learning from the Economic Crime Directorate and National Lead Force together with the power of National Fraud Intelligence Bureau and the Know Fraud system to maximise fraud prevention activities.

Combining the business areas of fraud prevention with training will give the Centre of Excellence a business advantage not afforded to any other commercial training provider. Aligning fraud alerts, trend analysis and educational products with cutting edge training products underpinned by the City of London Police and the Economic Crime Directorate brands will establish the Centre of Excellence globally as a premier counter fraud training and resource organisation.

A separate Business Case covers the key functions of the Economic Crime Directorate; this business case has been produced separately to distinguish between core business and business & growth opportunities. The submissions complement one another and together they will ensure that the progress and achievements delivered since April 2008 will be built on and taken further.

### **Structure of Document**

This document has been structured in the following sections:

- In Section 2, we provide an Executive Summary, providing an overview of the key proposals and arguments

- In Section 3, the Strategic Case, we set out the overarching rationale and objectives for additional funding of Centre of Excellence responsibilities for fraud training and the development of new/linked Fraud Prevention Unit
- In Section 4, the Options & Benefits Case, we identify and appraise the options for developing the Centre of Excellence training and Fraud Prevention Unit. We project the potential for income generation from training provision together with a model for benefit realisation for savings from prevention activities.
- In Section 5, the Financial Case, we set out the financial projections and implications of the proposed growth and demonstrate that it is affordable
- In Section 6, the Management Case, we propose next steps to build on the success to date of Centre of Excellence
- In Section 7, the Commercial Case, we identify the key risks to be mitigated.

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## **Executive Summary**

### **1.1 Summary**

This business case demonstrates that the Centre of Excellence, through investment and growth can deliver a broader range of services at a national and international level and be self funding generating profit for the City of London by year three of operation. The initial plans set out within this business case demonstrate how the Centre of Excellence is uniquely placed to deliver fraud training, accreditation, professional registration and prioritise fraud prevention and disruption via the Know Fraud system. The Business Case sets out criteria to deliver value for money and generate income, namely;

- Is the activity essential to meet force priorities and support City First
- Does the City of London / City of London Police need to fund this activity
- Does the activity provide substantial economic value
- Can fraud prevention activity be prioritised and the benefits quantified
- How can the activity be provided to generate income
- How can the activity be provided on a sustainable self funding basis

At a high level the case for new funding and growth of the Centre of Excellence is set out below with further detailed information and evidence provided within the subsequent chapters of the business case.

### **1.2 Strong rationale for Growth & Investment in the Centre of Excellence**

Since the Fraud Review of 2006 significant efforts to raise awareness, and understanding of the scale, nature and impact of fraud across the UK has grown. The evidence has highlighted that:

- Fraud is more prevalent than previously estimated - with current fraud losses estimated at £38bn per year
- Fraud is more complex and international in nature and part of organised criminal activity. Organised Criminal Groups are estimated to have an association with and be responsible for £7.8bn of fraud per year
- Fraud is far from victimless - many complex cases have multiple victims, with potentially negative health, social and economic impacts to the individual and businesses that are victims of fraud
- The strength of the UK economy, and London's financial sector in particular make the UK and London an attractive target for fraudsters.

The growing scale, complexity and nature of fraud require a quality and robust response from all organisations, public and private sector that not only tackles the threat effectively, but also caters to needs of victims.

Efforts to raise awareness, prevent fraud and prioritise quick time disruption opportunities will reduce the increasing pressure and demand on UK law enforcement, other agencies and industry partners, reducing risk and minimising harm and loss.

The UK's current response to fraud is wide ranging but complex, with concerns from the public and private sectors over the availability of the knowledge, skills and experience to tackle the threat effectively.

The Centre of Excellence has a key role to play in developing knowledge and building capacity across UK law enforcement agencies and industry sectors to allow resources to be targeted more effectively.

The UK Fraud Training Landscape is littered with organisations delivering a multitude of fraud prevention and investigation courses. A small percentage of these courses are accredited but none of them work to common standards or are mapped against a standard or core curriculum. This lack of common standards and core curriculum hinders the effectiveness of cross sector working and coordination of fraud prevention, disruption and enforcement activities.

The effectiveness of the public and private sector counter fraud community is crucial to protecting citizens, companies and UK PLC. Strategic direction for the counter fraud community is driven by the ACPO Economic Crime Portfolio (ECP), Chaired by Commissioner Adrian Leppard.

On 1<sup>st</sup> March 2011 at the ECP, Terry Burke, Head of Investigations for the Bank of England identified the gap between public and private sector fraud training, he called for the City of London Police and the Centre of Excellence to take on a role coordinating cross sector training and providing accreditation and registration bringing fraud professionals in line with other recognised or chartered professions.

The proposal was backed by all of the members of the ECP as necessary to improving the UK's response to fraud.

It is clear that there is a skills gap across the sectors which hinders the UK's capacity to effectively tackle fraud, this business case, if realised has the potential for reducing the Skills gap, increasing capacity and cross sector working making the UK a more hostile environment for the fraudster.

### **1.3 Why Centre of Excellence is uniquely placed to deliver enhanced functions**

The Centre of Excellence is Located within the City of London, the largest financial district in the world and is uniquely placed to deliver fraud training, accreditation, professional registration and prioritise fraud prevention activities to enhance effectiveness of the UK's response to fraud.

Over the years the City of London Police has developed a reputation as specialists in fraud and economic crime both domestically and internationally. The City of London Police has been integral to national and international efforts to combat fraud through their work in tackling organised crime groups, securing major convictions, raising public awareness and leading the way in fraud victim support. In support of this activity the Centre of Excellence has played a key role in delivering specialist fraud training, disseminating best practice and the coordination of awareness and prevention activities.

The case for new funding to deliver enhanced services through the Centre of Excellence can be summarised as follows:

- City of London Police have a long history of tackling fraud and economic crime, and have developed an international reputation, and strong partnerships with counter fraud agencies domestically and internationally to deal with the threat effectively which can be capitalised on by the Centre of Excellence
- City of London Police have leveraged established relationships within UK and internationally to contribute to the successful delivery of the Centre of Excellence
- Centre of Excellence has significant exposure to and experience of policing economic crime, and provides the skills, knowledge and experience not found in other fraud training establishments around the globe
- Economic Crime Directorate is uniquely placed within a global financial centre to continue to build and extend the reach of Centre of Excellence
- Centre of Excellence has a proven track record of delivering quality fraud awareness, prevention and disruption training to public and private sector partners.

Given the scale, value, nature and complexity of fraud within the UK, and the comparatively modest funding required, the Centre of Excellence delivered by Economic Crime Directorate can deliver a low cost / high benefit ratio. The fraud focus of City of London Police, and the experience, knowledge, skills and reputation offered by Economic Crime Directorate provide a unique offering for Centre of Excellence to continue to deliver high quality training, accredit external courses & providers, create a register of fraud professionals and coordinate fraud prevention activities.

#### **1.4 Options & Benefits Case**

In the Benefits case we identify and assess options for delivery of 3 key Centre of Excellence Functions: Fraud Training Faculty, Fraud Professionals Accreditation Board & Institute of Fraud Professionals and Fraud Prevention Unit.

The benefits case concludes that new investment in the Centre of Excellence represents a sound investment in relation to efficiency, loss & harm reduction and

income generation through a sustainable approach that becomes self funding by its third year of operation.

We have analysed the benefits generated by delivery of the National Fraud Intelligence Bureau's system, Know Fraud, and mapped this to produce a new model of data sharing and prioritised prevention and disruption. Analysis indicates that substantial benefits are being delivered, on average 48.4 times quicker than that of a traditional enforcement approach; when enforcement is undertaken via this approach the activity takes place on average 212 days earlier reducing harm and minimising harm and loss.

Working hand in hand with the National Fraud Intelligence Bureau the fraud prevention unit will be able to use products from the Bureau to maximise prevention opportunities, raise public awareness and minimise loss and harm from fraud.

About 80% of the Centre of Excellence resources are currently dedicated to designing and delivering training for other forces, agencies and industry partners. Demand exceeds current capacity and considerably more could be done, both at home and overseas.

To date the Centre of Excellence has worked on a cost recovery basis, charging well below the market rate for what is probably the most sought after fraud training available. A staged readjustment of the Centre charging model will see the Centre generate a real profit by year three.

The Centre of Excellence has designed and delivered a number of specialist programmes for public and private sector bodies to help prevent fraud, raise awareness, and advice on how to make organisations more resilient to the threat of fraud. Officers have also organised and facilitated a range of workshops and seminars designed to find consensus on counter fraud strategies and how best to implement them including:

- Multitude of training programmes delivered with over 1,800 people trained
- A 3-day Fraud reporting and intelligence conference in July 2009
- A 3-day National Fraud Forum in October 2009.

Within the Financial case we set out financial projections showing how the service can be provided, moving from a funded model in year one to a self funding and profitable model by the end of year 3. A rigorous process has been followed to ensure affordability, as follows:

- We start with the Centre of Excellence baseline positions on the basis of a detailed analysis of expenditure in 2010-11, each expenditure item has been challenged and evidence sought where possible; using this base position we extrapolate a forecast from 2012-13 up to 2014-15

- We have made projected income based on a proven formula for contact / development and preparation time and a readjustment of the Centres costing model
- We predict that Centre of Excellence will deliver programmes to extend the reach of the Fraud Training Faculty and the Fraud Professionals Accreditation Board & Institute of Fraud Professionals up to and including 2014-15 to capitalise on new markets and maximise income generation opportunities.

### 1.5 Income generation and City of London reputation and branding

The City of London see clear benefit in providing the many multinational businesses it hosts access to the UK's national fraud expertise that are delivered through the Economic Crime Directorate and the Centre of Excellence, as it enhances the City of London and UK's reputation as a place to do business.

Considerable research has been conducted to support the business case; case studies have been used to demonstrate the achievability of the efficiencies of the Prevention and Disruption Unit and the income generation opportunities of the Fraud Training Faculty and the Fraud Professionals Accreditation Board and Institute of Fraud Professionals. Based on this research and the financial projections the income / profit will continue to rise year on year well in excess of any additional growth or expansion of the Centre beyond that covered here.

The Centre of Excellence currently receives £256,098 a year from Home Office funding for the basic functions currently provided by the Centre. This funding provides for a small team to deliver core fraud training for City of London Police and a small amount for other police forces and industry partners. With investment and development the Centre of Excellence will become self funding, enabling the Home Office funding to be redirected to frontline service.

We show below the level of funding required for all three Centre of Excellence functions and the income generation projected within this business case.

Combined Centre of Excellence Functions	2012-13	2013-14	2014-15
<b>HO Funding</b>	<b>£256,098</b>	<b>£256,098</b>	<b>NIL</b>
<b>Carry over Profit / Funding</b>	<b>NIL</b>	<b>£1,505,423</b>	<b>£5,001,802</b>
<b>Additional Funding Req.</b>	<b>£3,011,599</b>	<b>£4,338,877</b>	<b>£1,605,779</b>
<b>Total Funding</b>	<b>£3,267,697</b>	<b>£6,100,398</b>	<b>£6,607,581</b>
<b>Income</b>	<b>£4,773,120</b>	<b>£11,102,200</b>	<b>£14,414,000</b>
<b>Profit or Loss</b>	<b>£1,505,423</b>	<b>£5,001,802</b>	<b>£7,806,419</b>

<b>Realisable Income</b>	<b>Nil</b>	<b>Nil</b>	<b>£1,198,838</b>
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In the current economic climate it needs to be stressed that the core aims of this investment & expansion strategy are:

- To fill a gap in training & accreditation of fraud professionals and address the disparities between public and private sector bodies extending our reach providing for more effective cross sector working
- To become self financing, reducing the burden on the Home Office Grant.
- To generate income which can be used to increase policing resources for City of London Police bridging the funding shortfall as a result of the Comprehensive Spending Review.

### **1.6 Future plans – options for further development**

The business case highlights the high level of skills, knowledge and experience that has been developed within the Economic Crime Directorate & Centre of Excellence.

With the development of the Centre of Excellence there are great opportunities to further enhance these assets and develop the City of London brand as a global lead within the field of fraud prevention, disruption and enforcement.

Key stakeholders highlighted that there is high demand and high expectations on the Centre of Excellence to deliver and expand the quality of service currently provided.

The Centre of Excellence is uniquely placed to drive the development and extension of its functions that law enforcement and industry desires. This development will be planned carefully with continued negotiation and support from national and international partners from the public and private sectors. Future developments that will extend the remit of the Centre of Excellence are:

- The Centre of Excellence will conduct an industry wide Training Needs analysis and skills/role assessment and produce a core curriculum and skill framework for all counter fraud specialists.
- Developing accredited training packages and work with industry to build the investigative capacity across the public and private sectors to facilitate a shift to a "self-policing model" whereby industry investigators undertake more of the investigation work increasing speed and efficiency and enhance civil recovery, with the National Lead Force managing the investigation through the criminal justice system
- Map the Core Curriculum against the Core Investigative Doctrine and Initial Crime Investigators Development Programme to develop a range of programmes to bridge the skills gap for fraud investigation within the police service.



- Build on the work of the National Fraud Intelligence Bureau, using the data from across the government agencies to inform new training products to improve and standardise cross agency practices and procedures enabling more effective collaborative working.
- Develop an accreditation and registration model to regulate and recognise fraud professionals from across public and private sectors developing a new professional body united in the fight against fraud.
- Extending the reach of the Centre of Excellence by developing closer strategic and operational partnerships with big business and small & medium enterprises to build a greater awareness of how to effectively prevent, detect and investigate fraud across a broader spectrum of sectors

The above activities and developments are driven by a desire to prevent fraud or disrupt the activities of fraudsters at the earliest opportunity minimising the harm and loss caused. Working with National Fraud Intelligence Bureau the Centre of Excellence will develop quality public awareness & education products and distribute timelier, targeted alerts.

To maximise the opportunities in this business case and achieve the potential that has been projected a partnership with a respected commercial organisation that can bring expertise in business marketing, profitable business practices may be advantageous. An alternative would be to consider the direct employment of experienced business and finance specialists. A partnership with an academic institution or formation of a new chartered body has also been considered to underpin the establishment of the professional body.

## 2. Strategic Case

### 2.1 Summary

The National Fraud Authority (NFA) published its second Annual Fraud Indicator (AFI) Jan 2011, which estimates fraud is costing the UK over £38 billion a year. The new estimate and comprehensive data breakdown is testament to improved methodologies and cooperation across Government and industry. The public sector remains the highest proportion of the fraud loss at £21 billion - 55% of the total figure. This estimate, for the first time, includes new and more accurate figures for procurement (£2.4 billion) and grant fraud (£515 million).

Private sector fraud losses of £12 billion make up 31% of the total annual figure.

- The financial services industry recorded the highest loss to fraudsters at £3.6 billion. This is a slight decrease on the 2010 AFI figure of £3.8 billion due to improved fraud prevention methods involving plastic card (£440 million) and cheque fraud (£30 million)
- Online banking, however, has seen an increase of 14% (£60 million). The sector continues to invest heavily in counter fraud systems and solutions to help stay one step head of the criminals
- Mortgage fraud (£1 billion) and insurance fraud (£2.1 billion) remain high.
- A new inclusion in the AFI is fraud losses to small and medium enterprises at £780 million. The NFA and the Federation of Small Businesses (FSB) worked together to produce this estimate - the first of its kind. It is hoped that raising awareness of the scale of loss will spur new fraud prevention initiatives in this sector.

Individual citizens' losses equated to 10% of the overall fraud figure (£4 billion), covering loss from mass-marketing fraud such as share sale, lottery and advanced fee frauds as well as newer frauds such as online ticketing and rental fraud. This additional information along with data included from Action Fraud, widened the scope of last year's figure (£3.5 billion) to produce an increased figure within this AFI. Action Fraud saw over 70,000 contacts made by the public and 10,000 crimes reported totalling £93 million lost by individuals over the past 12 months to fraudsters.

City of London Police and the Economic Crime Directorate are working with the NFA to build increased capacity for disruption of criminal attacks against individuals, as well as better intelligence sharing and analytics to support enforcement action. Cross-government and industry work also continues to increase public awareness of fraud and how to protect against it.

### 2.2 Value and volume of fraud

The NFA now estimates that fraud costs the UK around £38.4 billion a year. The below diagram, courtesy of NFA Annual Fraud Indicator 2011 provides a breakdown of fraud loss by sector:



### 2.3 Future fraud trends – growing and scale and complexity

With lengthy time frames of major frauds, we are now only starting to see examples of some of the worst cases that occurred during the period leading up to the financial crisis. 2008/9 saw a record of 271 fraud cases reaching court that were valued in excess of £100,000. The total value of these cases was £1.3 billion.

Consultation with experts within the counter fraud agencies suggests that as the UK economy emerges out of the recent recession, and with growing technological expertise, the volume, scale and complexity of fraud will continue to grow, requiring an increasingly sophisticated response.

At the lower end of the scale, the low value - high volume fraud is expected to continue to grow as fraudsters move from one fraudulent scheme to another, exploiting the financially naïve.

A rise in occupational fraud is also expected to increase as employees, seeking to repair the damage caused to their personal finances by harsher economic circumstances, seek ways to defraud their employers.

Continued technological growth and the ability to communicate and perform financial transactions instantly between remote geographical locations, will mean a growth in cross-border and multi-jurisdictional fraud perpetrated not only by organised criminal groups but by also reputable businesses pushing the boundaries of acceptable business practice.

## **2.4 Links with Organised Crime Groups (OCGs)**

Fraud has also been recognised to have strong associations with other types of serious and organised crime such as immigration crime, human trafficking, money laundering and terrorism. Reducing fraud therefore has a role in tackling a broader range of criminal activity and at an international level.

The Association of Chief Police Officers estimated that 11% of identified OCGs are involved in fraud, of which 64% have direct links into other crime groups. Where police forces tend to investigate fraud they do so in connection with organised crime fraud.

The Home Office highlight that approximately £7.8billion of fraud is associated with OCGs, second only to the drugs trade.

The threat of fraud committed by OCGs has also been growing in complexity and scale with organised criminals increasingly exploiting modern technology to evade traditional forms of surveillance, to access criminal markets and to commit fraud.

## **2.5 Policy and delivery context**

The UK government through *'The Coalition: our programme for government'* has committed to continue taking a robust and focussed approach to tackling fraud, and to create a single agency to take on the work of tackling serious economic crime.

Whilst the details of the single agency are still to emerge, developments should be seen in the context of the governments overriding commitment to reduce the deficit and improve efficiency.

The role of the Centre of Excellence to design and deliver counter fraud training will have to consider this commitment to deficit reduction; by generating income to help fund fraud prevention activities it will be ideally placed to support the activities of a single agency.

## **2.6 Clear remit for the Centre of Excellence**

There are clear opportunities and a continued requirement to enhance the UK's response to tackling fraud - through the Centre of Excellence we will be able to find synergies in the activities of those organisations involved in the prevention, disruption, detection, investigation, and prosecution of fraud within the UK and internationally.

Through investment and growth of the Centre of Excellence and expansion of its fraud training capabilities we will be able to help educate and focus public and private sector resource more effectively to continue to build fraud prevention capacity and capabilities across the counter fraud landscape.

Given the scale and value of fraud within the UK the Centre of Excellence can deliver a low cost / high benefit ratio given the comparatively modest funding required.

The business model projects that the Centre of Excellence will be self funding and generating a profit for City of London Police and Economic Crime Directorate by the end of year 3.

The scope of the Centre of Excellence is set out below:

### **2.6.1 The Centre of Excellence Fraud Training Faculty**

- Provide national/international counter fraud training programmes
- To coordinate counter fraud training across public & private sector organisations
- Provide a single point of contact for Counter Fraud advice and learning resources
- Disseminate best practice and operational learning

### **2.6.2 The Centre of Excellence Fraud Professionals Accreditation Board & Institute of Fraud Professionals**

- Validate training courses suitable for the accreditation of counter fraud professionals
- Accreditation and certification of Counter Fraud professionals
- Provide continuous professional development programmes for counter fraud professionals
- To create and manage a professional register or institute of accredited counter fraud professionals

### **2.6.3 The Centre of Excellence Fraud Prevention Unit**

- Prioritise intelligence products from the National Fraud Intelligence Bureau to identify prevention opportunities to reduce losses from fraud in the public & private sectors
- Produce and distribute Fraud Alerts
- Develop Fraud awareness products
- Conduct fraud trend analysis and work with industry partners to engineer out weaknesses and opportunities for fraud
- Coordinate media, website and public relations and promotional activities on behalf of Centre of Excellence, Economic Crime Directorate, National Lead Force and National Fraud Intelligence Bureau.

## **2.7 The role of Economic Crime Directorate and Centre of Excellence**

### **2.7.1 Reputation and commitment for policing economic crime**

The City of London Police is responsible for one of the largest financial districts in the world; it has a long tradition, expertise and corporate knowledge of policing economic crime that is valued by those individuals, businesses and organisations which it works with.

In April 2008, City of London Police and the Economic Crime Directorate established the National Lead Force and the National Fraud Intelligence Bureau, going live with 'Know Fraud' intelligence system in June 2010.

The technology behind 'Know Fraud' and the diversity of data in the system is unparalleled; it is recognised as probably the most advanced and powerful intelligence system in use by law enforcement globally.

Over the years City of London Police has developed a reputation as specialists in fraud and economic crime both domestically and internationally.

City of London Police have been integral to national and international efforts to combat fraud through their work in tackling organised crime groups, securing major convictions, raising public awareness and leading the way in fraud victim support.

The Economic Crime Directorate was responsible for the development of the Association of Chief Police Officers fraud doctrine and instrumental in raising the profile of fraud amongst police forces across England & Wales.

The Centre of Excellence will consolidate the achievements and operational learning of City of London Police and the Economic Crime Directorate with a comprehensive programme of Fraud prevention, investigation and management courses; the centre will coordinate fraud prevention, awareness and educational activities at a national and international level developing the brand and status of City of London Police.

### **2.7.2 Working in partnership**

As already stated City of London Police has a unique level of knowledge, skills and expertise and international reputation as economic crime experts. Their success in tackling increasingly complex multi-jurisdictional cases is in part due to the well established relationships City of London Police officers have developed over time with key counter fraud agencies, government departments, and businesses both domestically and internationally.

Key partners include the National Fraud Authority, Department for Work and Pensions, the HMRC, the Serious Fraud Office, the Serious Organised Crime Agency, Federal Bureau of Investigation, Royal Canadian Mounted Police, Australian Federal Police, Australian Crime Commission, Financial Services Authority and the Solicitors Regulatory Authority. It has also forged strong partnerships with financial institutions and private sector interests such as UK Payments, the Insurance Fraud Bureau, CIFAS, the Federation Against Copyright Theft and Prevention of Fraud in Travel.

The Centre of Excellence has been working with international law enforcement bodies, most recently the Royal Canadian Mounted Police, sharing best practice in fraud prevention, disruption, investigation and lessons learnt in the design and delivery of the 'Know Fraud' system.

As the City of London Police continue to work with International partners there is the potential that in the not too distant future there could be an opportunity to create an international network of intelligence hubs, sharing information and coordinating fraud prevention and disruption activities in real time at a global level.

### **2.7.3 Leveraging Additional funding and resources**

In addition to the funding received from the Home Office to deliver the National Lead Force, National Fraud Intelligence Bureau and develop the Centre of Excellence, the Economic Crime Directorate have been able to secure additional funding to support the development of the National Lead Force and National Fraud Intelligence Bureau including £1m per annum from the Corporation of London towards the cost of the National Lead Force.

The City of London see clear benefit in providing the many multinational businesses it hosts access to the UK's national fraud expertise that is delivered by Economic Crime Directorate, as it enhances the City of London and UK's reputation as a place to do business.

With the Centre of Excellences' new Fraud Prevention Unit, losses to fraud will be reduced, protecting our citizens and organisations from financial loss and

reputational harm, making the City of London the safest and preferred place to do business.

#### **2.7.4 Delivery and performance of Centre of Excellence**

In developing the Centre of Excellence and building capacity across the counter fraud community, City of London Police has also created the National Fraud Training Plan and is in the process of developing a new cross sector Fraud Investigators Manual.

The Centre of Excellence has designed and delivered a number of specialist programmes for public and private sector bodies to help prevent fraud, raise awareness, and advise on how to make organisations more resilient to the threat of fraud.

The Centre of Excellence has also organised and facilitated a range of workshops and seminars designed to find consensus on counter fraud strategies and how best to implement them including:

- Multitude of training programmes delivered with over 1,800 people trained
- A 3-day Fraud reporting and intelligence conference in July 2009
- A 3-day National Fraud Forum in October 2009.

#### **2.8 Centre of Excellence Developments**

The Centre of Excellence has been operational since April 2010 and has been working to deliver key counter fraud programmes that will:

- Educate counter fraud bodies on prevention strategies and tactics
- Increase knowledge of disruption opportunities
- Develop skills to maximise technology to combat fraud
- Enhance investigative capability of counter fraud bodies
- Disseminate best practice and lessons learnt to professionalise and standardise investigative practices across organisations in the public and private sectors
- Explore organisational vulnerabilities and identify solutions for target hardening and loss prevention.

In addition to the fraud training programmes the Fraud Prevention Unit will support this function by:

- Identifying the volume and value of confirmed fraud crimes in the UK
- Mapping geographical fraud hot spots
- Analysing where specific types of fraud occur and against whom



- Target awareness and prevention campaigns across the UK
- Produce and disseminate fraud alerts for the public and private sectors
- Manage media, website and public relations and promotional activities on behalf of Centre of Excellence
- Disseminate learning to the Fraud Training Faculty for real time incorporation in to new training programmes.

The concept of the Centre of Excellence is well regarded and supported by law enforcement and industry, who not only recognise the value and importance of what it can deliver, but also recognise what is required to deliver on the value and potential it has.

Whilst much work is still to be done to expand the capabilities of the Centre of Excellence and develop the Fraud Prevention Unit, Key achievements to date include the design and delivery of the following programmes:

- Bespoke Fraud Foundation Course for Serious Fraud Office investigators; 4 cohorts have successfully completed the programme.
- Programme for senior investigators from the Serious Fraud Office, Managing Serious and Complex Investigations; 3 cohorts have successfully completed the programme.
- Programme for senior investigators from Medicines & Health Regulatory Authority, Managing Serious and Complex Investigations.
- Specialist Internet Investigators course; delivered to a multitude of police forces and industry sectors including airlines, insurance, banking and transport to name but a few. The demand for this course far exceeds capacity of the Centre and could be delivered back to back year round if resources permitted.
- FSA-Search and Exhibit Handling Course; currently being rolled out to all FSA enforcement staff.
- National Fraud Foundation Course; on average two courses a year are being delivered to officers from police forces across the country
- Professional Witnesses Programme, designed to prepare organisations for the challenges of preparing and presenting evidence for prosecution cases
- Intelligence Handling & Management; delivered to a number of organisations including IFB.
- International Payment & e-Crime – Investigation & Prevention programme designed for international markets and is programmed for delivery in Kuala Lumpur in July 2011 and Dubai in Aug 2011.

*"The Insurance Fraud Investigators Group ([www.ifig.org](http://www.ifig.org)) have employed the City of London Police ECD on several occasions to deliver training to our members. We would unhesitatingly recommend them to any financial institution for relevant and practical training in fraud investigation and prosecution techniques."*

Peter Upton, Group Head of Financial Crime Investigation Prudential plc  
(former Chair of IFIG)

The achievements of Centre of Excellence listed above have, for 2010/11, generated over £250,000 income for City of London Police. The pricing of these programmes have historically been kept low as the main focus was to enhance the brand and deliver programmes on a cost recovery basis.

With the financial challenges facing City of London Police as a result of the Comprehensive Spending Review (CSR) a revised Centre of Excellence Costing Model has been produced to make the most of the opportunities to generate income to support City of London Police and Economic Crime Directorate functions.

It is clear that City of London Police and Economic Crime Directorate has utilised its strengths, reputation and knowledge in support of the set-up and delivery of Centre of Excellence, and been able to leverage support and demand for programmes from across the public and private sectors.

The benefits of this development work are slowly being realised, with increased investment the Centre of Excellence will be able to meet local demand and exploit current untapped markets both nationally and internationally<sup>1</sup>.

Whilst the fraud training programmes designed by the Centre of Excellence for external markets is still a new and developing area of business, demand made of the Centre has been used to scope & design a comprehensive prospectus of new and proven programmes.

The Centres initial prospectus will include:

- Internet Investigators Course (2 days)
- Advanced Internet Investigations Course (3 days)
- Technology Enabled Crime Course (2 days)
- Fraud Researchers Course (3 days)
- Risks and Threats from Social Media and Networking Sites Course (1 day)
- Senior Fraud Investigators Programme – Public Sector Course (5 days)
- Organisational Fraud Awareness and Reduction Course (3 days)
- Introduction to Fraud Intelligence Course (1 day)
- Introduction to sensitive Intelligence Techniques Course (1 day)
- Professional Witnesses Course (2 Days)
- Fraud Investigators Foundation Course (4 days)
- Intelligence Led Fraud Investigations Course (2 days)
- Stage 2 Fraud Analysts Course (5days)
- Stage 3 Fraud Analysts Course (5 days)
- Organisational Intelligence Transformation Programme (5 days)
- Volume and Priority Fraud Investigators Course (3 days)
- Specialist Fraud Search Training Course (1 day)
- Managing Serious and Complex Fraud Investigations Course (5 days)

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<sup>1</sup> S.26 of the Police Act 1996 requires consent of Secretary for the provision of services to an overseas organisation or police service. Covered in Appendix A

- Cheque and Plastic Card Crime Course (4 days)
- Financial Investigation for Fraud Investigators (2 days)
- Investigating & Presenting Evidence of Bribery & Corruption (3 days)
- Accredited Fraud Investigator Programme (15 days)

The Centre of Excellence is working closely with the National Fraud Intelligence Bureau to ensure that new programmes deliver the knowledge and develop the skills to tackle fraud that is causing the most harm.

The National Fraud Intelligence Bureau Threat Assessment represents the first multi-agency threat assessment on fraud.

Analysis suggests that the operational areas that will require the focus and attention of public and private sector counter fraud specialists are:

- Professional, Financial & Technical enablers
- Mass marketing fraud
- Combating OCG activity and serious and organised crime
- Accommodation addresses used to facilitate fraud
- Money-laundering and recovering the profits of fraud
- Threat of fraud and financial crime to elderly & vulnerable victims
- Identity crime.

Each of the areas listed above require the skills and expertise which the Centre of Excellence is uniquely positioned to deliver through quality training programmes and learning resources.

An informed and coordinated approach to the training and accreditation of public and private sector counter fraud bodies, both within the UK and internationally will enhance the City of London Police brand and ensure the City of London remains the city of choice to do business.

## **2.9 Analysis of Strengths, weaknesses, opportunities and threats**

In developing this business case it is important that we consider the strengths, weaknesses, opportunities & threats (SWOT) of the current situation and operating model for the Centre of Excellence.

This helps to identify the preferred option and drivers for future delivery. Our analysis is summarised in the Table below:

### Strengths

- Strong corporate knowledge, skills and expertise within City of London Police contributing to success of Centre of Excellence
- Ability to generate income for City of London Police
- Uniquely geographically located within the largest financial district and vulnerable potential 'high value' victims (and perpetrators) of fraud
- Unrivalled international reputation of City of London Police as 'economic crime experts';
- Operational synergies with collocation of Centre of Excellence with NFIB and NLF
- City of London Police has a proven track record of delivering high quality cross sector fraud training
- Due to its reputation as economic crime specialists, City of London Police and the Centre of Excellence has the ability to attract new business in local international markets

### Weaknesses

- Perception of a national/international provider with a London bias
- Bound by police performance metrics and National Police Improvements Agency (NPIA) governance
- Limitations of the estate and high quality training venues to meet current and future demand
- Complexity in funding and financial management within City of London Police make performance and benefits attribution challenging with no clear framework in place to help demonstrate return on investment
- Separation of Crime Training from Centre of Excellence restricts departmental expertise and limits qualified training resource.
- Shared Services could be restrictive in running the Centre of Excellence as business enterprise

### Opportunities

- Ability to draw stronger links with public and private sector partners
- Ability to extend reach of Centre of Excellence with international markets
- Extend reach of Centre of Excellence into managing disruption and prevention activities
- Deliver efficiencies across the counter fraud landscape through greater partnership working and collaboration with organisations and interventions

### Threats

- A change in government priority and/or strategy to tackle fraud
- Uncertainty over remit of a single economic crime agency and role of Centre of Excellence
- Action to reduce budget deficit may lead to cuts in City of London Police budgets and the commitment to provide additional resources without recharging
- Other funding streams leveraged may also be at risk

### **3. Options & Benefits Case**

#### **3.1 Benefits Realisation Planning & Management**

The Centre of Excellence Business Case is focused on delivering benefits, in particular, enhanced fraud prevention and disruption activities, income generation and national/international brand development.

In this Business Case for the benefits realisation to work it has been essential to identify clear outcomes that relate to unambiguous business objectives, and to assign ownership to those responsible for planning and managing their achievement.

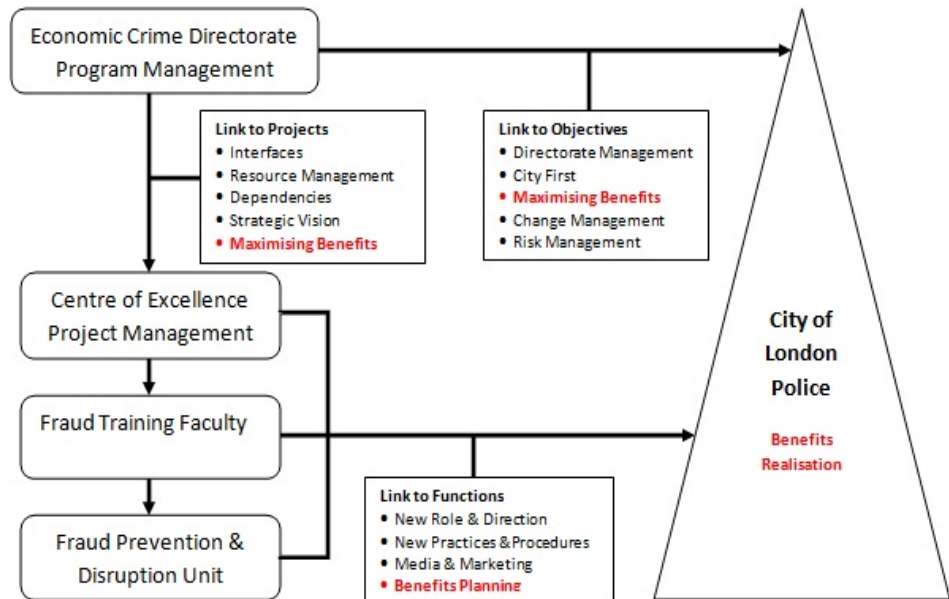
A central goal of this process has been to bring structure, accountability, clarity and discipline to the definition and delivery of the benefits inherent in this business case.

The Business Case has set out the basis of an investment or change plan. The Business Case has also projected the potential return or value that City of London Police will achieve by the proposition in the business case, both from prevention and training functions.

The Business Case has also set out how the value or return will be delivered, by identifying specific benefits that will be accrued via making the investment / change.

Many of the anticipated benefits will not start to materialise until after the Centre of Excellence development/change project has been delivered. It is therefore essential that the ownership of the benefits realisation plan is maintained beyond project delivery through to complete realisation.

Below is the model used in the benefit realisation plan:



The benefits case for each of the business areas is covered in more detail in the Financial Case section.

### 3.2 Opportunities for Centre of Excellence – Fraud Prevention Unit

To realise the full potential of the Centre of Excellence and to maximise the opportunities to prevent fraud a new approach to intelligence management is necessary. The ‘Know Fraud’ intelligence system, currently sited and used exclusively by National Fraud Intelligence Bureau provides the means to enable the enhanced prevention function of the Centre of Excellence.

The National Fraud Intelligence Bureau is unique unlike any other intelligence function, the ‘Know Fraud’ intelligence system is used to identify prevention, disruption and enforcement opportunities simultaneously, this reduces the traditional bottle neck and time lag that previously caused delay in intelligence being made available for prevention and disruption activities.

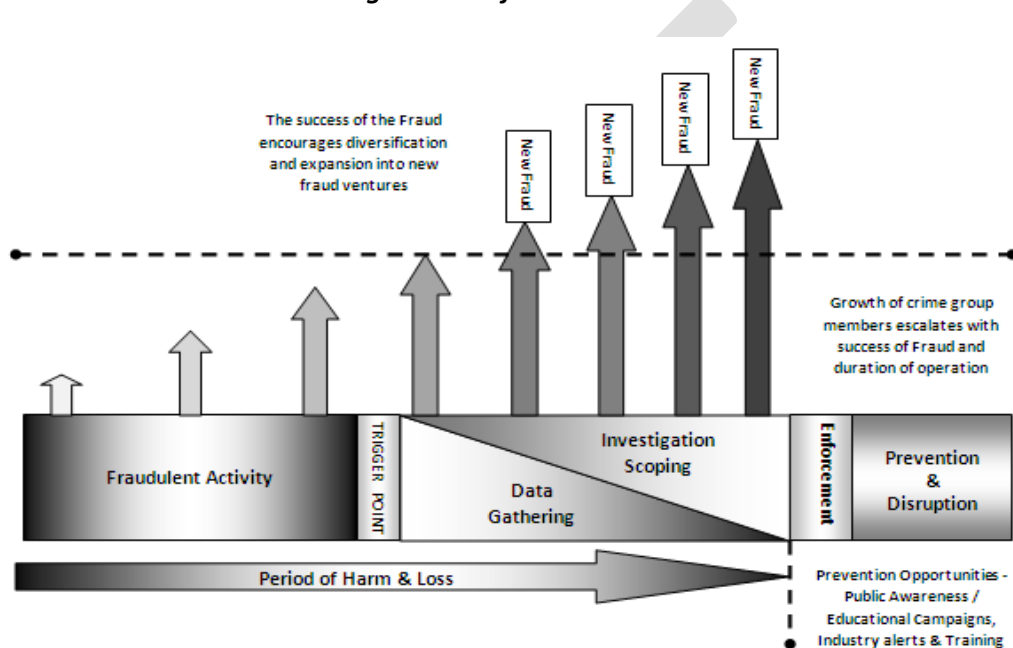
Historically this had the potential to extend the duration and harm caused by the fraud putting more people and organisations at risk, in comparison to Prevention & Disruption prioritised function.

With the National Fraud Intelligence Bureau prioritising prevention and disruption as a primary work stream of the ‘Know Fraud’ system will enable real time packages and profiles to be actioned by the Centre of Excellence resulting in more timely dissemination and disruption of fraud activities, providing real opportunities to minimise harm and exposure to risk, protecting people and organisations.

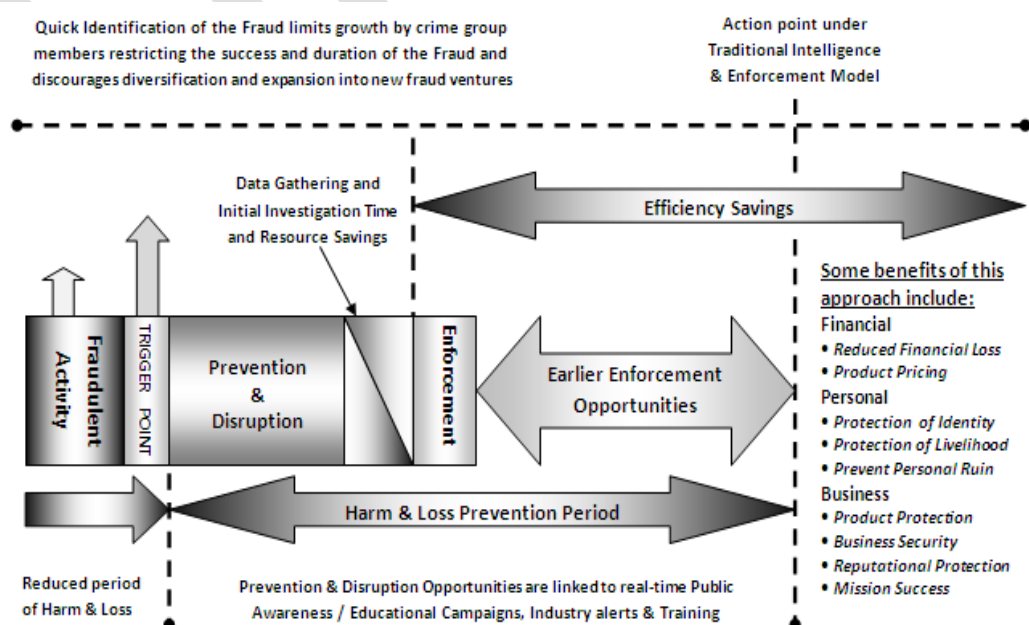
With the Centre of Excellence working in partnership with National Fraud Intelligence Bureau; Implementing a Prevention and Disruption led approach to managing the 'Know Fraud' will make the Centre of Excellence the premier fraud prevention unit in the UK, serving both the public and private sectors.

Below is a representation of a Traditional Intelligence & Enforcement model which can be compared against the Data Sharing, Prevention & Disruption model which is the method used by National Fraud Intelligence Bureau and will be exploited by the Centre of Excellence Fraud Prevention Unit:

### Traditional Intelligence & Enforcement Model



### Data Sharing, Prevention & Disruption Model



### **3.3 Opportunities for Centre of Excellence – Training & Accreditation**

The Centre of Excellence is well regarded and supported by law enforcement and industry, who not only recognise the value and importance of what it delivers, but also recognise what is required to deliver on the value and potential it has.

In 2010/11 the Centre of Excellence generated over £250,000 income for City of London Police, the pricing of the programmes were kept well below market rates, pitched at a cost recovery level.

With the financial challenges facing City of London Police as a result of the Comprehensive Spending Review (CSR) a revised Centre of Excellence Costing Model has been produced to make the most of the opportunities to generate income to support City of London Police and Economic Crime Directorate functions.

Whilst much work is still to be done to expand the capabilities of the Centre of Excellence a lot can be learnt from a study of the market place, national and international counter fraud institutes, both on approach and potential.

#### **3.3.1 Case Study Association of Certified Fraud Examiners (ACFE)**

Established in Austin, Texas in 1988 the Association of Certified Fraud Examiners is the world's largest counter fraud organization and probably one of the largest providers of counter fraud training and educational products.

The ACFE has more than 55,000 members in 125 countries worldwide, primarily focussed on reducing business fraud world-wide. Its activities include producing fraud information, tools and training.

ACFE members have investigated more than two million cases of suspected criminal and civil fraud.

Many influential agencies value the CFE credential. In April 2006, the U.S. Department of Defence announced they officially recognise the CFE credential. In February 2006, Gregory Kutz, managing director of the Forensic Audits and Special Investigations Unit for the Government Accountability Office, announced that everyone in his unit must obtain their CFE credential.

The FBI officially recognises the CFE designation as a critical skill set under the Diversified Special Agent hiring sub-programme. The U.S. Securities and Exchange Commission, in response to criticism in the wake of the Madoff scandal, has partnered with the ACFE to train hundreds of its investigators to become Certified Fraud Examiners.

The ACFE is also one of the founding members of the nonprofit Institute for Fraud Prevention (IFP), a consortium of domestic and international universities dedicated



to cutting-edge research into the causal factors of a wide variety of white-collar crimes.

Today the ACFE is recognized globally as a premier anti-fraud training and resource organization supporting its members and the anti-fraud profession by providing conferences, seminars and other training events

The ACFE established and administers the Certified Fraud Examiner (CFE) credential, which denotes proven expertise in fraud prevention, deterrence, detection, investigation and prosecution. CFEs are trained to identify the warning signs and red flags that indicate evidence of fraud and fraud risk.

ACFE courses are designed to give professionals the skills and information they need to address fraud in a truly comprehensive manner. The ACFE focus on the entire range of effective anti-fraud programmes that include controls and systems to prevent fraud as well as audit techniques to detect and investigate fraudulent conduct.

In the last five years, annual attendance at ACFE Seminars, training events and conferences has increased over 45%.

The ACFE organise a number of conferences every year, including major international events including a 6 day event in the USA, a 4 day event in Canada and a 3 day event in Europe. The ACFE also offer a comprehensive programme of seminars / courses delivered at international sites or client venues, these include:

#### Fraud Examiner Core Courses

- Legal Elements of a Fraud Examination
- Investigating on the Internet
- Conducting Internal Investigations
- Principles of Fraud Examination
- Auditing for Internal Fraud
- Introduction to Digital Forensics
- Professional Interviewing Skills
- Fraud Prevention

#### Fraud Examiner Intermediate Courses

- Interviewing Techniques for Auditors
- Contract and Procurement Fraud
- Digital Forensic Tools and Techniques
- Investigating Conflicts of Interest
- Money Laundering: Tracing Illicit Funds
- How to Testify
- CFE Exam Review Course
- Financial Statement Fraud

#### Fraud Examiner Advanced / specialist Courses

- Advanced Fraud Examination Techniques
- Advanced Interviewing Techniques Workshop
- Fraud-Related Compliance
- Healthcare Fraud
- Mortgage Fraud
- Building Your Fraud Examination Practice
- Financial Institution Fraud
- Fraud Risk Management

To put this into perspective, below are some figures (based on 2011 ACFE pricing) to demonstrate the income generation potential of such an enterprise.

To Become a Certified Fraud Examiner (CFE) it is necessary to complete a course of study remotely with ACFE Fraud Manuals and on-line Study support.

The cost of the CFE Preparation Course materials is £615 and to take the CFE exam costs £155, a discount of £62 is applied if the exam is booked at the time of purchasing the Preparation Course giving a total £708 per person. The exam is conducted on-line and is completely automated.

If the growth of the ACFE had been steady over its 22 year existence this would equate to 2,500 new members per year, which if they all sought to become CFE's that would equate to  $2,500 \times £708 = £1,770,000$  per year.

Each member must renew their membership of ACFE yearly which costs £110 for associates and £180 for certified members, for its 55,000 members, based on 35,000 associates and 20,000 members this would equate to  $35,000 \times £110 = £3,850,000$  and  $20,000 \times £180 = £3,600,000$  giving a total of £7,450,000 per year.

On top of this each member must complete a minimum of 20 days (160 credits) of Continuous Professional Education (CPE) a year. All of the ACFE events are mapped against a CPE credit framework, an average of 8 credits is awarded for each day of learning.

CPE events range in price between £204 and £261 per day for courses & seminars and an average of £330 per day for Conferences giving an overall average of £265 per day. Working on a very conservative ratio, if members only completed 10% (2 days) of their CPE through ACFE this would equate to  $2 \times £265 = £530 \times 55,000 = £29,150,000$  per year.

Based on the above figures through professional accreditation, registration, training and CPE alone, the ACFE are able to generate £38,370,000 per year.

### **3.3.2 City of London Police and the UK Counter Fraud Training, Accreditation and Registration Landscape**

Over the years City of London Police has developed a reputation as specialists in fraud and economic crime both domestically and internationally.

The Fraud Review recognised the pivotal role played by the City of London Police and its Economic Crime Directorate and made a number of recommendations in relation to its remit:

*43) A National Lead Force for fraud should be established with the following functions:*

*a) To create, develop and manage the National Fraud Reporting Centre and its analytical unit;*

*b) To disseminate intelligence and analysis to the network of Police Fraud Squads and, subject to appropriate protocols, other organizations investigating fraud (e.g. Serious Organized Crime Agency (SOCA)) to help them target fraud investigations and anti-fraud work generally;*

*c) To act as a Centre of Excellence for fraud investigations, including organized training, disseminating best practice, general fraud prevention advice, advising on complex enquiries in other regions, and assisting with or even directing the most complex of such investigations.*

*44) The National Lead Force should be based around the existing City Of London Police Fraud Squad. (This is without prejudice to the issue of whether that squad would remain part of a separate City force, as now or within a revised London police structure.)*

Whilst not a statutory function, it could be argued that there was a greater expectation from the Government that the Centre of Excellence not only delivered but undertook a role coordinating and quality assuring fraud training (in addition to other functions) across the public and private sectors

City of London Police have been integral to national and international efforts to combat fraud through their work in tackling organised crime groups, securing major convictions, raising public awareness and leading the way in fraud victim support, the operational learning from these investigations is central to the development and maintenance of the Centres fraud training materials.

The Centre of Excellence is well regarded and supported by law enforcement and industry, who not only recognise the value and importance of what it delivers, but also recognises what more can be achieved with specialist fraud training and accreditation of courses and investigators.

Across the UK there is no single counter fraud accreditation or professional body. The closest thing to a professional body is the Counter Fraud Professional Accreditation Board (CFPAB) which was created in 2001 from the merger of the

National Counter Fraud Accreditation Board and the NHS National Professional Accreditation Board.

The CFPAB has representatives from both the public and private sectors, including: DWP, Job Centre Plus, Local Authorities, Department of Health, NHS CFSMS, HMRC, IPS, CSA, KPMG, CIPFA, UKBA and the University of Portsmouth.

The CFPAB accredit a number of courses and professional designations including:

- Accredited Counter Fraud Specialists (ACFS)
- Accredited Counter Fraud Managers (ACFM)
- Accredited Counter Fraud Trainers (ACFT)
- Certified Counter Fraud Specialists (CCFS)
- Graduate Counter Fraud Specialists (GCFS)

Since its inception the CFPAB has made over 11,500 awards, an average of 1,150 a year. Unlike the ACFE membership, once qualified or certificated there is no requirement for Continuous Professional Development and no professional registration.

The CFPAB have been engaged by the National Fraud Authority (NFA) as part of the NFA's work coming out of the Home Office report Extending our Reach, published in July 2009. Key activities in this area were to "create and implement and accreditation framework for fraud investigation qualifications" and to "develop common standards for fraud investigation to enable more efficient and effective transfer of cases between private and public sectors.

The NFA consulted a number of training providers and held a seminar / workshop on 16/07/2010. From this a core curriculum was produced and the following recommendations were made:- That the CFPAB is asked to:

- Agree in principal to take on responsibility for the maintenance and promotion of the basic core curriculum.
- Agree to further work to specify a process to validate already accredited courses against the basic core curriculum;
- Agree to the proposals to revise its membership

This is a positive move forward but the core curriculum is lacking in substance and falls short of addressing the core issues of cross sector investigations and working practices. The core curriculum was developed without a formal training needs analysis and is not underpinned by role profiles or a skills framework.

Although the NFA found in favour of extending the remit of the CFPAB for the management of the curriculum, course accreditation and approved provider management this may be limiting and may not satisfy the requirements of mapping and harmonising cross sector investigative practices and procedures in line with the Governments thinking in the report Extending our Reach.

The proposal also fails to build on the existing system by recognising counter Fraud Professionals as a professional body requiring registration and continuous professional development (CPD).

Although this solution has sound academic underpinning it lacks occupational competence and credibility which could be provided by the Centre of Excellence working hand in hand with the Economic Crime Directorate, the National Lead Force and National Fraud Intelligence Bureau. This structure will ensure that the curriculum is current, reflecting current threats, risks and operational practices.

Where appropriate, the Centre of Excellence could still work with CFPAB but would not limit accreditation to them where alternatives or more suitable options are available.

A number of other academic institutes offer Fraud management and Investigation programmes at undergraduate and post graduate levels. Teesside University offer a number of specialist fraud programmes at undergraduate and postgraduate levels. In addition Teesside University also accredits external fraud courses, providing both certification and credit transfer.

An example of this is the police national 3 week Fraud Foundation Course, this has been accredited and achieves 60 credits from Teesside and achieves a Post Graduate Certificate, the new Volume and Priority Fraud Investigators course has been assessed by Teesside and could be accredited achieving 20 credits towards and undergraduate fraud programme.

Within the public sector there is a number of law enforcement and regulatory bodies that investigate fraud and either deliver their own training or buy it in from another public sector body. These organisations include:

- Serious Fraud Office (majority of training is delivered by CoLP Centre of Excellence)
- NHS Protect (have their own training arm and provide CFPAB accredited courses – mainly internal)
- Department of Work and Pensions (have their own training arm and provide CFPAB accredited courses – mainly internal)
- Financial Services Authority (majority of training is delivered by CoLP Centre of Excellence)
- Office of Fair Trading (Some training provided by CoLP Centre of Excellence, remainder outsourced to public and private sector organisations)
- HMRC (have their own training arm and provide HMRC specific courses – some training for HMRC is now being undertaken by CoLP Centre of Excellence)
- SOCA (historically SOCA have delivered their own training but CoLP Centre of Excellence is now providing a selection of courses to SOCA)

The National Policing Improvements Agency (NPIA) manage and provide the framework and materials for law enforcement officers who elect career pathways as detectives via the Professionalising the Investigative Process (PIP). However, for officers wishing to specialise the NPIA have historically offered little in the field of fraud training due to niche market and highly specialist nature of the training.

The NPIA supports a number of specialist fields of work linked to fraud, one being the coordination of financial investigation training and management the FISS database which requires Financial Investigators (FI) to register and maintain CPD.

Although this process is managed by NPIA the principal delivery agent for FI training has historically been GMP police and their fraud training unit.

The NPIA Specialist Crime Unit at Wyboston also delivers a computer forensics programme which is highly specialised and a key feature of most fraud investigations. Highly specialist training such as this will probably always remain the responsibility of the NPIA or other specialist providers.

With the uncertainty over the future role of NPIA and the formation of a new national body, either under ACPO or as professional institute it would probably not be the best time for us to look at the NPIA undertaking new responsibilities regarding the development and management of a national fraud curriculum and implementation of a new register or professional body for cross sector counter fraud specialists.

City of London Police and the Centre of Excellence would look to build on its relationship with the NPIA as its future remit and direction is agreed as the specialist arm for fraud training ensuring that any progress made now is sustainable and compatible with the future vision for the NPIA and the proposed Economic Crime Agency.

The Commissioner of the City of London Police chairs the ACPO Economic Crime Portfolio (ECP) and sitting under the ECP is the Fraud Training Sub-Group which at present is chaired by the Head of Investigative, Intelligence & Cyber Crime Training at the NPIA. Police membership of the sub-group includes the specialist fraud training centres of GMP, WMP, MDPGA and CoLP. The four police representatives are responsible for the design and delivery of all fraud, bribery and corruption training for all police forces in England & Wales.

In the commercial arena there are a whole host of programmes the majority of which are not accredited and do not reflect or take into account the need for greater cross sector working and the harmonisation of procedures and practices. The content of the courses offered are not governed which has led to the police and public sector counter fraud bodies finding it difficult to work with investigators from the private sector because of the disparity in the training.

Examples of commercial offering include:

**CIFAS -**

- |  |           |
|--|-----------|
| ▪ Introduction to Basic Fraud Awareness    | (1 hour)  |
| ▪ Identity Fraud Training                  | (6 hours) |
| ▪ Basic Fraud prevention Techniques        | (6 hours) |
| ▪ Organised Fraud Intelligence Gathering   | (1 day)   |
| ▪ Dealing with Deception                   | (1 day)   |
| ▪ Whistle-blowing                          | (3 hours) |
| ▪ Cybercrime and Computer Misuse           | (6 hours) |
| ▪ Fundamentals of Financial Investigations | (6 hours) |

**Investec –**

- |   |          |
|---|----------|
| ▪ The Principles of Fraud Risk management | (1 Day)  |
| ▪ Fraud Risk Management Implementation    | (3 Days) |

#### **Questgates –**

- Accredited Counter Fraud Specialist (ACFS) (20 days)
- Insurance Fraud Technician (5 days)
- Internet Investigation course (1 day)
- Fraud awareness (1/2 day)

#### **Argent Associates –**

- Investigative Interviewing (3 days)
- Basic SCAN Statement Analysis (3 days)
- Advanced SCAN Statement Analysis (2 days)
- Cognitive Interviewing Skills (3 days)
- Difficult Suspect Interviewing (3 days)
- Telephone Interviewing (3 days)

#### **ARC Training, International Academy for Security Management -**

- Workplace Investigation & Interviewing (4 days)
- Advanced Investigation Techniques (5 days)
- Investigating Fraud in the Workplace (3 days)
- Investigating IT Misuse (2 days)

The review of the training on offer across the fraud marketplace highlights a lack of consistency and consideration to cross sector working. Although there is some very good training being offered this confirms the need for a nationally recognized core curriculum and professionalisation of the counter fraud community.

### **3.3.3 Centre of Excellence – current position**

In reviewing the progress made by the Centre of Excellence since its inception in May 2009, a lot has been done to promote and establish the Centre of Excellence as the centre for excellence in Fraud Investigation Training and generate income for the City of London Police.

From the progress made it is clear that there is a finite amount of training that can be delivered, limited by both space within City of London Police premises and suitably qualified training staff which in turn will limit the income generation opportunities for the Centre of Excellence.

Some of the course delivery is dependent on external provision & expertise and external resources are regularly brought in. This does however reduce the profitability of training and could potentially jeopardise the reputation of the City of London Police if it were delivered and badged as a Centre of Excellence course and not suitably quality assured.

Once the Centre of Excellence has reached the limit of its training delivery this would also equate to the limit of income generation under the current structure and direction. To overcome this, the Centre of Excellence has entered into a number of partnerships with other training providers who have started to deliver some of the training that was previously developed and delivered by Centre of Excellence staff.

Two examples are the partnerships with PAR Associates Ltd and Snowdrop Consulting Ltd. These partnerships only focus on the training that can be delivered which does not rely on current or specialist knowledge only available from Economic Crime Directorate staff.

This compensates for minimal staffing in the Centre of Excellence and helps the department achieve maximum use from its training resources but it does little in promoting the Centre of Excellence in the private sector or capitalising on the large volumes of Counter Fraud Training currently being delivered by commercial organisations.

The Current establishment of the Centre of Excellence is: 1 Detective Inspector, 1.6 Detective Constables & 0.6 Support Staff giving a staff cost of **£170,598**. Total running costs (excluding premises) for the Centre in 2010/11 are:

Staff:	£170,598
Consumables:	£7,500
Expenses:	£78,000 (inc professional fees)
Total:	<b>£256,098</b>

At the time of completing this Business Case the final accounts for 2010/11 for the Centre of Excellence had not been completed but the yearly target for income generation of £250,000 has been achieved.

The financial health of the Centre of Excellence can be demonstrated as:

Centre of Excellence running costs:	£256,098
Income generation:	£250,000
Total:	£6,098 -
Savings from internal staff training:	£65,080
Total:	<b>£58,982 +</b>

### **3.3.4 Centre of Excellence – future projections**

To realise the potential of the Centre of Excellence investment will be required to enable the Centre to become self funding and generate income at a level to be of value to City of London Police and the Economic Crime Directorate.

Below shows the income generation potential of the Centre of Excellence by improving efficiency of the department, increasing resources and expanding the methods and locations of course delivery.

This is broken down over a three year period of growth and development; the figures do not include the additional revenue that could be achieved by accreditation of externally delivered programmes or the implementation of a professional body/register similar to that of ACFE which is covered separately.



As a starting point each full time member of Centre of Excellence staff has 224 working days available per year, with no allowance for course development this equates to 112 days course / material preparation and 112 days delivery / contact time.

Without dedicated training support the available contact time can be impacted upon if the trainer is responsible for course administration, booking speaker, managing course bookings etc.

As the trainer becomes more familiar with the materials the need for course / material preparation is reduced but this should not be counted as regular contact time but can be utilised in exceptional circumstances up to a ratio of 84 days course / material preparation with 140 days delivery / contact time.

By maximising trainer delivery, increasing delegate numbers and bringing the delegate fees inline with the market average, income per member of staff would increase at the following rate:

#### **Year 1 - per trainer daily return.**

Average day rate per delegate (external) £350, average course size 12 giving a daily average £4,200 - per Trainer yearly maximum revenue:

$$112 \times £4,200 = \mathbf{£470,400}$$

#### **Year 2 – per trainer daily return.**

Average day rate per delegate (external) £385, average course size 14 giving a daily average £5,390 - per Trainer yearly maximum revenue:

$$112 \times £5,390 = \mathbf{£603,680}$$

#### **Year 3 – per trainer daily return.**

Average day rate per delegate (external) £425, average course size 16 giving a daily average £6,800 - per Trainer yearly maximum revenue:

$$112 \times £6,800 = \mathbf{£761,600}$$

Combining the income per member of staff with the proposed establishment (training Staff) it is possible to project the potential income for the Centre of Excellence Fraud Training Faculty as:

#### **Year 1 – Centre of Excellence return.**

With an establishment of 2 Inspectors (0.3 contact), 2 Sergeants (0.6 contact), 6 Constables (full contact) it is possible to achieve:

$$7.8 \times 112 = 873.6 \times £4,200 = \mathbf{£3,669,120.}$$

### **Year 2 – Centre of Excellence return.**

With an establishment of 2 Inspectors (0.3 contact), 2 Sergeants (0.6 contact), 12 Constables (full contact) it is possible to achieve:

$15 \times 112 = 1680 \times \text{£}5,390 = \text{£}9,055,200.$

### **Year 3 – Centre of Excellence return.**

With an establishment of 2 Inspectors (0.3 contact), 2 Sergeants (0.6 contact), 12 Constables (full contact) it is possible to achieve:

$15 \times 112 = 1680 \times \text{£}6,800 = \text{£}11,424,000.$

A detailed financial analysis of this function is included in the Financial Case.

#### **3.3.4.1 Partnership options with Academic or professional Institutes**

To set the Centre of Excellence apart from other training organisations and to provide a sound foundation for the establishment of a professional body it could be beneficial to be aligned with a reputable academic institute. There are many options for how the Centre of Excellence could work Higher Education but for the Business Case only two have been considered:

**Sole alignment:-** this option would align the Centre of Excellence to a single academic institute renowned for research and learning in fraud and economic crime. At the volume end of the market are Portsmouth University which is primarily a research institute or Teesside which is more of a teaching institute, at the prestige end of the market is Jesus College, Cambridge which is host to annual Symposium on Economic Crime, currently in its 28th year. Jesus College is world renowned for both teaching and research and the prestige of Cambridge University may be more in keeping with this business case. Draw backs with sole alignment could be the additional cost of accreditation and award for courses, restrictions of accreditation boards and management of student registration and management outside of recognized term times.

**Education Partnership:-** this option would see the Centre of Excellence endorsing colleges and universities to provide expert anti-fraud courses and programmes. Colleges and Universities around the world could become key providers of Centre of Excellence developed anti-fraud programmes. This unique type of partnership would provide a national / international portfolio of specialist fraud venues for delivering CPD events and conferences. The Partnership would provide greater scope in addressing the increasing need for counter fraud education at further and higher education levels. In pursuit of this objective, the Centre of Excellence would

commit to providing timely world-class educational tools and resource to Universities and Colleges around the world. This approach would have greater flexibility at all levels whilst still giving the Centre of Excellence academic credibility and alignment.

### **3.3.5 Role of the Centre of Excellence as an Institute for Fraud Accreditation, Registration and Training**

A new business opportunity could be had by establishing a Centre of Excellence Fraud Professionals Accreditation Board (COE-FPAB) and Institute of Fraud Professionals (IFP) creating and managing a professional register of Accredited Fraud Professionals, building on the progress made by the CFPAB mirroring the model that has proved such a success for the ACFE.

The COE-FPAB and IFP would, for a fee, review and accredit courses delivered by public and private sector organisations (including FE and HE institutes); these courses would then receive Centre of Excellence endorsement and joint certification, the Centre of Excellence receiving a fee for each delegate trained.

A new web site would need to be developed to service the promotion of internal and external accredited courses, seminars, conferences, on-line learning resources, academic research on fraud, fraud alerts and awareness – this could be a joint website with other Centre of Excellence functions.

Individuals passing an accredited course would receive the first year free on the Institute of Fraud Professionals register (which would also be managed and promoted via the Centre of Excellence website) and like all professional bodies, this would require yearly renewal (for a fee) and completion of compulsory 'Continued Professional Development' (CPD). The ACFE case study is a testament to the business and income generation opportunities from this approach.

The CPD elements would bring in another revenue stream accrediting short courses, lectures and conferences. Short CPD events are the most lucrative area of business; once an individual is accredited and professionally registered they are reluctant to surrender this status.

This can help protect the Centre of Excellence from reductions in core training demand affected by fluctuations in the external financial environment.

The COE-FPAB & IFP would become the lead agency/body for both public and private sector fraud training, standardising programme development and guiding the development of core content. This would be the first time fraud training has been reviewed and accredited from a public/private sector perspective which would also benefit the service by standardising investigative practices and case file development across the sectors.

The COE-FPAB & IFP could expand the operation further and undertake a role in the development of specialist 'open' fraud training materials, courses and CPD sessions. Instead of the Centre of Excellence delivering all of the courses the COE-FPAB would look to deliver train the trainer programmes and franchise delivery of

the Centre of Excellence developed courses and sessions, this could be especially useful in exploiting international markets.

Recognising the fact that within Economic Crime Directorate there are limited resources with the skills and qualifications to deliver specialist fraud / crime training merging Centre of Excellence with City of London Police Crime Training team would immediately boost specialist knowledge and capacity to deliver more and varied programme of courses.

The Centre of Excellence should not be bound by trying to identify suitable staff from within the City of London Police but should also look externally to other police forces, law enforcement agencies and commercial organisations – identifying experience and expertise which could support and serve the aims of the Centre. To achieve this, a framework for facilitating secondees and transferees will need to be implemented.

Using the figures from ACFE and the volumes from the CFPAB combined with figures from training requested received by the Centre of Excellence we can project a minimum return from the development of COE-FPAB & IFP. The figures are calculated on a ratio of 2,300 course delegates and 1,150 associates (£110 pa) and 1,150 full members (£180 pa). The yearly projections are calculated on compounding the figures year on year.

### **Year 1.**

Course endorsement for professional status:	£161,000
Professional Registration / membership:	£333,500
APL/APEL bridging seminars & conferences:	£609,500
Total:	<b>£1,104,000</b>

### **Year 2.**

Course endorsement for professional status:	£161,000
Professional Registration / membership:	£667,000
CPD courses, seminars & conferences:	£1,219,000
Total:	<b>£2,047,000</b>

### **Year 3.**

Course endorsement for professional status:	£161,000
Professional Registration / membership:	£1,000,500
CPD courses, seminars & conferences:	£1,828,500
Total:	<b>£2,990,000</b>

From the above it is clear that the potential from establishing a COE-FPAB & IFP has the potential to generate income which will continue to increase yearly as the professional register grows and members have to maintain CPD and renew their membership. Years 4 and 5 are projected at:

**Year 4: £3,933,000**

### **Year 5: £4,876,000**

The COE-FPAB & IFP is an integral function of the Centre and the Fraud Training Faculty will be responsible for delivering CPD and training events for the IFP side of the business so income streams should be viewed collectively.

A detailed financial analysis of this function is included in the Financial Case.

The below table summaries the combined income generation form both the Fraud Training Faculty and Professional Institute and makes the distinction between existing funding and new money year on year.

Combined Centre of Excellence Functions	2012-13	2013-14	2014-15
<b>HO Funding</b>	<b>£256,098</b>	<b>£256,098</b>	<b>NIL</b>
<b>Carry over Profit / Funding</b>	<b>NIL</b>	<b>£1,505,423</b>	<b>£5,001,802</b>
<b>Additional Funding Req.</b>	<b>£3,011,599</b>	<b>£4,338,877</b>	<b>£1,605,779</b>
<b>Total Funding</b>	<b>£3,267,697</b>	<b>£6,100,398</b>	<b>£6,607,581</b>
<b>Income</b>	<b>£4,773,120</b>	<b>£11,102,200</b>	<b>£14,414,000</b>
<b>Profit or Loss</b>	<b>£1,505,423</b>	<b>£5,001,802</b>	<b>£7,806,419</b>

The above includes employment costs for specialist management and financial functions which could be provided by a partnership with a commercial organisation as an alternative to direct recruitment. Although a commercial partnership would reduce staffing costs and funding requirements it is impossible to project how this would influence the profit margin or realisable income as this will be heavily dependent on the agreement of a profit share arrangement.

The options for a Commercial partnership or direct employment are explored below.

#### **3.3.6 Establishment of a Royal or Chartered Institute**

In establishing a professional body consideration will need to be given to its structure and governance. UK Royal and Chartered Institutes are recognised around the world and when combined with the City of London brand would provide a business advantage in global markets not afforded any other institute or professional body.

Information on what defines a Chartered Institute is included as Appendix D.

### **3.4 Commercial / Business Knowledge and Expertise**

The proposals in this Business Case are a world away from the core business of the City of London Police and will require the acquisition of knowledge and expertise in international commercial practices, business development and financial management which are unfamiliar to City of London Police personnel.

There are two options, a partnership with an established commercial organisation or the direct employment of key business personnel – organisational charts detailing the structure are covered at Appendix C.

If the correct commercial partner is selected there would be commercial benefits for the organisation through alignment and partnering with the City of London Police, likewise, we would benefit from their established business practices and knowledge of the international markets.

This would however require a form of profit sharing which would reduce our income share but conversely, set up and ongoing costs would be reduced and shared between the two organisations.

Direct employment of key business personnel would appear to be the simplest and cheapest option, only having to finance staff costs without any share of profits. It could also reduce the bureaucracy of joint management boards allowing for a more dynamic business model.

The drawback with this approach is that the business will have to establish itself from the ground up, with no corporate knowledge this would potentially slow down the development and realisation of the Business Case thereby limiting income and a move to a self funding income generating model.

A direct employment approach could also hinder the City of London Police from establishing or applying for chartered institute status as it would be hard to evidence its established business practices, sound financial (business) status or its ability to demonstrate a track record of achievement over a number of years.

## 4. Financial Case

### 4.1 Summary

In this Section we set out the Financial Case for the combined development streams of the Centre of Excellence, focusing on a progressive level of investment which correlates to a corresponding level of income generation through to a self funding model by year three.

The reduced budget allocated to the City of London Police has resulted in the Economic Crime Directorates review of current working practices to achieve savings, improve performance and were possible generate income to plug the budget deficit .

Resources have been prioritised in line with the Government's tough criteria on ensuring value for money, and describe in the Management Case how the Centre of Excellence will achieve a step change in the drive for the effective and efficient use of resources and move to a self funding income generating model by the end of year three.

### 4.2 Centre of Excellence financial case

A three year plan for recruitment and growth has been produced to mirror the three year plan for increased training delivery and income generation.

If business opportunities are generated at a rate exceeding the projected growth and capacity there will be a need for accelerated recruitment to year 2 or 3 levels.

#### **Year 1.**

1 DCI, 3 DI, 4 DS, 8 DC, 15 Support Staff.

- Staff: £1,458,657
- Consumables: £56,000
- Expenses: £640,000
- Total: **£2,154,657**

#### **Year 2.**

1 DCI, 3 DI, 7 DS, 16 DC, 26 Support Staff.

- Staff: £2,621,665
- Consumables: £112,000
- Expenses: £1,280,000
- Total: **£4,013,665**

### Year 3.

1 DCI, 3 DI, 7 DS, 16 DC, 34 Support Staff.

- Staff: £2,922,721
- Consumables: £123,000
- Expenses: £1,400,000
- Total: **£4,445,721**

The above growth and funding (in line with City of London Police practices) does not include accommodation, but it should be noted that the current accommodation for the Centre of Excellence has already exceeded its capacity for both staff and training provision. With the realignment of resources as a result of City first an assumption has been made that sufficient accommodation will be available within the existing estate to accommodate all Centre of Excellence Staff.

External training venues have been included within the costing for training delivery but the cost can be prohibitive, in London the average cost for basic venue is £500 per day. Courses will be offered at a more favourable rate for corporate bookings delivered off-site at the client venue; this reduces not only the venue costs but also reduces the administrative burden and associated costs. International programmes will be offered under both models, per delegate and corporate bookings.

Income generation for years 1 to 3 works on a projection of 873, 1680 and 1680 days of training delivery, calculating accommodation at £500 per day the cost of external training venues would be approximately £436,500, £840,000 and £840,000 per year respectively.

The COE-FPAB& IFP would rely exclusively on external venues for seminar and conferencing facilities, hired around the country or overseas to meet CPD demand, the costs for these venues varies on location and capacity so a ratio of £50 per person per day has been used.

The development model for years 1 to 3 works on a projection of no CPD for year 1, 4600 units year 2 and 9200 units year 3.

A model of Accredited Prior Learning and Experiential Learning may be considered for admission to the Institute of Fraud Professionals so a quantity of CPD events may be delivered in year 1 as part of a bridging programme, for costing purposes we have calculated this at rate of 2300 units.

Based on the above projections the accommodation costs work out at approximately £115,000, £230,000 and £460,000 per year respectively.



In addition to the above costs there will be an ongoing investment required for IT, to establish and maintain a Centre of excellence web site, produce promotional materials and Centre of Excellence merchandise.

These costs are weighted in year one and have been calculated at 25% of core budget, reducing to 20% year two and 15% each year thereafter.

### Year 1.

▪ Staff, expenses & Consumables:	£2,154,657
▪ Training Delivery Accommodation:	£436,500
▪ CPD Delivery Accommodation:	£115,000
▪ IT & marketing materials:	£676,540
▪ Total:	<b>£3,267,697</b>

### Year 2.

▪ Staff, expenses & Consumables:	£4,013,665
▪ Accommodation:	£840,000
▪ CPD Delivery Accommodation:	£230,000
▪ IT & marketing materials:	£1,016,733
▪ Total:	<b>£6,100,398</b>

### Year 3.

▪ Staff, expenses & Consumables:	£4,445,721
▪ Accommodation:	£840,000
▪ CPD Delivery Accommodation:	£460,000
▪ IT & marketing materials:	£861,860
▪ Total:	<b>£6,607,581</b>

Below, using the above expenditure projections combined with the projected income are profit & loss forecasts for the Centre of Excellence if funding is received and suitable staff are recruited to the roles:

### Year 1.

▪ Funding:	£3,267,697
▪ Training Delivery Income:	£3,669,120
▪ Professional Institute Income:	£1,104,000
▪ Profit:	<b>£1,505,423</b>

### Year 2.

▪ Funding:	£6,100,398
▪ Training Delivery Income:	£9,055,200
▪ Professional Institute Income:	£2,047,000

- Profit: **£5,001,802**

### **Year 3.**

- Funding: £6,607,581
- Training Delivery Income: £11,424,000
- Professional Institute Income: £2,990,000
- Profit: **£7,806,419**

The above figures represent a best case scenario, if staff are not recruited or the Centre of Excellence web site not developed for example, these figures could be considerably lower.

The income generation and profit margin increases considerably over the first three years but will gradually reach a plateau when it is unrealistic to expand the Centre of Excellence Fraud Training Faculty further, this is where the Fraud Professionals Accreditation Board and Institute of Fraud Professionals takes over and will continue to increase income year on year with repeat business through CPD and registration / membership renewals..

Prioritising fraud prevention as a primary work stream of the Centre of Excellence could allow for a mix of existing staff from National Fraud Intelligence Bureau staff and new personnel, some staff may even come from the commercial business partner if that approach is progressed.

Because of the more timely assessment, dissemination and disruption of fraud activities this will provide real opportunities to minimise harm and exposure to risk, protecting people & organisations; as a result this may attract industry secondees and funding in the same way that the National Fraud Intelligence Bureau has.

### **4.3 Baseline position**

Set out below is projected funding requirements for the next 3-year period 2012-13 to 2014-15, set against forecast expenditure.

A rigorous process has been followed to ensure affordability, as follows:

- We start with the Centre of Excellence baseline position on the basis of a detailed analysis of expenditure in 2010-11; using this base position we then extrapolate a forecast up to 2014-15
- We have made an assumption that staff costs will remain constant based on the current pay freeze.

- We assume that City of London Police will deliver programmes to extend the reach of the Centre of Excellence up to and including 2014-15 as part of the City First programme.

The baseline position for the Centre of Excellence on the basis of a detailed analysis of their 2010-11 expenditure is, as follows:

Centre of Excellence baseline expenditure	(£)
Employment costs	- £204,288
Expenses & Professional fees	- £78,00
Consumables & variable IT costs	- £7,500
Savings (Internal training)	+£65,080
Income	+£250,000
<b>Total</b>	<b>+£58,982</b>

Set out below is the base line analysis for the combined functions of the Centre of Excellence over the Spending Review period up to 2014-15.

Combined Centre of Excellence Functions	2012-13	2013-14	2014-15
HO Funding	£256,098	£256,098	NIL
Carry over Profit / Funding	NIL	£1,505,423	£5,001,802
Additional Funding Req.	£3,011,599	£4,338,877	£1,605,779
<b>Total Funding</b>	<b>£3,267,697</b>	<b>£6,100,398</b>	<b>£6,607,581</b>
Income	£4,773,120	£11,102,200	£14,414,000
Profit or Loss	£1,505,423	£5,001,802	£7,806,419
<b>Realisable Income</b>	<b>Nil</b>	<b>Nil</b>	<b>£1,198,838</b>

The above includes employment costs for specialist management and financial functions which could be provided by a partnership with a commercial organisation

as an alternative to direct recruitment. Although a commercial partnership would reduce staffing costs and funding requirements it is impossible to project how this would influence the profit margin or realisable income as this will be heavily dependent on the agreement of a profit share arrangement.

From year three the staffing and funding requirements remain relatively constant whilst the income continues to grow year on year. With a profit of £7,806,419 in year 3 and year 4 funding requirement of £6,607,581 a realisable income of £1,198,838 is achievable for year 3, moving into year 4 the centre becomes completely self funding.

Using the above projections it is possible to project realisable income for years 4 and 5 based on the year on year growth for the Professional Institute:

Combined Centre of Excellence Functions	2015-16	2016-17
<b>Total Funding</b>	<b>£6,607,581</b>	<b>£6,607,581</b>
<b>Income</b>	<b>£15,357,000</b>	<b>£16,300,000</b>
<b>Profit or Loss</b>	<b>£8,749,419</b>	<b>£9,692,419</b>
<b>Realisable Income</b>	<b>£2,141,838</b>	<b>£3,084,838</b>

Key deliverables for the Centre of Excellence functions would be:

- Deliver a national fraud training and educational capability via the Centre of Excellence Fraud Training Faculty
- Enhance fraud prevention advice
- Produce regular alerts and awareness products
- Professionalise and regulate accredited counter fraud training
- Create a professional register / institute to support and manage cross sector counter fraud specialists
- Collaborate with partner agencies to prioritise prevention & disruption of fraud.

#### 4.4 Conclusions

Our financial projections show how the Centre of Excellence can deliver the Fraud Training Faculty, Fraud Professionals Accreditation Board & Institute of Fraud Professionals and the Fraud Prevention Unit for a relatively low investment and will be profitable and fully self funding by year 3.

A commercial partnership; maximising industry support, and seconded staff could see the Centre generating a realisable income prior to year three.

## **5. Management Case**

### **5.1 Summary**

The Management Case provides detail on the next steps that will be delivered so that the Centre of Excellence can continue to build on the success to date. Set out is how the Centre of Excellence will deliver continuous improvement going forward in terms of:

- Performance management
- Governance structures
- Funded to self funded
- Successful joint working
- Extending the reach of the National Lead Force and National Fraud Intelligence Bureau
- Proposed action plan.

Proposed next steps are summarised in an action plan at the end of this Section.

### **5.2 Performance management**

The Centre of Excellence will formulate a strategy covering core business, required outcomes, key performance indicators (including stretch targets) and productivity (internal efficiency) benchmarks.

This strategy will underpin the expansion of the Fraud Training Faculty into new markets, the establishment of a new Fraud Professionals Accreditation Board & Institute of Fraud Professionals and the prioritisation of disruption interventions with a focus on prevention and minimising the harm and loss from fraud.

It will provide a robust basis for ensuring that resource inputs achieve measurable results that show trend improvement and outcomes that people care about.

The performance of the Centre of Excellence will continue to be integrated with the monthly performance management arrangements of the Economic Crime Directorate.

### **5.3 Governance structures**

The proven governance structures will continue to guide the delivery and management of the Centre of Excellence. The structures will however be reviewed to identify any areas where the effectiveness of challenge and scrutiny can be improved within the context of prioritising prevention and disruption and moving to a self funding profit making structure.

Detective Chief Superintendent Stephen Head will continue to guide the Centre of Excellence, supported by Detective Superintendent Tony Crampton who directs Fraud Intelligence, Performance and Projects.

The Centre of Excellence proposes, via DCS Head and Commissioner Leppard to report progress and achievements mapped against the Business Case to the Police Committee as a standing agenda item. It is recognised that the support and cooperation of the Police Committee is a critical success factor.

In addition to Police Committee reporting and governance a cross industry team will be brought together with responsibility for overseeing and advising on the delivery and coordination of the Fraud Prevention Units activities. A Non-Executive Board will also be established to oversee the running of the Fraud Professionals Accreditation Board and Institute of Fraud Professionals.

The Centre of Excellence will improve accountability and transparency in terms of monitoring performance, corrective action to keep within budget, financial reporting, and provision of information on potential or anticipated problems and preparation of detailed budgets.

#### **5.4 Funded to Self Funded**

The Centre of Excellence will achieve a step change in the drive from funded to self funding by year three of operation.

The Centre of Excellence will simplify and integrate organisational arrangements, drive out wasteful spending on support functions, and reduce bureaucracy and increase efficiency and move to self funded status at the earliest opportunity.

As part of the analysis for this business case three main value for money themes have been identified:

- Viability
- Desirability
- Achievability.

#### **Viability**

For the Centre of Excellence to be viable, the investment objectives and desired outcomes need to be translatable into outputs that can form the basis of a contract and a sound set of performance metrics. Operational flexibility and efficiency can be balanced with longer term performance targets with clear funding and income generation targets in place.

The Centre of Excellence is confident that this can be managed as part of a three year strategy for growth sitting within the Economic Crime Directorate but managed separately.

### **Desirability**

Consistent high quality services can be incentivised through performance and reporting targets from the Centre of Excellence throughout each of the new business areas.

The Centre of Excellence believes that it is capable of managing and demonstrating performance against any the funding and income projections for 2012-13 to 2014-15. The Centre will innovate and develop solution and services that meet the requirements of industry partners to prevent fraud and reduce harm and loss.

### **Achievability**

The Centre of Excellence is a new area of business but is well respected in both the public and private sectors; the Centre is efficient and effective which, through a combination of police and civilian sector skills will determine the industry best practice rules that will continue the strong relationships established with the counter fraud community and which involve significant monetary values.

## **5.5 Successful joint working**

Successful joint working with other forces and agencies through strategic and operational relationships with key partners and industry will be key to continuing to develop the Centre of Excellence. The Centre will formalise and manage its relationships through the development of a stakeholder management plan for each of the Centre of Excellence functions.

This plan will identify:

- The nature of the existing relationship and Centre of Excellence offering for all existing strategic and operational partners

- Those organisations with whom relationships need to be built and strengthened to extend the reach of the Centre of Excellence
- Relationship managers for all strategic and operational partners of the Centre of Excellence.

## **5.6 Extending the reach of Centre of Excellence**

The business case highlights the high level of skills, knowledge and experience that has been developed within the Economic Crime Directorate & Centre of Excellence.

With the development of the Centre of Excellence there are great opportunities to further enhance these assets and develop the City of London brand as a global lead within the field of fraud prevention, disruption and enforcement.

Our consultation with key stakeholders highlighted that there is high demand and high expectations on Centre of Excellence to continue to deliver and expand the quality of service currently provided, and that the quality of fraud training has been critical to the reputation and support for Economic Crime Directorate.

With fraud forecast to grow in both scale and complexity, the Centre of Excellence will manage the increasing demands on its resources whilst continuing to protect the quality of its service.

In meeting this challenge the Centre of Excellence will develop a longer-term business development strategy to expand the products and services it offers to maximise income generation opportunities.

The Centre of Excellence is uniquely placed to drive the development and extension of its functions that industry desires. This development will be planned carefully with continued negotiation and support from national and international partners from the public and private sectors.

Once funding of the Centre of Excellence is confirmed a detailed 3-5 year business plan and strategy to deliver an extended remit within the approved funding envelope will be formulated.

## **5.7 Potential quick wins that will extend the remit of Centre of Excellence are:**

- Centre of Excellence developing accredited training packages and working with industry to build the investigative capacity across the public and private sectors to facilitate a shift to a "self-policing model" whereby industry investigators undertake more of the investigation work increasing speed and efficiency and enhance civil recovery, with National Lead Force managing the investigation through the criminal justice system



- Extending the reach of the Centre of Excellence by developing closer strategic and operational partnerships with big business and small and medium enterprises to build a greater awareness of how to effectively prevent, detect and investigate fraud across a broader spectrum of sectors
- Through the Fraud Prevention Unit partnerships, develop the quality of intelligence held in the Know Fraud system by increasing the scope of data providers to take in a broader spectrum of sectors

The Economic Crime Directorate has to-date succeeded in attracting secondments from organisations across the private and public sectors; it is anticipated that a percentage of roles within the Centre of Excellence can be met through secondments from police forces, law enforcement agencies and industry partners.

This approach delivers additional value by enhancing relationships with key organisations whilst also providing a mechanism to share and build knowledge and experience within the Centre of Excellence and the secondee organisations.

The proposed next steps are Summarise in the action plan below.

### 5.8 Proposed action plan & Next steps

Performance management	
Strategy	Centre of Excellence to prepare discussion paper on core business, required outcomes, key performance indicators (including stretch targets) and productivity (internal efficiency) benchmarks
	Workshop with Centre of Excellence staff to discuss and agree
	Disseminate findings with Centre staff
	Six month review of the situation
Tighter resource planning and performance management	Specify simple system to track internal efficiency and economy, including time monitoring trainer contact, development and administrative time.
	Set benchmarks for use of time
	Monitor performance weekly against targets, and use results for resource planning and to manage performance
Governance structures	

Governance	Review the governance structures for Centre of Excellence in order to improve the effectiveness of challenge and scrutiny
	Centre of Excellence management team to introduce more focused agendas and papers to improve the efficiency and focus of their meetings and decision-making
Clear accountability	Draft a 'budget accountability' paper covering roles and responsibilities e.g. monitoring performance, corrective action to keep within budget, financial reporting, provision of information on potential or anticipated problems, and preparation of detailed budgets
	Review job descriptions to ensure aligned with draft paper
	Identify accountable managers and match to the 'chart of accounts' listing
	Circulate for comment the draft paper and proposed accountabilities
	Finalise paper and accountabilities, and amend job descriptions if necessary
	Implement new rules, procedures and authorisation levels that need to be understood and followed in order to sharpen accountability
<b>Efficiency improvements</b>	
Organisation of Centre of Excellence within Economic Crime Directorate and City of London Police	Consider options for achieving a step change to implementing the three year growth and development plan: <ul style="list-style-type: none"> <li>▪ simplification of organisational structure</li> <li>▪ development of profit /loss business model sitting outside of shared services</li> <li>▪ Workforce modernisation and realising the benefits of new technology.</li> </ul>
	Continually reassess the productivity of teams where appropriate to determine the number of posts required in the structure and any transfers between teams
	Design and implement new detailed structure
	Review the impact of new structure every 6 months; refine as necessary
Process improvement	Identify and map key processes to drive efficiencies
	Implement process improvements, including staff training
	Review the impact of process changes every 6 months; adjust as necessary
Skills gaps	Develop business case to invest in strengthening skills if gaps exist
Driving	Conduct procurement spend analysis to provide management

procurement efficiencies	information on how much is spent with whom and on what goods and services; transaction costs; procurement routes/frameworks; likely future demand for products and services
	Based on analysis of procurement spend, identify and agree 'quick win' initiatives to drive procurement efficiencies
	Set up projects to deliver 'quick win' initiatives with clear scope, objectives and targets
	Implement projects and monitor progress
	Review the impact of 'quick win' initiatives after 3 months; adjust as necessary
Tighter control over discretionary spend	Increase the scrutiny and challenge of expenditure including expenses
Targeting	Set annual targets for achieving net cashable annual efficiency savings
<b>Successful joint working</b>	
Stakeholder management	Develop a stakeholder management plan for Centre of Excellence to identify: <ul style="list-style-type: none"> <li>▪ The existing relationship and offering for existing partners</li> <li>▪ Relationships that need to be built / strengthened to extend Centre of Excellence reach</li> <li>▪ Relationship managers for all partners.</li> </ul>
	Six monthly review of the situation
<b>Extending the remit of the Centre of Excellence</b>	
Business development	Develop a longer-term draft business development strategy to expand the Centre of Excellence into new markets with sustainable solutions for Centre of Excellence services and products and maximise income generation opportunities
	Discuss draft strategy with senior management and industry partners
	Formulate a detailed 3-5 year business plan to deliver an extended remit
Quick wins	Develop accredited training packages and work with industry to build investigative capacity across the public and private sectors to facilitate a shift to a "self-policing model"
	Develop closer strategic and operational partnerships with big business and small and medium enterprises
	Develop the quality of intelligence in the Know Fraud system and the subsequent prevention & disruption opportunities by increasing its data providers across a broader spectrum of

	sectors
Capacity building	Develop a secondment recruitment strategy / plan to attract resources in order to meet additional capacity requirements, and to share and build knowledge and experience within Centre of Excellence and the secondee organisations

The Centre of Excellence management team will produce allocate actions once the business case is approved which identifies for each of the actions in the Table above:

- Where applicable, the projected amount of the benefit to City of London Police, e.g. the net cashable annual efficiency saving, additional income or an improvement in productivity
- The timescales and SMART objectives for implementation
- Responsibilities for delivering the actions
- Other factors to consider e.g. risk, requirement for any initial funding to deliver the improvement, mechanism to monitor the actual benefits realised and any consequential impact on other areas of City of London Police and Economic Crime Directorate.

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## 6. Commercial Case

### 6.1 Risk Register

The Commercial Case sets out and identifies the key risks. Set out in the Table below is the analysis of risks and their mitigation in order to identify key residual risks. These risks and mitigation measures will be continually reviewed as part of the performance management regime of Centre of Excellence.

Ref	Risk	Odds	Impact	Level of risk	Mitigation	Residual risk rating
<b>Policy risks</b>						
1	With the 20% reduction in budget over 3 years the Police Committee and City of London may be reluctant to invest in new growth and business.	M	H	H	Take the Business Case to Police Committee, City of London and key Industry partners to secure support and funding for growth.	H
2	The public sector budget cuts may impact on the interfaces and working relationships of those undertaking fraud related activity.	M	M	M	Discussions with relevant policy lead on current plans - using the business case to influence as appropriate.	M
<b>Operational and capacity risks</b>						
3	Risk that Centre of Excellence does not reach its potential in terms of the business and income generation	M	M	M	Put in place a time limited plan to expand and enhance the business offerings with consideration of diversifying into additional untapped sectors.	M
4	Secondments from the private sector and other agencies do not happen as expected, increasing costs and reducing capacity and expertise	M	L	M	Liaise with relevant organisations to demonstrate the benefits of secondments and fully understand when resources may be available.	M
5	Police service and the Centre of Excellence are bound by specific targets and metrics, which are not necessarily	M	M	M	Develop robust and relevant reporting and benefits realisation frameworks to demonstrate the value of the	L

	applicable to this business case and could hinder the realization of its benefits.				services.	
6	Demand on fraud resources is expected to increase. Resources may become stretched as demand increases.	M	L	M	Collect and collate robust figures to ensure impact and reach are demonstrable.	M
7	As activity undertaken increases more issues are likely to be identified (fraud and other crime). Resources may not be sufficient to deal with all of the issues.	L	M	M	Robust information will highlight any additional effort and resulting resourcing requirements.	M
8	A reliance on temporary staff and a shortage of relevant skills, particularly in Fraud Training Faculty, limits potential and jeopardizes service delivery and City of London Police brand.	L	M	M	Continue to develop and run appropriate training courses and attract talent through effective marketing.	M

#### Reputational risks

9	Centre of Excellence is perceived as a London focused rather than a national / international brand.	M	M	M	Focus on roles such as training and capacity building for other markets and industry sectors and communicate the national / international capability.	M
10	City of London police brand was used to get Centre of Excellence up and running, if demand is increased expectations may not be met, which may damage the brand.	L	M	L	Ensure service standards are maintained and communicate performance.	L

#### Financial risks

13	Implications of getting less money for one or more of the Centre functions. This may impact on the rest of Centre of Excellence and the business as a whole.	M	H	M	Identify alternative plans to for the Centre of Excellence based on reduced or limited funding.	M
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14	Police Committee and City of London may decide not to support and finance the Business Case.	L	M	M	Continue close dialogue with the Police Committee and City of London and highlight wider benefits of providing this funding.	M
15	Increased costs if Industry partners do not second staff or fund staff positions with the Centre of Excellence.	L	M	M	Liaise with Industry partners regularly on secondment and funding arrangements, highlighting benefits of current arrangements.	M
16	Failing to build on existing relationships due to poor relationship management	M	H	H	Develop stakeholder management plan to support Centre of Excellence enhancements	H

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## **7. Appendices**

### **APPENDIX A**

#### **Overseas business opportunities (City Solicitors)**

S.26 of the Police Act 1996 states that:

- 1) Subject to the provisions of this section a police authority may provide advice and assistance -
  - a) To an international organisation or institution, or
  - b) To any other person or body which is engaged outside the United Kingdom in the carrying on of activities similar to any carried on by the authority or the chief officer of police for its area.
- 2) The power conferred on a police authority by sub section (1) includes a power to make arrangements under which a member of the police force maintained by the authority is engaged for a period of temporary service with a person or body within paragraph (a) or (b) of that sub section.
- 3) The power conferred by sub-section (1) shall not be exercised except with the consent of the Secretary of State or in accordance with a general authorisation given by him.
- 4) A consent or authorisation given under subsection (3) may be given subject to such conditions as appear to the Secretary of State to be appropriate.

The important point is the need to have the consent or authorisation of the Secretary of State.

Further it should be noted that whilst the police authority can make charges for the advice/assistance, it cannot make grants/loans, give guarantees/indemnities or invest by acquiring share or loan capital.



## **APPENDIX B**

### **Summary of Legal Advice (City Solicitors)**

*Section 18 Police Act 1996 provides the Common Council acting as police authority with the power to enter into agreements with a third party for the provision of goods and services in return for payment.*

*While this power is given to the police authority, section 107 Local Government Act 1972 provides that the Commissioner may discharge functions of the police authority which are delegated to him. ACPO produce guidance on charging for police services which is very helpful on costing methodology.*

The City of London Police would not need to set up a separate business in order to charge for services on an income generation basis.

*Section 95 Local Government Act 2003 (power to trade in function-related activities through a company) specifically excludes police authorities (including the Common Council acting as a police authority) from the authorities able to exercise the power.*

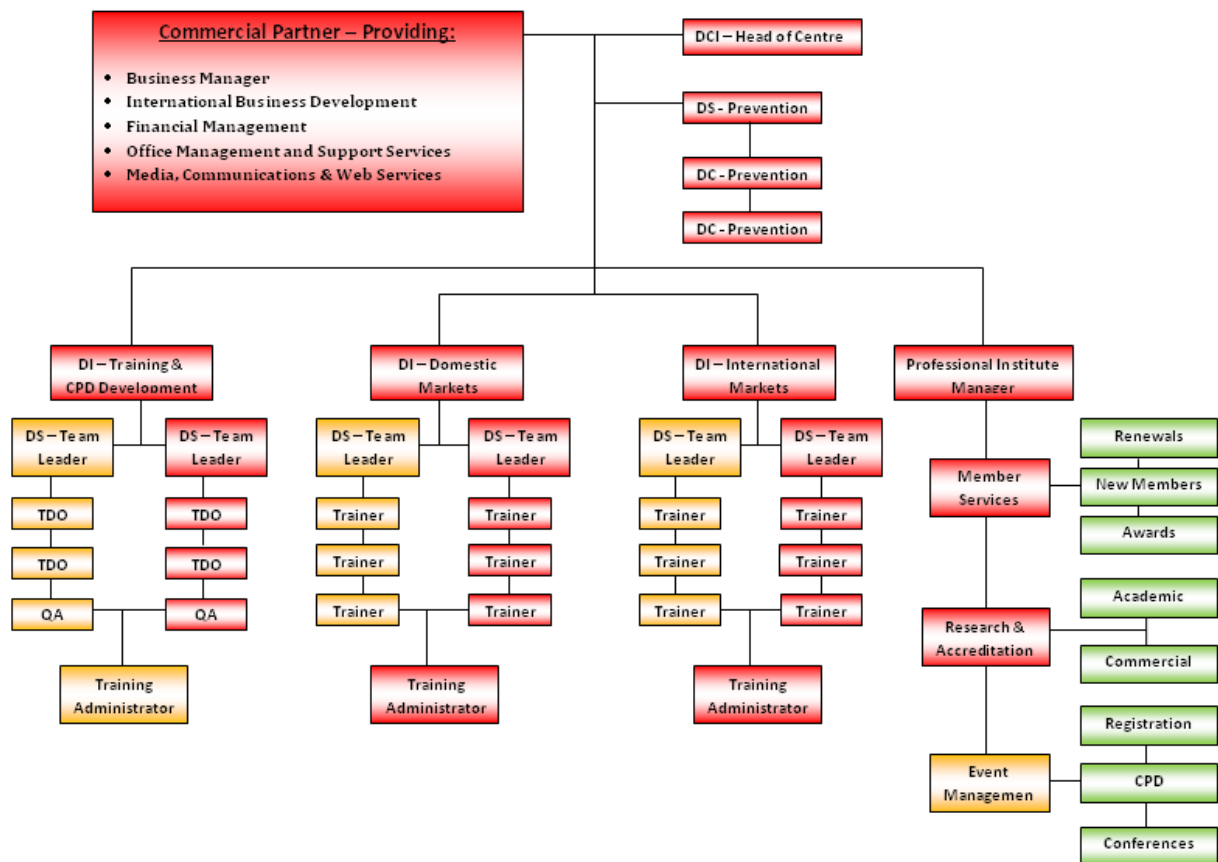
This excludes the City of London police from being able to establish a trading company.

**APPENDIX C - I**

**Organisational Structure – Commercial Partnership Option**

**Colour Coding:**

- Red denotes Staff recruited in year one of operation
- Orange denotes staff recruited in Year two of operation
- Green denotes a total of 16 staff that are recruited progressively over the three years

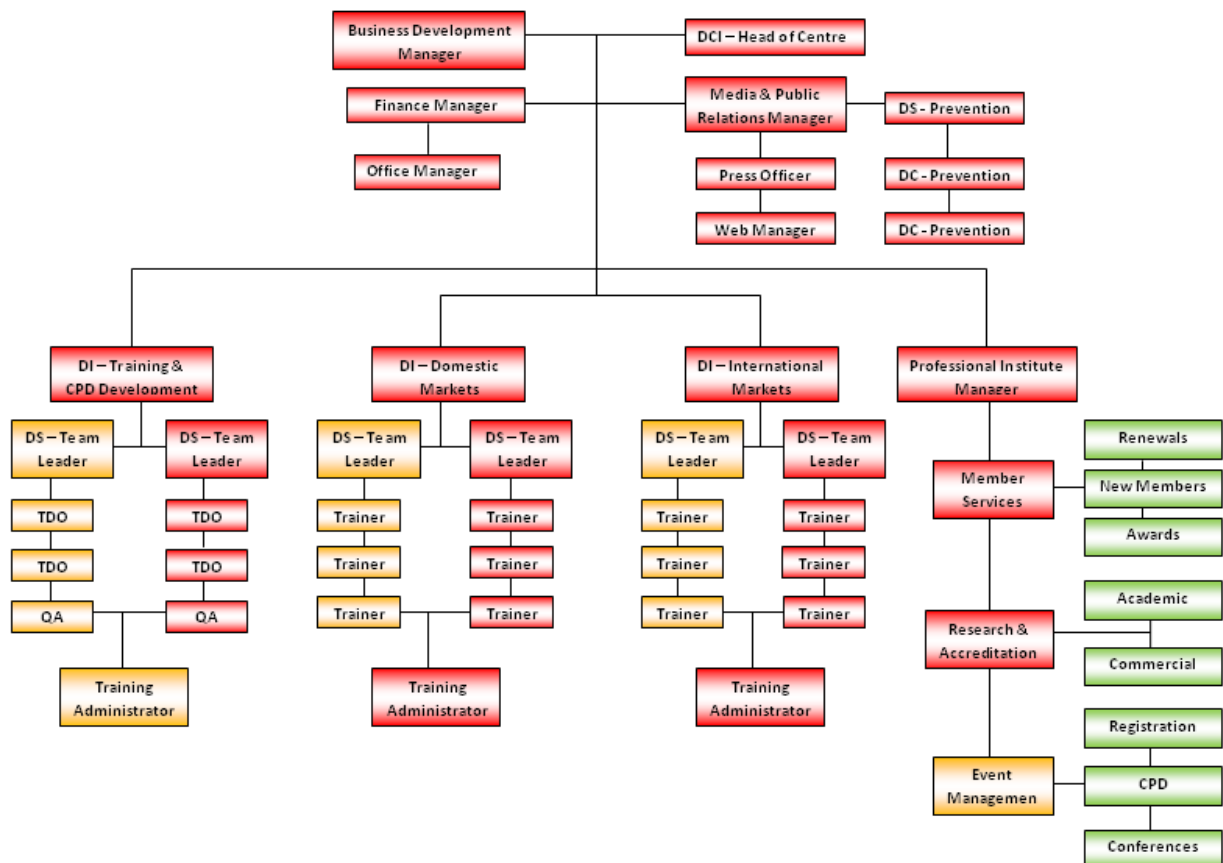


**APPENDIX C - II**

**Organisational Structure – Direct Employment Option**

**Colour Coding:**

- Red denotes Staff recruited in year one of operation
- Orange denotes staff recruited in Year two of operation
- Green denotes a total of 16 staff that are recruited progressively over the three years



## **APPENDIX D**

### **What is a Royal or Chartered Institute?**

A Chartered Body is an incorporated body which has applied for a Royal Charter via the Privy Council. Charters are normally granted to institutions or bodies<sup>2</sup> “that work in the public interest (such as professional institutions and charities) and which can demonstrate pre-eminence, stability and permanence in their particular field”.

The City of London Police / Centre of Excellence would be expected to make a petition to the Sovereign through the Privy Council. The broad criteria for any application are:

- (a) The institution concerned should comprise members of a unique profession, and should have as members most of the eligible field for membership, without significant overlap with other bodies.
- (b) Corporate members of the institution should be qualified to at least first degree level in a relevant discipline<sup>3</sup>
- (c) The institution should be financially sound and able to demonstrate a track record of achievement over a number of years
- (d) Incorporation by Charter is a form of Government regulation as future amendments to the Charter and by-laws of the body require Privy Council (i.e. Government) approval. There therefore needs to be a convincing case that it would be in the public interest to regulate the body in this way.
- (e) The institution is normally expected to be of substantial size (5,000 members or more).

A Chartered Institution for Fraud Professionals would effectively turn the members of the Counter Fraud Community in the UK (or even internationally) into a single legal entity.

The body would have all the rights and powers of any individual, including the right to litigate and be litigated against. In present times Royal Charters are usually only awarded to bodies which have pre-eminence in their field and a significant record of achievement.

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<sup>2</sup> [www.privvy-council.org.uk](http://www.privvy-council.org.uk)

<sup>3</sup> This does not require all members to be qualified to degree standard. It refers only to corporate members where the expectation is that 75% of those corporate members would have a degree qualification. Not having a Degree qualification is not a barrier to becoming a member of the professional institution.

The body would be viewed as being the expert repository for all things connected to its business and would have a regulatory role in the delivery of its business.

A Chartered Body affords status to all its members at various levels and effectively awards them a qualification to practice in their field, which is internationally recognised.

The City of London Police / Centre of Excellence would be the first police service / Counter Fraud community in the world to become a Chartered profession.

It is important to note that a Royal Charter affords to the Government a degree of control of the internal business of the Chartered body.

In real terms this means that there will be a degree of Government regulation of the body and it will be the role of the Privy Council to ensure that "Regulation accords with Public Policy"<sup>4</sup>. Any amendments to a Charter will only be made via application to the Privy Council.

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<sup>4</sup> [www.privacy-council.org](http://www.privacy-council.org)

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**Delivering the Recommendations of the  
Fraud Review 2006  
and the  
Paradox of Police Leadership**

**Appendix Twenty**

**Academy Prospectus 2012-13**



# Economic Crime & Fraud Training Academy

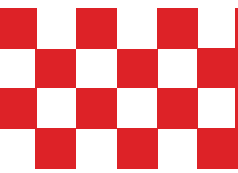
A centre of excellence for training in the  
prevention, detection and investigation of  
fraud and economic crime

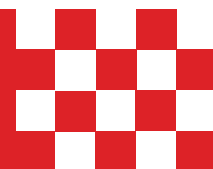


**Fraud, Bribery & Corruption and Financial Crime**

**Prospectus 2012–2013**







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## » Message from Adrian Leppard – Commissioner of the City of London Police



The Economic Crime & Fraud Training Academy has been established to provide a centre of excellence for training in the prevention, detection and investigation of fraud and economic crime.

You will see, by the variety of programmes offered in this brochure, that we have worked hard to design a curriculum that meets the need of the modern day investigator seeking to acquire the vital skills needed in an ever changing and fast moving world; a world where fraudsters have become increasingly advanced in their methods to exploit a more sophisticated environment. We know that we can only hope to reduce the threat posed by such criminality by ensuring that our investigators are trained to the highest standards.

By sharing our knowledge and know how we aim to make the UK and the international markets in which we operate a safer place and a more difficult territory for fraudsters to function.

### **But why choose the City of London Police to deliver your training?**

We are proud to be responsible for policing one of the top financial service centres in the world. Our status as the national lead force for fraud investigation is a result of over 170 years of protecting the confidence and integrity of the City of London – part of a dynamic and prestigious capital.

Our Economic Crime Directorate, which houses the National Lead Force, National Fraud Intelligence Bureau and the Overseas Anti-Corruption Unit, has quickly established itself with a world-class reputation for possessing the necessary skills and expertise to investigate, detect and prevent serious and complex economic crime and fraud. We have forged ground-breaking partnerships with those in industry to widen our resources to fight fraud on a wider scale and to deepen our specialist knowledge; we encourage closer working with our partner agencies and those responsible, in both the public and private sector, for preventing and detecting fraud.

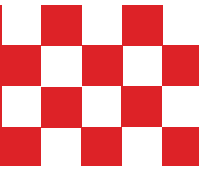
We can provide comfortable and state-of-the-art training rooms across London and the UK which are easily accessible through the many rail and public transport networks. Additionally, we have the capability and flexibility to visit a venue of your choosing to ensure that your training is as trouble free as possible.

Our knowledgeable and enthusiastic training team are on hand to discuss, in greater depth, the courses that we offer or the possibility of delivering bespoke training specifically designed to meet your own particular needs.

We look forward to welcoming you to the Economic Crime & Fraud Training Academy in the future.

### **Adrian Leppard**

Commissioner



## » A warm welcome to the Economic Crime & Fraud Training Academy



**Detective Superintendent Robert Wishart**

Director of Business and Relationship Management

Welcome to our 2012-13 Fraud, Bribery & Corruption and Financial Crime Prospectus where you will find one of the most extensive programmes in the country designed to broaden and develop your skills and knowledge.

The City of London Police, the national lead force for fraud investigation, is recognised world-wide for providing the highest quality of training, delivered by highly skilled professional trainers hand-picked from the very best available from within the force and our partner agencies. These trainers have considerable knowledge in developing and delivering bespoke programmes which have been delivered all over the world.

The force's Economic Crime & Fraud Training Academy has been developed in response to the global threat from fraud, corruption and cyber-crime. Through these carefully designed training courses, we'll be disseminating to you national and international practices in investigation, disruption and prevention and incorporating new methods and ways of working.

### The personal service – we're here for you

We recognise that quality training should deliver organisational and operational improvements that are tangible and measurable. We want to help you realise these improvements – which is why we offer a comprehensive pre and post course customer support service. We can help you identify training needs, develop a bespoke course or programme and offer a range of post course services from mentoring to work-based assessment and analysis of benefits.

Contained within this prospectus are the tools which will help you to combat the threat from fraud, corruption and cyber-crime. If you can't see exactly what you are looking for, then please talk to me or one of my training development team. We may be able to help you develop or tailor a course which best suits your needs.

We look forward to welcoming you to our City of London based training venue or one of our remote sites provided by our partners in the UK and internationally. Alternatively, if you have a suitable training venue of your own and would like us to come to you, then please let us know.



**Detective Inspector Steve Strickland**

Head of Training & Educational Services



## » Economic Crime & Fraud Training Academy

### Course delivery dates

The Prospectus and an electronic version of the booking form can found online at:  
<http://bit.ly/fraudtrainingacademy>

Please note that not all course dates are advertised as many organisations pre-register an interest for a particular course and so they can be fully booked before they have been timetabled. Please contact our training team for further information, or to register an interest in a particular course.

### A flexible approach to training delivery

With a national network of high quality training venue, all of our courses can be delivered at a time and location to suit the demands of your business. If you have a suitable training venue of your own, we will be happy to bring the training to you.

### Tailored Training Solutions

All of our courses have been developed for delivery to counter fraud professionals across the public and private sectors in the UK and overseas. If you do not see what you are looking for in the Prospectus then please contact [Academy@cityoflondon.police.uk](mailto:Academy@cityoflondon.police.uk)

The Prospectus only contains our 'core' programmes which represent a small selection of our current offering. The majority of our portfolio is dedicated to the design and delivery of bespoke training solutions which are tailored to particular clients so if you have a unique area of business or would like a particular course tailoring for your needs then please speak to the training team.

### Course Costs

The costs in this prospectus are for individual bookings on core programmes delivered at a City of London venue. Discounts are available for multiple and block bookings. Further discounts are available for block/corporate bookings delivered at the clients venue. To discuss eligible discounts please speak to training team.

### Foundation Clients

If your looking for a fully managed, ongoing training solution for your organisation or business sector we can provide a full end-to-end service including comprehensive Skills & Training Needs Analysis, modular/progressive programme design, flexible delivery options, work place assessment and accreditation. To discuss the options available as a Foundation Client please speak to our training team.

## » International Options

We welcome course bookings from overseas delegates on any of our core programmes delivered in the UK. For block/corporate bookings from international clients we can tailor any of our programmes to comply with the relevant legislation and procedures of the home country. Programmes tailored for international clients can be delivered at one of our locations in the UK or we can send our team to you.

If you would like to discuss the options for international programmes please contact the Director of Relationship and Business Development, D.Supt Robert Wishart at [robert.wishart@cityoflondon.police.uk](mailto:robert.wishart@cityoflondon.police.uk)

## Accreditation

In 2008 the Centre for Fraud and Financial Crime at Teesside University was officially opened by the former head of City of London Police's Economic Crime Directorate; since 2008 the University has been working with the City of London Police on the development and accreditation of national fraud programmes. Since 2009 the National Fraud Investigation Course (formerly the National Fraud Foundation Course) has been mapped against the Teesside University Certificate in Postgraduate Professional Development in Fraud Management.



Further to that positive, successful and ongoing relationship, and as a testament to the quality of the course provision within City of London Police, Teesside University is pleased to be able to afford all participants, on all City of London Police courses, at all levels, the opportunity to have those courses formally accredited by the University and given an appropriate and universally accepted academic credit value.

This fully transferable value can then either form part of the University's work-based studies programme, which enables progression at all levels of undergraduate and postgraduate award, or be used towards obtaining other higher education institutions' awards. In this way, participants on City of London Police courses will benefit not only from excellent course content and delivery but also achieve appropriate academic credit for undertaking those courses.

## Contact Details

The training team – telephone: +44 (0) 20 7601 6978 email: [academy@cityoflondon.police.uk](mailto:academy@cityoflondon.police.uk)



# Identity Fraud and False Documentation

3 day course – Code IFFD

## » Target Audience

Counter fraud professionals, desk top investigators and first line document verification and loss prevention staff.

## Course Aim

To provide staff and investigators with the skills and knowledge necessary to identify fraudulent documents and identities.

## Overview

This course aims to develop the skills necessary to check and verify a range of identity documents from around the world and to identify signs of forgeries and altered documents to protect organisations and the UK from the threat from those using and supplying false identity documents. This course will also assist organisations in developing strategies and practices to counter the threat from identity fraud.

## Course Objectives

After attending the course the delegate will be able to:

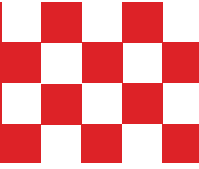
- Identify offences concerned with production and use of false documents
- Identify the threat from identity fraud
- Understand and profile individuals who commit identity fraud
- Understand the impact of identity fraud on the UK
- Identify when documents have been altered
- Recognise the security features of numerous national documents
- Produce 5 part statements to an evidential standard

## Cost

£900

*Discounts are available for police and law enforcement*

# Identifying Organisational Risk and Implementing Counter Fraud Measures



2 day course – Code MORS

## » Target Audience

Senior analysts, counter fraud professionals, loss prevention and security and risk managers.

## Course Aim

To provide senior members of staff with a strategic insight into establishing and evaluating effective counter fraud measures.

## Overview

This course is designed to educate senior managers and leaders in the development and implementation of effective counter fraud strategies and procedures. Case studies will be used to scrutinise fraud indicators and red flags, reporting procedures and safeguards—identifying where things have gone wrong and what could have been done to prevent the harm and loss.

## Course Objectives

After attending the course the delegate will be able to:

- Recognise the financial and reputational organisational risks
- Balance risk against reputational and operational harm
- Evaluate strategies for effectiveness in tackling risk and security
- Develop strategies to tackle risk and harm that are compatible with their organisations business objectives
- Assess and analyse situations where strategies have failed and organisations have been exposed

## Cost

£600

*Discounts are available for police and law enforcement*





# Identifying the Insider Threat

2 day course – Code IIT

## » Target Audience

Managers within the counter fraud, compliance, audit and security industry responsible for developing and implementing strategies and policies to protect organisations from the insider threat.

## Course Aim

To provide individuals with a strategic insight into the insider threat in order to develop effective counter measures.

## Overview

This course is designed to educate delegates in the threat from insiders, understanding how good staff can turn bad and the tactics used by criminal groups to recruit or place insiders within organisations. Once the threat is understood, assess existing policies and procedures, identify risks and weaknesses and develop more robust but manageable policies and procedures.

## Course Objectives

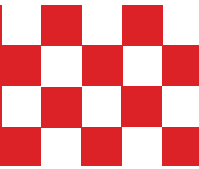
After attending the course the delegate will be able to:

- Understand the insider threat
- Profile the risk of the insider within their organisation
- Identify effective measures to counter the insider threat
- Evaluate and amend existing policies and practices for effective counter measures
- Develop organisational strategies to counter the Insider threat

## Cost

£600

*Discounts are available for police and law enforcement*



## » Target Audience

Counter fraud professionals, desk top investigators and first line loss prevention staff.

## Course Aim

To provide staff and investigators with the skills and knowledge necessary to implement tactics to reduce and prevent the threat from fraud.

## Overview

This course is designed to educate delegates in basic fraud awareness and prevention in order to protect their organisation and its employees from the threat of fraud. This course will look at the development of organisational policies and practices aimed at identifying and preventing fraud, minimising the financial and reputation harm.

## Course Objectives

After attending the course the delegate will be able to:

- Understand the fraud landscape
- Define the profile of a fraudster
- Identify the insider threat
- Identify fraud triggers or red flags
- Recognise tell tale signs of suspicious activity
- Apply appropriate 'know your customer' (KYC) procedures
- Test and measure effectiveness of existing fraud prevention practices

## Cost

£600

*Discounts are available for police and law enforcement*



# Initial Law & Procedure Course

5 day course – Code ILP

## » Target Audience

Individuals who are new to role or intending to move into a field of counter fraud work with no previous legal or investigative experience who require a sound grounding in core legislation and legal practices.

## Course Aim

To provide those new to the counter fraud work with a sound foundation in the principles of UK Law and to enable them to work within established practices and procedures applicable to both public and private sector investigations.

## Overview

This is an intensive 5 day crammer taking in many areas of criminal and civil law, codes of practice and established procedures relevant to those charged with conducting investigations. Learners will develop an understanding of UK law, overarching legislation and specific Acts and powers applicable to law enforcement and corporate investigators across the counter fraud community.

## Course Objectives

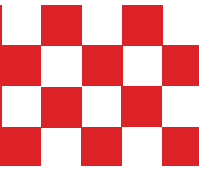
After attending the course the delegates will be able to:

- Describe the basis of the UK legal system
- Identify primary sources of legislation applicable to public and private sector investigators
- Outline key offences applicable to economic crime and fraud.
- Interpret and comply with relevant codes of practice
- Identify the various methods available to get a suspect to court
- Manage material within an investigation

## Cost

£1500

*Discounts are available for police and law enforcement*



## » Target Audience

Individuals who have been working within counter fraud but have a limited knowledge of legislation and investigative practices and require a more comprehensive and in-depth understanding of core legislation and legal practices.

## Course Aim

To provide those working within the counter fraud community with an in-depth understanding of UK Law applicable to economic crime and fraud investigations and to enable them to apply best practice and procedures applicable to both public and private sector investigations.

## Overview

This is an intensive 5 day crammer building on the Initial law & Procedure Course providing a more in-depth study of criminal and civil law, codes of practice and established procedures relevant to economic crime and fraud investigations. Learners will develop a deeper understanding of UK law, overarching legislation and specific Acts including Police and Criminal Evidence Act, Human Rights Act, Criminal Procedure and Investigations Act, Data Protection Act, Regulation of Investigatory Powers Act, Proceeds of Crime Act, Theft Act and Fraud Act.

## Course Objectives

After attending the course the delegates will be able to:

- Apply the relevant legislation and practice to live investigations
- Identify and set parameter for investigative practices in line with legislation and codes of practice
- Implement processes and practices to comply with best practice and published guidance.
- Identify complex offences applicable to economic crime and fraud.
- Evaluate options for civil or criminal remedies
- Apply appropriate procedures to manage case files and material in anticipation of court proceedings

## Cost

£1500

*Discounts are available for police and law enforcement*



# Volume & Priority Fraud Investigation

3 day course – Code VPF

## » Target Audience

Police officers (all ranks) and other law enforcement and dedicated fraud professionals with investigative experience who are moving into the investigation of volume and priority Fraud.

## Course Aim

This course enhances the skill set of the experienced investigator providing them with an understanding of fraud and fraud investigative practices applicable to volume and priority fraud investigations.

## Overview

This course focuses on the development of the fraud investigators mindset with a focus on high volume/low value fraud work loads. Learners will develop the skills to identify appropriate intervention options and co-ordinate investigations. Learners will complete a simulated investigation and apply the knowledge they have learnt.

## Course Objectives

After attending the course the delegate will be able to:

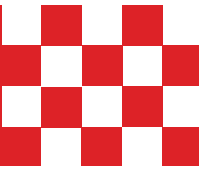
- Describe the nature of fraud and the fraudster
- Identify relevant legislation in relation to fraud investigations
- Identify specialist agencies to support fraud investigations
- Maximise existing skills within fraud investigations
- Manage volume and priority fraud investigations
- Apply best practice in the recovery of material

## Cost

£900

*Discounts are available for police and law enforcement*

# Desktop Investigator and Telephone Interviewer



4 day course – Code DITI

## » Target audience.

Public and private sector investigators, compliance officers, auditors, personnel and call centre staff responsible for receiving complaints, claims or reports resulting in desktop investigation and telephone interviews.

## Course Aim

To provide learners with the knowledge and skills necessary to instigate and conduct desktop investigations and telephone interviews as a result of complaints, claims and reports received from external sources.

## Overview

The course develops the knowledge and skills necessary to conduct evidential/GAP analysis of documentary material within the context of desktop investigations. The learners will then plan, prepare and undertake the interviews or testimony analysis by methods other than face to face meetings.

## Course objectives

After attending the course delegates will be able to:

- Conduct Evidential/Gap Analysis
- Develop remote/desktop investigation plan
- Manage material in remote/desktop investigations
- Understand the limitations of remote analysis and interviewing
- Apply a structured approach to questioning and challenging during remote interview situations
- Apply active listening skills in telephone and other remote interview situations
- Apply conversation management techniques to gain full disclosure
- Create a personal method of note taking which is future proof
- Better Identify anomalies in both written and verbal discourse

## Cost

£1200

*Discounts are available for police and law enforcement*



# Initial Fraud Investigation

5 day course – Code IFI

## » Target Audience

Police Constables & Police Staff Investigators and other law enforcement and dedicated counter fraud professionals new to their role.

## Course Aim

To provide staff with responsibility for fraud prevention and investigation with the skills and knowledge necessary to support investigation teams, conduct enquiries and manage initial investigations.

## Overview

The course provides participants with a primary skill set to investigate fraud. It includes planning the investigation, using intelligence effectively, gathering evidence, writing statements and working with the police. This five day classroom based course involves a mixture of lectures, practical exercises and group work.

## Course Objectives

After attending the course the delegate will be able to:

- Understand the relevant legislation in relation to fraud investigations
- Demonstrate an intelligence led approach to investigative practices
- Complete evidential statements (5 part structure)
- Understand and identify threats from fraud and fraudsters
- Prepare investigation plans and manage initial fraud investigations
- Prepare evidential packages suitable for civil or criminal proceedings

## Cost

£1500

*Discounts are available for police and law enforcement*

**“The course has supplied me with a level of knowledge and confidence needed to seek development opportunities in the near future. It has truly taught me to think more laterally about the tasks that I am involved in”**

*Case Support Officer*

# National Foundation Fraud Investigation Course

15 day course (3 x 1 week modules) – Code NFI

## » Target Audience

Experienced investigators from the police (all ranks) and other law enforcement and dedicated counter fraud professionals. Delegates should have a sound understanding of core legislation relating to fraud and economic crime investigations prior to attending this course.

## Course Aim

To enhance the skills, knowledge and investigative mindset of investigators responsible for conducting serious and complex fraud investigations.

## Overview

This is an accredited programme leading to the designation 'Accredited National Fraud Investigator'. It is an intensive course and replaces the old National Fraud Foundation Course. The course consists of three modules: Instigating an investigation, Managing and directing an investigation and maximising tactical and strategic options. The course is very interactive with a heavy focus on the use of real life and topical case studies, operational learning and debate from professional discussion panels.

## Course Objectives

After attending the course the delegate will be able to:

- Apply rigorous and transparent case acceptance criteria
- Maximise intelligence development opportunities
- Prioritise prevention and disruption opportunities
- Develop investigation plans and hypothesis
- Conduct ethical fraud investigations
- Manage and prioritise case loads
- Engage and co-ordinate multi-agency/jurisdictional fraud investigations
- Evaluate and maximise intervention opportunities
- Manage major fraud investigations
- Extract and disseminate operational and organisational learning

## Cost

£4500

*Discounts are available for police and law enforcement*

**"This course was excellent...the content was informative and relevant and the trainers were a credit to the City of London Police"**

*North Yorkshire Police*





# Initial Management of Fraud Investigations

5 day course – Code FML

## » Target Audience

Team leaders and middle management from the police, law enforcement and dedicated counter fraud organisations.

## Course Aim

To provide team leaders and managers with the skills and knowledge necessary to manage and lead fraud investigation teams.

## Overview

This course focuses on the development of core management skills required to effectively manage fraud investigation teams and develop the knowledge and skills to take initial command and direct the investigation of major and complex fraud cases.

## Course Objectives

After attending the course the delegate will be able to:

- Apply the principles of Core Investigative Doctrine to complex fraud cases
- Maximise 'golden hour' opportunities and fast track actions
- Develop policy for fraud prevention, disruption and enforcement
- Create policy files and record strategic decisions
- Develop investigative strategy
- Review and manage performance against investigative strategy
- Conduct operational debriefs and identify organisational learning

## Cost

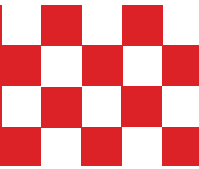
£1500

*Discounts are available for police and law enforcement*

**"The exercise, to plan a new Boiler Room case was a high point...I learnt a lot about seeing the investigation as a whole"**

*Manager, SFO*

# Advanced Management of Fraud Investigations



5 day course – Code MSC

## » Target Audience

Senior management and directors from the police, law enforcement and dedicated counter fraud organisations who fulfil the role of Senior Investigating Officer.

## Course Aim

To provide Senior Investigating Officers with the skills and knowledge necessary to set priorities and strategic policy for investigations, teams and departments.

## Overview

This course focuses on the development of the Senior Investigating Officer mindset with a focus on major and complex fraud. Learners are required to undertake and manage one or more serious and complex fraud investigations (simulated). Their ability to manage the initial response, implement fast track actions, develop investigation strategy and complete accurate policy logs will be tested.

## Course Objectives

After attending the course the delegate will be able to:

- Describe the role of the Senior Investigating Officer in serious & complex fraud cases
- Explain the decision making process when selecting a methodology for the Investigation
- List the considerations when designing a communication strategy for an investigation
- Define the benefits of working with other agencies and advisory groups when managing investigations
- Apply a logical approach to the investigative process
- Outline the issues that may arise when investigating serious & complex fraud cases
- Appreciate and manage the outcome of an investigation

## Cost

£1500

*Discounts are available for police and law enforcement*

**“The course has reinforced the need for effective investigation planning and the development a robust hypotheses and strategy regardless of the scale of the investigation”**

*Senior Manager, MHRA*



# Fraud Case Reviews

3 day Course – Code SFCR

## » Target Audience

Senior police investigators and investigating officers , other senior law enforcement personnel , and senior counter fraud professionals who are involved in managing or directing serious & complex fraud investigations.

## Course Aim

Provide the opportunity for delegates to explore the role and responsibilities of a reviewing officer and how to apply the principles in the review of a serious & complex fraud investigation.

## Overview

This course develops key skills for investigators in how to plan and conduct a review of any type of investigation either as a solo lead reviewer or as a review team member. It examines reviewing by looking at major crime investigations and how to use reviews as support to a senior investigating officer or investigating officer. The course is underpinned by the Core Investigation Doctrine and is integral to the new Fraud Investigation Model.

## Objectives

At the end of the course the delegates will be able to:

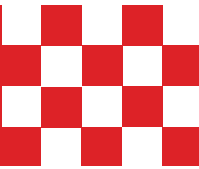
- Outline the role and responsibilities of a review officer.
- Summarise how to perform the role of a review officer and conduct a review.
- Give examples of the different types of review.
- Identify the investigative skills required to conduct a review.
- List the key members required to establish a review team.
- Describe how to construct a review report and structure recommendations.
- Demonstrate practical application of conducting reviews.

## Cost

£900

*Discounts are available for police and law enforcement*

# An Investigators, Prosecutors and Compliance Officers guide to the Bribery Act 2010



1 day course – Code IPC

## » Target Audience

Police officers (all ranks), other law enforcement officers, dedicated counter fraud professionals, compliance officer and public/private sector prosecutors.

## Course Aim

To provide investigators, compliance officers and prosecutors with a sound understanding and interpretation of the Bribery Act 2010.

## Overview

This course aims to instruct investigators, compliance officers and prosecutors in the new Bribery Act 2010 and the various elements of the offences. It will advise delegates of the relevant Criminal Justice System (CJS) Policies with regard to Bribery offences and linked issues (such as self-referral) and adequate procedures.

## Course Objectives

After attending the course the delegate will be able to:

- Provide consistency of decision-making by identifying various parameters for prosecution
- Implement a co-ordinated approach to CJS Bribery prosecutions by permitting investigators and prosecutors to appreciate the relevant factors and issues that inform their decision-making
- Demonstrate a sound understanding of the Bribery Act 2010 and the various sections, guidance and policy
- To act as a local expert in the Bribery Act 2010 and advise colleagues as a source of excellence

## Cost

£300

*Discounts are available for police and law enforcement*



# Investigating Bribery & Corruption

3 day course – Code IBC

## » Target Audience

Police officers (all ranks) and other law enforcement and those dedicated to the prevention and investigation of bribery and corruption.

## Course Aim

To provide investigators with the skills and knowledge necessary to conduct investigations in to allegations of bribery and corruption.

## Overview

Learners will discuss the impact of corruption on society and why cases of bribery and corruption should be investigated. Delegates will develop a sound understanding of the legislation relating to corruption including the Bribery Act 2010.

## Course Objectives

After attending the course the delegate will be able to:

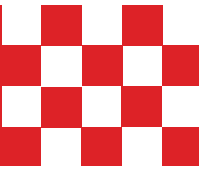
- Describe the impact of bribery and corruption on society
- Identify relevant legislation in relation to bribery and corruption
- Identify how intelligence is obtained and developed in corruption cases
- Apply Core Doctrine to the investigation of bribery and corruption
- Develop investigative strategies for corruption cases
- Develop strategies and apply best practice in the recovery of material

## Cost

£900

*Discounts are available for police and law enforcement*

# Cheque & Plastic Card Crime Investigation



4 day course – Code CPC

## » Target Audience

Police officers (all ranks) and other law enforcement investigators and dedicated counter fraud professionals.

## Course Aim

To provide investigators with the skills and knowledge necessary to investigate payment crime and provide evidence as an expert witness.

## Overview

This course provides investigators with specialist skills and knowledge in respect of payment card crime as well as other forms of payment crime. The course also accredits successful candidates as expert payment card examiners, enabling them to give evidential statements for Court purposes.

## Course Objectives

After attending the course the delegate will be able to:

- Understanding how the payment card system works
- Identify how criminals clone and compromise payment cards
- Identify Pin Entry Devices – compromises
- Understand the role of the Dedicated Cheque and Plastic Card Unit (DCPCU)
- Understand how computer networks are used in payment crime and data compromise
- To identify cases of counterfeit currency and the role of the Bank of England

## Cost

£1200

*Discounts are available for police and law enforcement*



# Fraud Interview Skills – Initial

5 day course – Code FIS1

## » Target Audience

Police officers (all ranks) and other law enforcement and dedicated counter fraud professionals.

## Course Aim

To develop understanding and skills in the principles of investigation and interviewing at Professional Investigator Level 2.

## Overview

The methodology employed allows the development of a systematic approach to both investigation and interviewing which is suitable for all investigative enquiries, be they internal intervention, leniency or PACE compliant in nature. The scenario based approach adopted exposes participants to not only what and how but why questions are fundamental to evidence in a persuasive case.

## Course Objectives

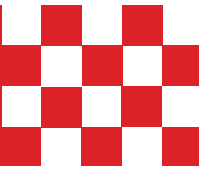
After attending the course the delegate will be able to:

- Understand the concept of an active prosecution stance
- Develop systems to effectively collect and analysis information to inform an enquiry
- Develop conversational skills in an interview situation
- Plan, prepare and undertake interviews in a variety of situations
- Develop analytical note taking skills
- Produce Section 9 structured witness statements
- Plan and deliver pre-interview disclosure as part of a tactical proactive investigative approach
- Effectively undertake a conversation management interview through free recall, clarify and challenge phases
- Evaluate performance and evidence

## Cost

£1500

*Discounts are available for police and law enforcement*



## » Target Audience

Police officers (all ranks) and other law enforcement and dedicated counter fraud professionals.  
This Advanced Interview Skills is limited to a maximum of 8 delegates per course.

## Course Aim

The advanced investigative interviewer's course will assist in the development of individuals involved in the investigation of serious and/or complex cases.

## Overview

This module builds on the skill sets examined in the initial investigators course by focusing in-depth on the elements of the conversation management approach through detailed practical application. Participants will be encouraged to implement an holistic approach to the process, encompassing both the emotional and physical conditions that present themselves as part of a tactical plan.

## Course Objectives

After attending the course the delegate will be able to:

- Apply psychological processes to information gathering investigations
- Define and apply the conversation management model when applied to serious and complex suspect and witness interviews
- Evidence a good understanding of active prosecution and defence and adopt a tactical approach to interview planning and disclosure
- Understand basic psychology in relation to resistance, ego, bias and compliance
- Understand the hierarchy of questioning and how this will effect productive and unproductive questioning
- Display assertive behaviour when applied to the context of investigative interviews and professional encounters
- Be able to deal effectively with lies, silence and no-comment interviews

## Cost

£3300

*Discounts are available for police and law enforcement*

**“This course was aimed at improving the skills and abilities of investigators within the group. I have since recommended the course to the European Commission”**

*OFT, Cartels and Criminal Enforcement Group*





# Professional Witness Programme

2 day course – Code PWP

## » Target Audience

Police officers (all ranks) and other law enforcement and dedicated counter fraud professionals.

## Course Aim

To provide participants with the confidence and knowledge to plan, provenance, preserve and produce testimony in an efficient manner and to present it effectively in court proceedings.

## Overview

This course focuses on the need to effectively produce and provenance information from across the public and private sectors in the support of civil and criminal prosecutions. The effective presentation of such evidence in court proceedings can be critical in achieving best evidence.

## Course Objectives

After attending the course the delegate will be able to:

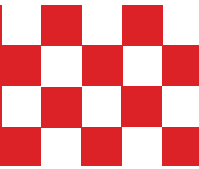
- Have an awareness of how a prosecution case is built
- Understand the law and regulations in respect to witness testimony
- Have knowledge of how to act once a request for information is received
- Understand the importance of recording actions (Continuity)
- Understand how to provenance information
- Be able to plan and produce a structured written witness statement
- Understand the legal system and court procedure
- Understand the importance of positive verbal and non-verbal communication cues
- Gain experience of providing oral testimony and being cross-examined

## Cost

£600

*Discounts are available for police and law enforcement*

# Search-Operational Planning & Execution for Fraud Investigations



1 day course – Code SOPE

## » Target Audience

Police officers (all ranks) and other law enforcement and dedicated counter fraud professionals.

## Course Aim

To provide investigators with the skills and knowledge necessary to plan and conduct searches of premises linked to fraud, corruption and financial investigations.

## Overview

This course focuses on the operational planning of searches using the IIMARCHE model and the powers and considerations applicable to searches in complex investigations.

## Course Objectives

After attending the course the delegate will be able to:

- Produce an IIMARCHE briefing
- Develop a search strategy
- Identify need for specialist functions and support ie Digital Forensic Examiners
- Correctly identify, record, seize and retain exhibits
- Understand the relevant legislations, procedures and best practice
- Conduct an effective and efficient search
- Evaluate and assess search outcomes

## Cost

£300

*Discounts are available for police and law enforcement*

**“This was a well-presented and thoughtful course, which had plenty of useful interaction”**

*Financial Services  
Authority*

# Internet Investigators Course – Initial

2 day course – Code III

## » Target Audience

Aimed at police officers and other law enforcement and dedicated counter fraud professionals.

## Course Aim

A prerequisite for this course is a basic familiarity with the Internet and an appreciation of cyber spaces investigative potential.

This course aims to teach investigators how to use the 'Net as an effective investigative tool and escape the trap of simple Google searching in favour of a more dynamic (and productive) search engines and cyber tools. Delegates will develop an instant 'value added' capability for their business where the internet can be used to leverage this capability effectively within the context of an investigation.

## Overview

The Internet has become a ubiquitous feature of the modern world, a technology that permeates all aspects of our lives and blurs the line between our work and business lives on an ever-increasing basis. Due to the vast amount of personal data on the 'Net' the World Wide Web has become a treasure trove of information that can enhance any fraud, counter terrorism, criminal or intelligence led investigation, as long as the correct approach is adopted by the investigator.

This course will unravel the technical jargon and provide investigators with an understanding of the technology and tools available to maximise results from internet based intelligence.

## Course Objectives

After attending the course the delegate will be able to:

- Understand the jargon associated with the Internet
- Effectively use the internet as an investigative research tool
- Maximise the opportunities for harvesting intelligence from social networks and media sites
- Conduct anonymous web browsing
- Better utilise search engines, meta browsers, deep web and people search tools
- Design a cyber investigative strategy
- Cyber space tools and techniques

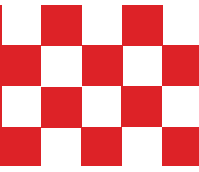
## Cost

£650

*Discounts are available for police and law enforcement*

**“A very relaxed and first class course that was pitched at just the right level”**

*Aviva*



## » Target Audience

Police officers (all ranks) and other law enforcement and dedicated counter fraud professionals

## Course Aim

A prerequisite to this course is the completion of the Initial Internet Investigators Course or similar and have a good grounding in the use of open source intelligence using the Internet and want to develop their skills in order to take on more ambitious Internet based cases.

## Overview

The course is aimed at intelligence and investigation professionals looking at bridging the gap between covert passive surveillance on the Internet to more active investigations that involve closer interaction with individuals and subjects on the Internet.

## Course Objectives

After attending the course the delegate will be able to:

- Understand the principle of cyber-HUMINT (human intelligence Source)
- Risk assess and manage cyber-HUMINT operations
- Understand how intelligence operations are conducted online
- Differentiate between different mediums in cyber space and how to approach and interact with them
- Develop a safe and legal intelligence led approach to cyber operations

## Cost

£325

*Discounts are available for police and law enforcement*



# Understanding Technology Enabled Crime

3 day course – Code UTEC

## » Target Audience

Police officers (all ranks) and other law enforcement and dedicated counter fraud professionals.

## Course Aim

To provides investigators with an in-depth understanding of how criminals exploit technology in the furtherance of crime.

## Overview

This course focuses the range of technological tools and techniques open to them; the tools and techniques available to investigators to detect, intervene, disrupt, prevent and deter crime; and the collection and preservation of evidence from technology based systems to assist in criminal and civil court cases.

## Course Objectives

After attending the course the delegate will be able to:

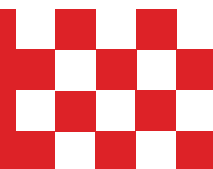
- Indicate the criminal groups, organised and otherwise, likely to exploit technology
- Identify the law enforcement and other groups/agencies that exist to counter technology enabled crime
- Understand the methods that need to be applied during the investigation of technology enabled crime
- Define the types of intelligence and evidence that can be collected during investigations of technology enabled crime
- Understand techniques used to assist surveillance, counter-surveillance, intervention disruption, prevention and deterrence
- Identify developments in technology and likely scenarios of the crime it may enable
- Understand relevant legal and regulatory issues

## Cost

£900

*Discounts are available for police and law enforcement*

# Material and Case File Management for Fraud Investigations



1 day course – Code MCFM

## » Target Audience

Police officers (all ranks) and other law enforcement and dedicated counter fraud professionals.

## Course Aim

To provide fraud investigators and intelligence operatives with the skills and knowledge necessary to effectively record, retain and reveal relevant material obtained during, or in anticipation of, civil or criminal proceedings.

## Overview

This course focuses on the development of organisational practices for material and case file management in accordance with legislation, guidance and established best practice. Civil and criminal procedures will be compared and delegates will be introduced to the application of disclosure as defined by the Criminal Procedures Investigation Act (CPIA).

## Course Objectives

After attending the course the delegate will be able to:

- Identify key guidance and legislation relevant to protective marking of materials
- Use relevant legislation and guidance to manage materials in civil and criminal proceedings
- Differentiate between material obtained during an investigation and relevant material
- Implement measures and procedures for recording, retaining and revealing relevant material
- Evaluate relevant material for disclosure and produce robust disclosure schedules

## Cost

£300

*Discounts are available for police and law enforcement*

# Introduction to Intelligence

1 day course – Code ITI

## » Target Audience

Police officers (all ranks) and other law enforcement and dedicated counter fraud professionals.

## Course Aim

To ensure that intelligence officers are aware of the latest and relevant intelligence practices and to ensure that the intelligence officers are aware of sensitive policing techniques and relevant legislation.

## Overview

This course focuses on the development of an intelligence-led mindset and introduces delegates to the core legislation and guidance applicable to intelligence operatives.

## Course Objectives

After attending the course the delegate will be able to:

- Identify key guidance and legislation which impacts upon the role of the intelligence officer
- Use relevant guidance (MOPI, NIM, National Briefing Model) to ensure that good practice is followed and that relevant sharing protocols are followed
- Be aware of the intelligence cycle and the role of the intelligence officer to develop intelligence via 5x5x5 intelligence logs
- Detail how the National Intelligence Model is used effectively with the organisation
- Identify relevant sensitive policing techniques which may assist tactical operations
- Have an awareness of relevant legislation which is used for sensitive policing techniques

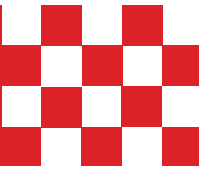
## Cost

£300

*Discounts are available for police and law enforcement*

**“The Insurance Fraud Investigators Group have employed the City of London Police on several occasions to deliver training to our members. We would unhesitatingly recommend them to any financial institution for relevant and practical training in fraud investigation and prosecution techniques.”**

*Head of Financial Crime Investigation – Prudential plc*



## » Target Audience

Police officers (all ranks) and other law enforcement and dedicated counter fraud professionals.

## Course Aim

To introduce participants to the concept of a strategic intelligence led method of operation.

## Overview

This course focuses on the development of an intelligence-led mindset and introduces delegates to the core legislation and guidance applicable to intelligence operatives. The scenario based sessions will focus on all aspects of the process from collection and analysis to the appropriate conclusion. Working in syndicates utilising paper fed information and 'live sources', participants will establish an effective Information Collection System. Legal and theoretical tutor led inputs and discussions will guide, advise and support as the scenario progresses through to its conclusion.

## Course Objectives

After attending the course the delegate will be able to:

- Explain risk assessment and prioritisation
- Understand the role of 'confidential contacts' (including whistle blowers) in relation to the business's Policies and Procedures
- Identify sensitive intelligence and how it is managed
- Understand how to recruit and handle Human Intelligence Assets
- Explain implications of Article 8 Human Rights, RIPA and Lawful Business Practice Regulations
- Demonstrate tactical and strategic tasking and co-ordinating meeting management
- Understand the cost and benefits of human and technical asset deployment

## Cost

£600

*Discounts are available for police and law enforcement*





# Effective Human Asset Management

5 day course – Code EHAM

## » Target Audience

Public sector investigators and dedicated counter fraud professionals.

## Course Aim

Identification and exploitation of all available information streams that are essential to the adoption of a proactive intelligence led investigative framework.

## Overview

The cultivation, use and management of human intelligence assets is a vital aspect of such an approach. It provides the opportunity to corroborate and inform in a controlled manner. However, such activity requires strict control to ensure that cost/benefit issues are understood and addressed. This course takes the form of a 5 day live exercise through which participants are introduced to established best practice methodology and given the opportunity to put the skills into practice. This course has been specifically designed for non-police public and private sector organisations and will be tailored to fit the aspirations of the participants at their anticipated level of operation.

## Course Objectives

After attending the course the delegate will be able to:

- Develop a human asset use strategy as part of the tactical response to an identified requirement
- Understand the law and regulations in relation to Public Interest Immunity and disclosure
- Examine recruitment, handling and oversight issues pertaining to the use of 'human assets'
- Develop a suitably robust hierarchical based asset management system
- Devise and implement considered asset management protocols
- Undertake comprehensive risk identification and management reviews
- Plan and undertake appropriate 'Tradecraft' in relation to asset contacts
- Develop the ability to use communication as an effective asset handling skill
- Examine how to risk assess, plan and undertake appropriate meetings with 'human assets' safely
- Understand ethical and human rights issues pertaining to the use of 'human assets'

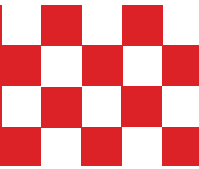
## Cost

£1500

*Discounts are available for police and law enforcement*

**"The course proved to be extremely successfully in both the short and the long term with my company adopting many of the best practices suggested"**

*Head of Cyber Reconnaissance Team, Verisign*



## » Target Audience

Police research officers/staff and other law enforcement personnel and dedicated counter fraud professionals.

## Course Aim

To provide researchers with the skills and knowledge necessary to contribute to the effective production and delivery of intelligence products.

## Overview

This course focuses on the development of the researcher to ensure that they are fully aware of their role, under the principles of the National Intelligence Model, in identifying sources and information which may be used by analysts and intelligence officers.

## Course Objectives

After attending the course the delegate will be able to:

- Understand the role of the researcher within a law enforcement environment
- Detail the core components of the National Intelligence model
- Define the 'Intelligence Cycle' and how this model is core to the role of the researcher
- Be aware of key collection planning processes and the systems available to the researcher
- Be conversant to relevant legislation which may impact upon their role

## Cost

£900

*Discounts are available for police and law enforcement*



# Investigative Analyst Course

5 day Course – Code IAC

## » Target audience:

Police, law enforcement and private sector researchers and Individuals involved in compliance, regulation, analysis or investigations.

## Course aim

To cross-pollinate and enhance the skills bases of two closely linked but separate roles within investigation promoting a greater understanding and enable a more cohesive approach to investigation and information analysis.

## Overview

This course focuses on the gap between two important disciplines and examines the theory and practical application of the inductive and deductive processes within each and how they can be aligned in the search for best evidence.

## Course objectives:

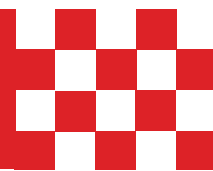
By the end of the course the delegate will be able to

- Apply an investigative mindset across disciplines
- Understand and apply an analytical perspective to critical data
- Explain the hierarchy of data and how the methodology behind its collection
- Demonstrate how best to brief data collectors and analysts
- Understand how to fit data to an investigative strategy
- know how to effectively identify anomalies and gaps in information
- Understand the move from intelligence to evidence and disclosure
- Define how to effectively identify and deal with risk

## Cost

£1500

*Discounts are available for police and law enforcement*



## » Target Audience

Police analysts and other law enforcement analysts and dedicated counter fraud professionals.

## Course Aim

To provide Analysts with the skills and knowledge necessary to contribute to the effective production and delivery of intelligence products.

## Overview

This course focuses on the development of intelligence analysts who provide support to their organisation in developing refined products both tactically and strategically using standard, nationally defined analytical techniques.

## Course Objectives

After attending the course the delegate will be able to:

- Explain the National Intelligence Model (NIM), in particular the techniques used by the National Fraud Intelligence Bureau and partner agencies within the counter fraud community
- Gather information from a variety of sources that has the potential to become actionable intelligence
- Analyse intelligence and use the defined analytical techniques to create intelligence products that support operational objectives
- Evaluate intelligence in accordance with the requirements outlined in the NIM
- Disseminate intelligence in an appropriate manner
- Apply problem solving techniques and propose intelligence based solutions to address strategic and tactical problems
- Demonstrate the ability to contribute to meetings and develop effective working relationships

## Cost

£1500

*Discounts are available for police and law enforcement*



# Stage 3 Analyst

5 day course – Code S3A

## » Target Audience

Prospective senior/higher analysts from police, law enforcement agencies and dedicated counter fraud departments.

## Course Aim

To provide experienced analysts with an enhanced skill set necessary to contribute to the effective production and delivery of intelligence products.

## Overview

**Completion of the Stage 2 Analysts Course (or equivalent) is compulsory prior to attending this course.**

This course focuses on the further development of experienced analysts and the enhancement of their skills using sensitive and closed source data, which may be used to develop intelligence into evidence.

## Course Objectives

After attending the course the delegate will be able to:

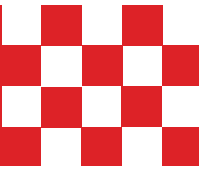
- Review the outcomes and learning from Stage 2 Analysts Course
- Apply sensitive data within a practical relevant scenario
- Negotiate terms of reference for the development of intelligence analysis products
- Understand and apply analytical techniques working in UK and international law enforcement
- Develop inferences from collated information, identify intelligence gaps and make appropriate recommendations
- Evaluate the effectiveness of analysis against the terms of reference

## Cost

£1500

*Discounts are available for police and law enforcement*

# Booking a Speaker for your own event or Conference



## » Speaker Topics

The Academy can offer speakers on all aspects of the prevention, disruption and investigation of Economic Crime, Fraud and Bribery & Corruption.

Due to the frequent requests for the Academy to supply speakers we can usually offer no more than one speaker from the Academy for each event and, whilst we will make every effort to provide you with an appropriate speaker, we can not always guarantee this

### What we need to know

- name of organisation running the event, and details of status (eg commercial company, registered charity)
- event date and title
- event location
- event programme, including the aims and objectives of the event
- requested speech title or topic
- confirmed and invited speakers
- audience level, background, expected numbers and method of advertising the event.

This information will help us to help you. Working with you, we will be able to identify the most appropriate speaker for your event. If you already have a speaker in mind, please let us know.

We will contact you within 7 days of the receipt of your request to let you know whether or not we can provide a speaker for your event.

### Speaker Fees

The Academy will charge for providing speakers for events run by commercial conference providers. The rates are £1,000 plus VAT plus travelling expenses (and the cost of an overnight stay, where necessary) for a presentation lasting up to 40 minutes. This covers liaison with you, preparation, time, attendance and delivery of the presentation.

The Academy may provide speakers free of charge for certain not-for-profit organisations, trade associations, professional bodies and Institutes, but will require reimbursement of any appropriate travelling expenses in line with CoLP policy (and the cost of an overnight stay, where necessary). The Academy will accept a complimentary place at the conference in return for speaking.

### Course Objectives

The Academy may be willing to distribute your conference brochures to its partners and clients (for a fee) by post or by e-mail. The charge is dependent upon the staff effort required, the number to be sent and the postage cost. If you are interested in exploring this with us, please contact our training team.



# Terms and Conditions

## » Definitions

"CoLP" means the City of London Police under the auspices of the Mayor and Commonalty and Citizens of the City of London, (the Common Council) as Police Authority for the City of London, the entity conducting business under these terms: "Client" means the organisation booking or paying for a delegate: "Delegate" means a person attending a CoLP training course: "Charge" means the fee (if any) payable by the Client to CoLP in consideration of CoLP providing the course: "Course" means the open training course provided by CoLP and booked by the Client in accordance with these Terms and Conditions: "Course Portfolio" means the CoLP course prospectus: "Location" means the venue at which the Course is to be held or such other Location deemed appropriate by CoLP: "Site" means anywhere within the area known as the City of London: "Terms" means this set of terms and conditions governing the Client's booking on a CoLP Course.

## Equality Act 2010 and Equal Opportunities Policy

CoLP take their legal obligations under the Equality Act 2010 as amended by the Police Reform and Social Responsibility Act 2011 to promote equality of opportunity seriously. Each Delegate will be expected to abide by CoLP's Equal Opportunity Policy (copies of which are available on request) at all times while at the Location and any behaviour which is deemed by CoLP in its absolute discretion to be a breach of that policy will result in that Delegate immediately being removed from the Course and the behaviour in question being reported to the Client.

## Bookings

Bookings must be confirmed by the Client on an official CoLP Booking Form. A commitment will be required from the Client. This will take the form of either a valid purchase order or up-front payment. Once the above are received and processed, the booking will be confirmed by CoLP in writing. The number of delegates and their names must be given at the time of booking. CoLP will take provisional bookings but will incur no liability in respect of them. Either party may cancel such bookings prior to such bookings being confirmed as set out above. Bookings made by the Client will only be accepted subject to these Terms and Conditions and a Booking by the Client will be taken as acceptance of and agreement to these Terms and Conditions.

## Prices & Payments

Some CoLP Courses are chargeable to some or all Clients. These are clearly marked in the corporate Course Portfolio. The Client will be notified of any charges at the time of booking and this will be confirmed in writing. Any relevant duties or taxes including VAT will be added to the cost of all Courses at the prevailing rate. Where relevant, Clients will be invoiced direct by CoLP and should render payment within 28 days to the address shown on the invoice prior to confirmation by CoLP in accordance with the bookings procedure set out above.

## Cancellations

Whether or not a charge is to be levied for a CoLP course, cancellation fees will apply once CoLP has confirmed the booking. The fee is based upon the price of the course. Notice of cancellation must be made by letter or email. If the Client advises CoLP of a cancellation or postponement more than eight weeks before the planned start date, no charge will apply. After this date, a sliding scale of charges will be applied, as set out in the Booking Form. If a Delegate fails to attend a course, and the Client has failed to notify CoLP in writing, the Client will be charged the full fee for the course. Any appeals to the cancellation fees imposed should be made in writing to the CoLP for consideration.

## Substitutes

Where applicable, CoLP will accept a substitute Delegate from the Client providing they have the relevant experience and/or qualifications (if needed for the particular Course). In order for the substitute to be accepted, CoLP must be informed in writing no later than 09:00 on the last working day prior to the day of arrival, in order that it may make appropriate changes to accommodation bookings and security arrangements. Please note that it is not CoLP's intention to profit from unavoidable late cancellations.

## Accommodation & Travel Costs

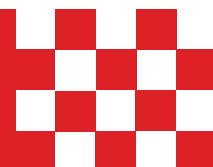
All course costs quoted in corporate Course Portfolio exclude overnight accommodation, if by special arrangement accommodation is included in a Course, CoLP will endeavour to locate all Delegates on Site but reserves the right at its sole discretion to accommodate them off site. Where Delegates are accommodated off Site, CoLP will provide transport or cover the cost of transport from the accommodation to the Course Location. All other transport costs for Delegates will remain the responsibility of the Client. As such any taxi costs or other fares will be met by the Client or Delegate and not CoLP.

## Pre-requisites

The Client shall ensure that its Delegates have attained any pre-requisite standards or qualifications, as set out in the Course literature, prior to attending the Course. CoLP reserves the right to refuse access to the Course at any time at its sole discretion if it appears to CoLP that a Delegate has not attained the prerequisite standards or qualifications for the Course in question.

For the latest course dates and availability please visit <http://bit.ly/fraudtrainingacademy>

# Terms and Conditions



## » **Equipment and Belongings**

CoLP will not accept liability for loss of or damage to any equipment or other belongings save where such loss or damage is due to the negligence of CoLP. Delegates are responsible for the care of such items and should ensure these are secured adequately when left unattended. Delegates are responsible for the safekeeping and appropriate usage of items loaned to them. Damage caused by inappropriate use, or loss of such items will be charged to the Client.

## **Systems and Document Review**

Where the Client or Delegate provides materials or processes for review or provides details of their systems or measures in place to protect against economic crime, such materials and processes, systems or measures are reviewed solely for the purposes of developing the agreed training course(s) and are not to be regarded as an audit for compliance purposes or security of systems adequacy. Neither the Common Council nor CoLP accept any liability what so ever in respect of such matters. Or for any failure or inadequacy in the Client's systems or measures to protect against economic crime.

## **Health and Safety**

Each Delegate will be expected to abide by CoLP's Health & Safety Policy (copies of which are available on request) at all times while at the Location and any behaviour which is deemed by CoLP in its absolute discretion to be a breach of that policy will result in that Delegate immediately being removed from the Course and the behaviour in question being reported to the Client.

## **Security**

Badges or passes will be issued to all Delegates and must be worn prominently at all times on all CoLP Locations or other premises used or connected with the Course or accommodation provided for it. CoLP reserves the right to refuse access to any Delegate who does not comply with the security procedures in place at the relevant Location.

## **Confidentiality & Data Protection**

Delegates should respect the security classification of any materials received whilst on CoLP Courses and store them as required by the ACPO/ACPOS Information Systems Community Security Policy and the Protective Marking Scheme. Any personal data received by CoLP from Delegates will be stored in accordance with the Protective Marking Scheme and the Data Protection Act.

## **Freedom of Information**

The parties acknowledge and accept that the Common Council and CoLP are bound by the Freedom of Information Act 2000 ("FoIA") and the Environmental Information Regulations 2004 ("EIR's"). In the event that the Common Council or the CoLP receive a request in respect of either the FoIA or the EIR's the Client agrees to assist the Common Council or the CoLP as reasonably requested by them and without charge in responding to such request.

## **Right to Remove or Exclude**

CoLP reserves the right, at its sole discretion, to remove or exclude any Delegate from any CoLP Course or Location on grounds of misconduct or upon failure of any mandatory section of any Course without refund or other compensation and, where appropriate to exclude the Delegate from any future courses run by or on behalf of CoLP.

## **Termination**

CoLP reserves the right to postpone cancel terminate the Course at any time with or without notice and to refund to the Client without deduction any fees already paid to CoLP. CoLP shall have no further obligation or liability to the Client or the Delegate whatsoever.

## **Force Majeure**

The provision of any Course may be totally or partially suspended by CoLP to the extent that delivery is prevented through any circumstance beyond its reasonable control. CoLP will not be liable for costs incurred by the Client or any Delegate.

## **Copyright**

CoLP retains its intellectual property rights in all of its materials, documents and software, none of which may be reproduced, modified, amended, stored in any retrieval system or transmitted, in any form or by any means, otherwise than for the purposes of the CoLP Course for which its use was intended, without the prior written permission of CoLP.

## **Variation**

No variation or amendment of these Terms will be valid unless evidenced in writing and signed by a duly authorised officer of CoLP. These terms supersede any prior written or verbal communication between the parties.

## **Law and Jurisdiction**

This agreement is made in England in accordance with and subject to English law and the jurisdiction of the Courts of England and Wales.

For the latest course dates and availability please visit <http://bit.ly/fraudtrainingacademy>





**Delivering the Recommendations of the  
Fraud Review 2006  
and the  
Paradox of Police Leadership**

**Appendix Twenty One**

**Extract of APP for Fraud**

# **Fraud Authorised Professional Practice**

## **1: Understanding Fraud**

Fraud is a type of criminal activity, defined as:

*'abuse of position, or false representation, or prejudicing someone's rights for personal gain'.*

Put simply, fraud is an act of deception intended for personal gain or to cause a loss to another party.

The majority of criminal activity classified as fraud are captured by offence under the Fraud Act 2006. For further information see: [Fraud Act 2006](#)

### **1.1: What is Fraud?**

In the UK there are 61 different types of fraud (as recorded by Action Fraud) that can be recorded and potentially disseminated to forces for investigation. Each fraud type is unique and may require different strategic and tactical considerations.

There are many ways in which fraud can be committed, however, offences which cause the most harm at an individual level, based on those most reported to Action Fraud, are often classified as live 'crimes in action', with the criminals continuing to target victims putting them and their monies at risk. Under these circumstances, investigators must consider whether the priority is to investigate and preserve potential evidence or to disrupt the criminal activity and prevent crime.

For further information see: [Fraud Types & Prevention Advice](#)

### **1.2: Scale and Impact of Fraud**

The volume of fraud impacting on the United Kingdom is growing in its complexity and diversity. Those who commit fraud exploit and profit from misplaced trust and act to the detriment of public through the serious harm they cause.

Fraud has been globalised and the reach of the fraudster has increased through the use of new technologies, enabling traditional crime to be committed in new ways through the use of computers, computer networks or other forms of information communications technology.

Fraud is not the 'victimless crime'. The impact from rapidly emerging national and trans-national trends on local communities and businesses of all sizes has not always been fully recognised or realised with offenders committing offences at a local, regional and national level. In response, the UK Government has established public-private sector partnerships and collaborations, such as those developed by the National Fraud Intelligence Bureau (NFIB) hosted by the City of London Police (CoLP).

#### **Case Study: Impact of Fraud**

The Motor Insurance Industry highlighted a new and growing crime threat referred to as Ghost Broking. The activities of the ghost broker are illegal owing to them being unregistered and unlicensed.

Fraudsters design convincing insurance websites that offer greatly reduced insurance quotes for motor cover. When contacted by an unsuspecting motorist, the fraudster alters certain 'risk factors' such as the risk address, age of the driver, driving and accident history to make the premiums artificially low. The fraudster illegally brokers this insurance cover with a genuine insurance company who are unwittingly insuring a motorist that should attract far higher premiums.

The customer pays the broker for the policy but in the event of a claim, the insurance company discover the details provided are inaccurate, rendering the policy invalid. The motorist is therefore at risk of prosecution for no insurance and also at risk of liability for damage repairs and personal injury.

One such illegal website was closed down by the Insurance Fraud Enforcement Department (IFED) and the fraudster behind the scam was located. Over a period of months, he had defrauded 500 young motorists out of premiums in excess of £1000 each. The offender had used many different insurance companies to unwittingly provide insurance cover for his customers. IFED detectives worked closely with the Insurance Fraud Bureau and Insurance Industry Fraud Teams who were able to fast track the evidence in support of the investigation and prosecution.

This offender was sentenced to 7 ½ years imprisonment.

### **1.3: Offender & Victim Profiles**

Fraud is often called a ‘white collar crime’. The phrase ‘white collar crime’ was first defined in 1939 by the eminent sociologist / criminologist Edwin Sutherland as ‘a crime committed by a person of respectability and high social status in the course of his occupation’.

There is a danger that fraud, when seen as ‘white collar crime’ can carry an air of respectability. Certainly, in a lot of cases, the criminal who commits, or attempts to commit, fraud may have traits over-and-above the average thief but fraud can never be a crime of respectability.

Although the National Fraud Authority conducted research into the scale and cost of fraud to the UK, the true cost is still unknown; the loss impacting on every part of society, especially the most vulnerable. It represents money that individuals, businesses and Government can ill afford to lose.

As for a crime of ‘nonviolence’, on the 4<sup>th</sup> December 2012, a national newspaper reported on an international £2.4 million ‘lottery scam’ fraud, perpetrated by a gang of London based Nigerian fraudsters. Their victims, all of whom were duped into believing that they had won either a large sum of money on an Australian lottery, inheritance or an investment benefit, were all defrauded of an average of £204,000 each. One particular victim from Los Angeles, was shot dead by her husband who then turned the gun on himself, after she had wired the gang £264,000 (for taxes and admin costs in order to release the winnings) – blowing their hard-earned pension.<sup>1</sup>

### **1.4: Warning Signs & Red Flags**

#### **Warning signs**

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<sup>1</sup> <http://www.dailymail.co.uk/news/article-2242985/Jailed-London-based-Nigerian-fraudsters-ran-2-7million-lotto-scam-led-murder-suicide.html>

Warning signs have been described as organisational indicators of fraud risk and are often used to implement counter fraud measures by understanding where the fraud risks are; an investigator can use this information to identify trigger points which may allow for resources to be more effectively focused in the investigation and the search for material. See [Fraud Warning Signs](#) for some examples of warning signs, this is not an exhaustive list and the investigator will need to consider the unique dynamics of each of each investigation to identify the warning signs, risk and potential for evidence.

The warning signs and risks are subdivided into business risk, financial risk, environmental risk and information technology and data risk.

### **Fraud Alerts or Red Flags**

Fraud alerts have been described as specific events or red flags, which may be indicative of fraud and are often used by organisations as part of real time fraud detection systems. The [Guide to Red Flags](#) provides a list of possible fraud alerts but, as with the warning signs, this should not be considered an exhaustive or exclusive list, as alerts and red flags may appear in multiple guises according to circumstances.

There are a number of warning signs that, once identified by the investigator, can be used to inform both lines of investigation and real time preventative action for the victim or similar organisations that may have the same vulnerabilities. A single fraud indicator on its own may pose little or no risk but when a number of fraud indicators are identified the correlation of these flags or risks can often be linked to the fraudulent activity.

As with the fraud risk, the investigator will need to consider the unique dynamics of each investigation to identify the red flags and associated risk for potential evidence leads.

## **1.5: Local, Regional & National Structures & Responsibilities**

There are number of national and regional functions available to assist police forces with crime management, intelligence dissemination and the investigation of offences from volume and priority through to the most serious and complex fraud cases.

The law enforcement response to fraud has been designed to complement the Government's strategy to combat organised crime through the process of Pursue, Prevent, Protect and Prepare:

### **Pursue**

Anyone committing fraud against a UK victim will face the risk of prosecution, loss of assets and dismantling of their operations. The combined law enforcement response will attack the finances of organised crime, across regional, national and international borders, exploiting all possible enforcement options, using the full powers of the State to detect, investigate and disrupt criminality at the earliest possible stage, prosecuting those responsible and recovering assets.

### **Prevent**

The law enforcement response aims to deter people from engaging in fraud by demonstrating that it does not pay. The combined law enforcement response will raise awareness about the corrosive nature of fraud from the volume and priority crime to the most serious and organised cases aimed at reducing public tolerance of its impact on individuals and communities.

### **Protect**

By working together the combined law enforcement response aims to educate the public and businesses to prevent them becoming victims of fraud. Activities are planned across the full spectrum of public and private sector partners to ensure lessons from incidents of fraud are rapidly communicated to potential victims. By using our understanding of emerging threats and victim profiles the combined law enforcement response to fraud will be able to drive targeted communications to help individuals protect themselves.

### **Prepare**

By utilising our relationships across the public and private sectors, law enforcement can ensure that a thorough and current understanding of the cause and effect of fraud is available. By promoting the principle that those engaged in fraud will be subject to multi-

track investigations, facing parallel sanctions of criminal prosecution, civil recovery and reparation to their victims, a real deterrent is created.

For more information on the local, regional and national counter fraud structures see: [Combined Law Enforcement Response](#)

## **2: Reporting & Countering Fraud**

Action Fraud is currently the only area of policing where there is a central reporting process to support victims of fraud on behalf of all police services of England and Wales and is hosted by the City of London Police within the National Fraud Intelligence Bureau. For further information see: <http://www.actionfraud.police.uk/>

### **2.1: Reporting Processes**

With the exception of crimes meeting the call for service criteria, the majority of fraud will be recorded at the NFIB directly by data providers, or by victims using the Action Fraud template on-line or through the Action Fraud contact centre.

Where victims contact their local police to report a fraud, police should advise the victim that they can report to Action Fraud. If this advice is taken, there is no need for police to record a crime or record a crime related incident. Where victims decline this facility and ask their local police to take the report, then the police should take full details of the fraud and record it on the Action Fraud system.

Police will record all the following fraud offences locally:

- offences where offenders are arrested by police or
- where there is a call for service to Police and the offender is committing or has recently committed at the time of the call for service for all fraud types, or
- where there is a local suspect

A local suspect is where through viable investigative leads;

- the police can or could locate a suspect with the details provided, or



- have sufficient details to apprehend an offender.

‘Local’ has its everyday meaning and has been used to ensure that, as for any other type of crime, where there are local viable investigative leads police should consider the crime for investigation.

Where this is not the case the crime needs to be recorded through the Action Fraud call centre or web portal. The NFIB will then deal in the same way as with any other reported crime.

For more information see [guide to Action Fraud Reporting](#)

## **2.2: Home Office Counting Rules (HOCR)**

In January 2007 the Fraud Act 2006 became law and repealed much of the previous fraud legislation. While it is not possible to prosecute offenders under the new legislation for offences committed before the new act became law, the Home Office require police to record fraud crime, for statistical purposes, under the new legislation.

The Home Office will collate levels for recorded fraud from the NFIB. This will be representative of the total national level of NFIB recorded fraud.

This is not broken down by:

- police force area.
- the demand on police by force area
- the result on that demand

The NFIB codes used enable them to record specific fraud types reported that are then passed to the NFIB. These codes are also used to count fraud types passed to the NFIB in bulk data transfers from partners organisations. All confirmed fraud held within the NFIB database would use the NFIB codes.

Action Fraud can only record NFIB crimes. Where other notifiable offences are identified they should be recorded under the relevant HOCR and the victims should be referred to their local police.

The location for allocation and dissemination of fraud crimes will be:

- where offenders are arrested by the police

- where the false representation was made

Where there is a call for service and the offender is committing, or has recently committed an offence:

- the location for allocation and dissemination will be where the false representation was made. This is regardless of the address of the suspect subsequently being established.

Where there is a local suspect the location for allocation and dissemination will be:

- The police force area covering the location of the fraudulent operation, or the suspect's address or for business related fraud the office address of the employee or, if no office address is available, the Head Office of the company.
- For goods ordered remotely: the delivery address to which the fraudulently ordered goods were delivered or are to be delivered.
- For fraudulent applications: the location from which the fraudulent application is sent. However, if the offender has arranged for a mail re-direction from the originating address, then the re-directed address shall be deemed to be the location.

Where NFIB recorded crime, or a linked series of crimes, are to be passed to the police for investigation (except frauds relating to the railways), the receiving force will be determined from the following set of principles. The principles are listed in order of priority and it is only when a principle cannot be achieved, or is not known, that the next principle will apply:

- 1st The police force area covering the location of the fraudulent operation/suspect's address or for business related fraud the office address of the employee or if no office address, the Head Office of the company.
- 2nd The police force area with the greatest number of individual usages or offences
- 3rd The police force area where the first offence was committed
- 4th The police force area where the victim resides or works.

5th In the event that a force area cannot be determined using these principles, the NFIB will designate a force area.

Fraud related to the railways (BTP jurisdiction), will be forwarded to BTP Headquarters and the above principles will not apply. Where there are a series of different linked frauds and one of those relates to the railways, the NFIB will only forward the linked series of crimes to BTP if the railway fraud is the most serious offence disclosed.

Where there is more than one suspect, and suspects reside in different force areas, the NFIB will apply principles 2 to 4 to establish primacy for the investigation. If this does not determine primacy, then the NFIB will allocate primacy.

Where assigned cases or crimes have been detected or otherwise resolved, forces should contact the NFIB providing the case number, crime numbers, suspect details and outcome details. The NFIB will then update their database and identify the relevant detections for the force.

Where specimen charges or an all-embracing conspiracy have been charged, provided that these charges are reflective of all the crimes within the case, the NFIB will note all the crimes within the case as detected.

### **2.3: Initial Prioritisation & Assessment**

The NFIB crime reviewers conduct the initial prioritisation and assessment of reports of fraud providing the link between the NFIB and external agencies. The crime reviewers provide administration, crime assessment and analytical tasking.

The role of the crime reviewers includes:

- initial assessment, evaluation and allocation of crimes,
- tasking of analytical staff,
- evaluation and dissemination of intelligence reports,
- facilitating intelligence requests,
- facilitating requests for information about fraud crime,
- facilitating disclosure requests,
- facilitating freedom of information requests,

- quality assurance and audit functions.

A crime report will be subject to basic evaluation to ensure quality and suitability for investigation, prior to dissemination to a force. This will include:

- Police National Computer,
- NFIB Organised Crime Group database,
- Electoral data check,
- Consented land/mobile phone database,
- Business database,
- Mortality database,
- further victim contact, if/where necessary,
- NFIB analytical hub.

This is not an exhaustive list and the crime assessment team will determine checks on a case-by-case basis. Positive results from any of these checks will enhance the usefulness of a crime report and is attached to the package. The crime reviewers will not routinely undertake checks to secure evidence relating to a crime, such as:

- Gateway request for information or evidence from HMRC and DWP.

The crime reviewers perform regular sampling of fraud crimes recorded by Action Fraud. This verifies that output from the automated process is appropriate for identifying crimes for further investigation.

## **2.4: Allocation & Dissemination**

Crime packages may be disseminated to:

- police forces,
- partner agencies.

All crime packages sent by the NFIB to forces will be sent via the secure 'pnn' email system (CJX). Recipients will be local SPOCs, identified at individual force level.

Certain crimes identified by Action Fraud may not require police investigation. They may however require referral to external partner agencies, such as Local Authorities or Trading Standards.

On such occasions, the information contained within the Action Fraud crime report will be entered onto a NIM-compliant, 5 x 5 x 5 intelligence log. This log will then be emailed via the secure pnn email system (CJX) to the partner agency.

Recipients should be identified SPOCs within each agency. An information-sharing agreement should be obtained when sharing information with a partner on a frequent or cumulative basis occurs.

On receipt of a crime package, the receiving force is required to record the crime on their crime recording system; however, the investigation of these crimes is a matter for each Chief Constable.

The receiving force must inform the NFIB of the allocated crime reference number. This ensures that any supplementary information can be conveyed quickly to the investigating officer.

The decision on whether to investigate an allegation of fraud, and on the resources to be devoted to any investigation, rests solely with the police (see [Home Office Circular 47/2004](#)). The police will only investigate in circumstances where there are grounds to believe that a criminal offence has been committed. When a police force assesses the validity of an investigation it is imperative that the process is robust and transparent, it may therefore be beneficial to implement a local crime assessment matrix to assess and evaluate cases from Action Fraud. See [Action Fraud Matrix](#) for a sample 'local' assessment matrix.

### **3: Fraud Investigation Common Themes**

The type of activity fraud investigators engage in and the material gathered will vary depending on whether investigators follow the traditional [Process of Investigation](#) or the Fraud Investigation Model<sup>2</sup>. The basic principles of investigation are the same and investigators will complete similar stages, however, the Fraud Investigation Model has been

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<sup>2</sup> City of London Police 2014

designed to simplify fraud investigations and enable more timely outcomes with a greater likelihood of success.

Every investigation is, however, different and may require a different route through the process, so it is important that the investigator uses the model as a guide, not as a rigid process that must be followed in every case.

### **3.1: Fraud Investigation Model**

Fraud can be complex and is often difficult to understand. This gives defence solicitors an opportunity to exploit the complexity and confuse a jury in order to undermine the prosecution. The simpler the presentation of evidence to the jury, the higher the chance of a conviction.

#### **3.1.1: Traditional Investigative Approach**

In a reactive investigation the offence has been committed and the investigator is charged with searching for the truth and securing a conviction through a fair and just investigation.

The investigator achieves this by gathering all the evidence available, pursuing all reasonable lines of enquiry and assessing the facts to establish what has happened and identify the perpetrators to achieve a successful prosecution.

Utilising this approach in a fraud investigation means that the investigator is at risk of creating an unwieldy and complex investigation.

This approach has contributed to the reputation that fraud investigations are excessively time consuming, often taking years to get to court.

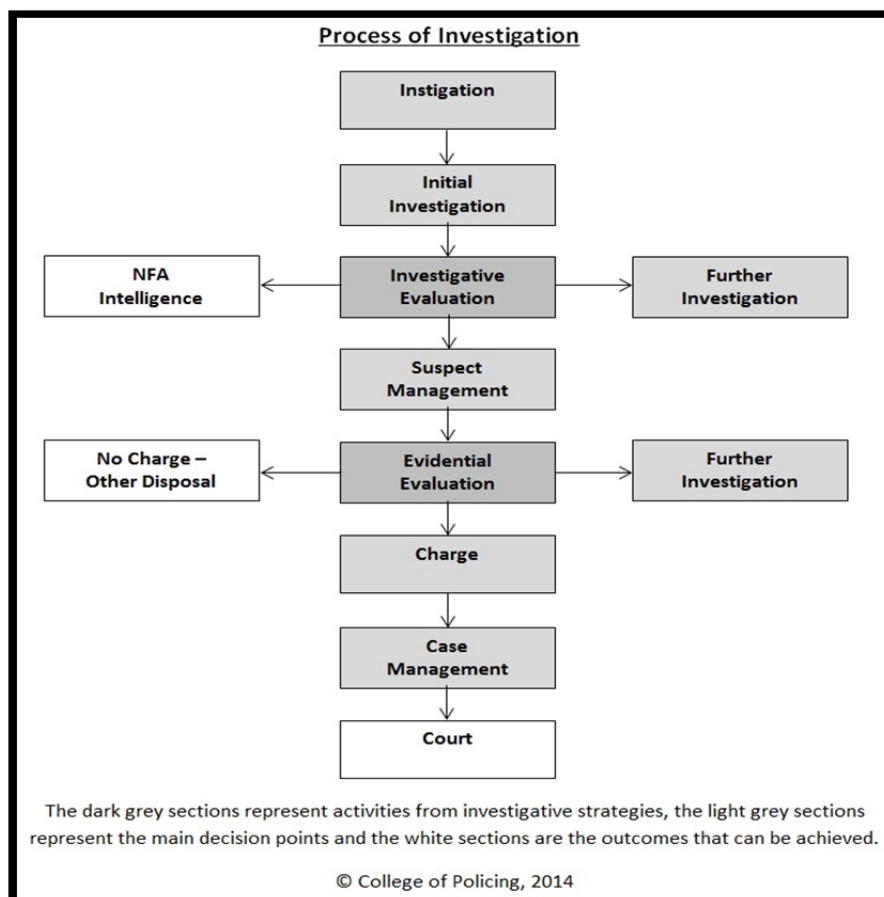


Figure 1: Process of Investigation

Fraudsters are generally entrepreneurial and will take every opportunity to maximise the profitability of a particular fraud and/or diversifying into alternative fraudulent enterprises before investigators have got to grips with their original crime. Often their 'business' plan will include contingency plans for diversification to avoid identification and prosecution.

Because of this fraud should be considered a 'live' crime, or a 'crime in action', where the criminal is active and will continue to offend until stopped. There is the potential for further victims to be targeted and significant loss to be incurred even while the offence is being investigated (see Figure 2, Traditional Fraud Landscape).

With this type of crime the danger is that investigators become so focussed on building their case they lose sight of fact that the harm is still on-going and the growth of the criminal activity could quickly out pace that of the investigation.

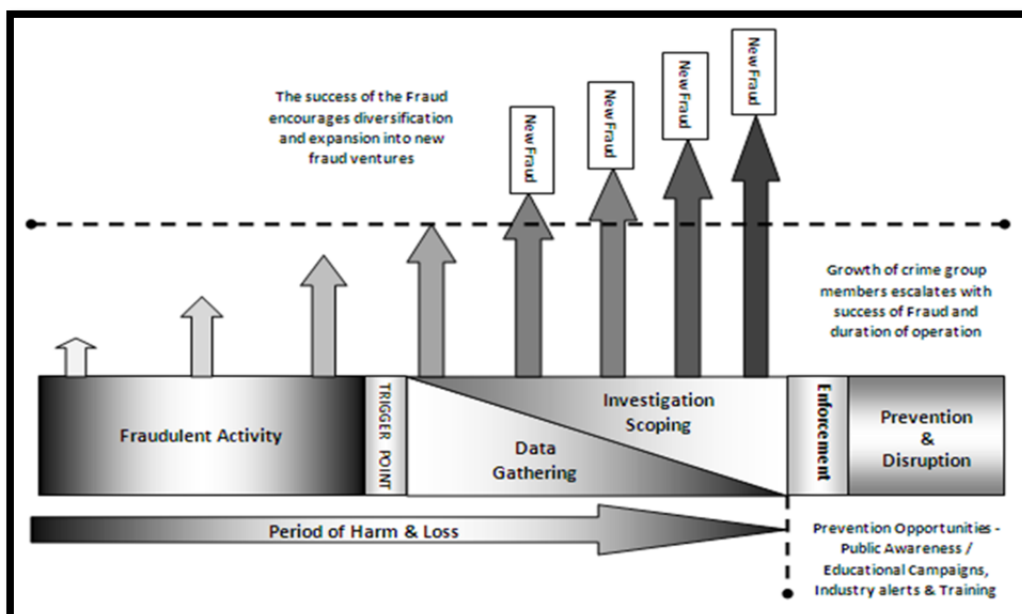


Figure 2: Traditional Fraud Landscape

### **3.1.2: The Fraud Investigation Model**

The NFIB have developed a significant understanding of how fraudsters operate through analysis of past fraudulent offending. As a result the City of London Police has developed a new model for fraud investigation better suited to the complexities and seriousness of both volume and major fraud investigations.

The fraud investigation model, Figure 3, provides an alternative outcome based framework for approaching a fraud investigation. It encourages the investigator to consider alternative outcomes and sanctions from the outset. At the same time, if a criminal investigation is to be pursued, investigators will be able to build a case that provides the greatest chance of success reflecting the seriousness of the offences under investigation.



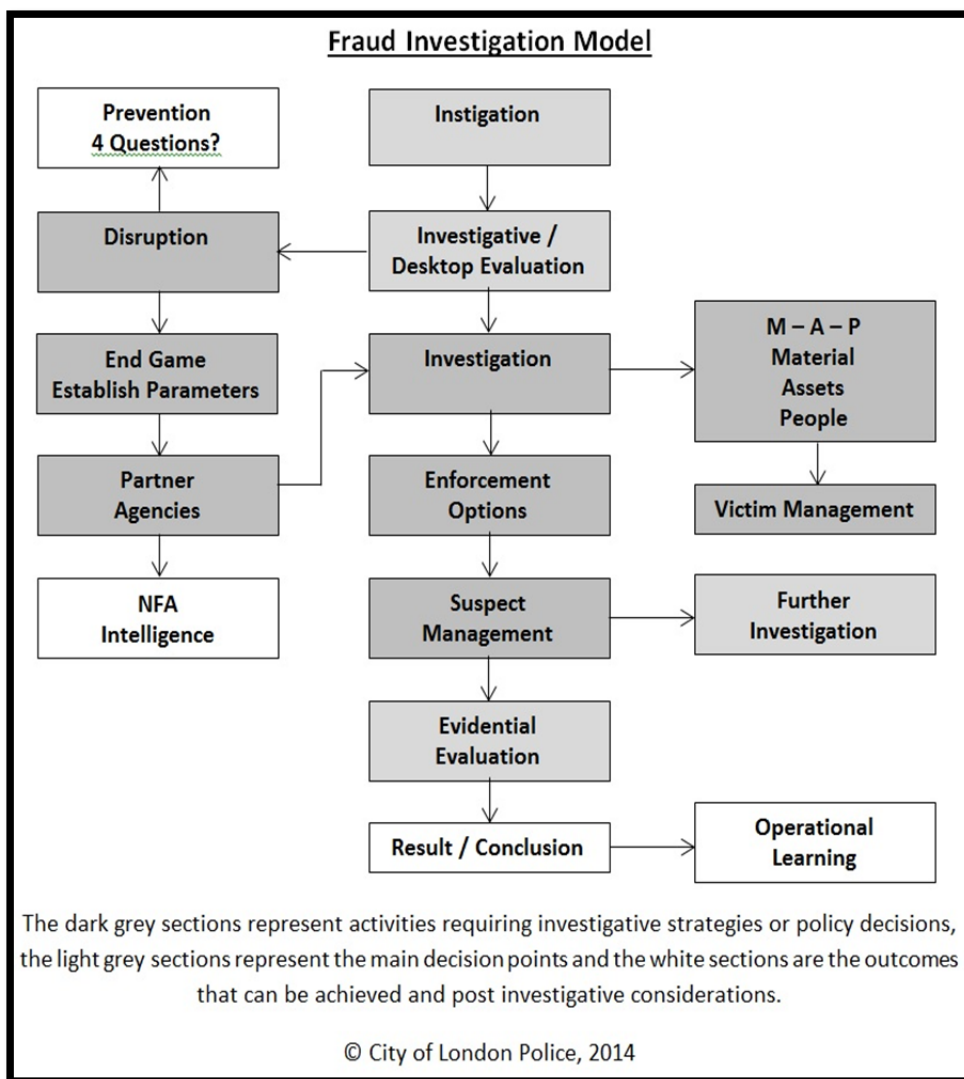


Figure 3: Fraud Investigation Model

### **3.1.3: How the Fraud Investigation Model Changes the Fraud Landscape**

Applying the Fraud Investigation Model to the Traditional Fraud Landscape, Figure 2, combined with the benefits of the NFIB and the automation of ‘trigger points’, the fraud landscape is changed considerably from the traditional model.

The model focusses on the prioritisation of prevention and disruption activities, meaning the period of harm and loss is greatly reduced and with the central repository of fraud data the potential for enforcement activity occurs much earlier. The benefits of the new model of investigation, when combined with the activities of the NFIB, are shown in Figure 4:

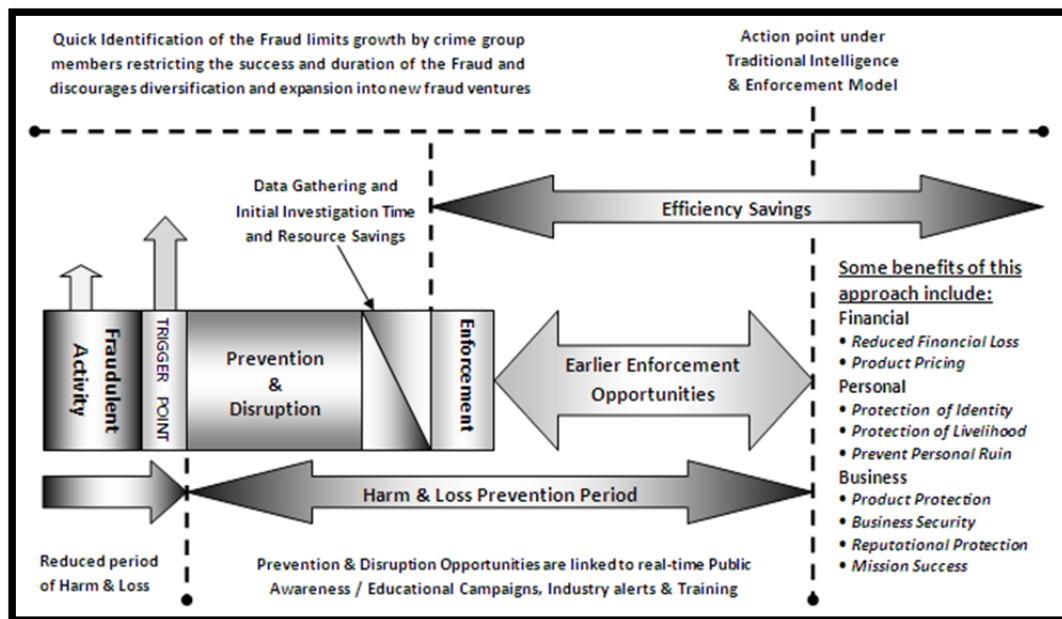


Figure 4: Data Sharing Fraud Landscape

This approach reduces the opportunities for fraudsters to diversify as well as restricting the success and duration of the original fraud. Benefits include:

#### Financial

- reduced financial loss
- product pricing / reduced premium prices / more custom

#### Personal

- protection of personal identity
- protection of livelihood
- prevention of personal ruin

#### Business

- product protection
- business security
- reputational protection
- mission success

### 3.1.4: Using the Fraud Investigation Model

Utilising this model of investigation, it is possible to increase capacity and bring successful case conclusions through a simplification of the investigative process and the use of alternative sanctions.

### **3.1.5: Instigation**

As with any investigation, a fraud investigation can be instigated using reactive or proactive approaches See: [Instigating an Investigation](#)

In addition to the common methods of referral cases of fraud may be referred via:

- Action Fraud to National Fraud Intelligence Bureau
- industry report direct to police
- whistleblowing or speak up lines
- internal or external audit activity
- domestic and international law enforcement & regulatory partners
- Suspicious Activity Reports (SARs).

Instigation will result in the initial recording of the report, classification and allocation to a particular investigator(s) or team depending of the organisations internal fraud management policy.

### **3.1.6: Investigative / Desktop Evaluation**

Unlike the majority of crime where the first time any investigative action is undertaken is after the incident has been reported to the police, the majority of fraud reported by corporate body will already have been subject to an internal investigative process. This process will have established if a potential criminal offence has occurred. This internal investigative process can take many different forms but will generally fall within one of the following categories:

- private investigation
- external fraud prevention and detection
- internal fraud response.

Each process can differ considerably but for the police investigator the key factor is being able to establish what processes have taken place, the extent to which the investigation has been conducted and the admissibility of any evidential package passed to the police.

Although a police investigator would consider a criminal process from the outset, non-law enforcement organisations may have different priorities. Those working within the regulated sectors may pursue an investigation for many months before identifying potential criminal links or overlaps. Commercial organisations and their investigators may prioritise loss prevention and reputational harm over any criminal process. The reputational damage to the organisation of making an investigation public being considered worse than the crime itself.

It is important for the police investigator to understand who was involved in the investigation, the processes that they followed and any investigative policies or fraud response plans that govern their actions.

### **A fraud response plan?**

This outlines the policies and procedures that an organisation must follow in the event of a fraud being discovered or suspected. There are now specific British (BS) and International (ISO) standards that companies can accredit to that will guide them on how to implement such plans. A good fraud response plan should aim to:

- outline the fraud investigation process (who, what, when and how) from receipt of the initial allegation through to preparation of the final ‘outcome’ report,
- clearly define the roles and responsibilities of senior management and other staff involved in the investigation process,
- set out the organisation’s policy on reporting fraud both within the company and to third parties,
- demonstrate the organisation’s commitment to take appropriate disciplinary, regulatory, civil or criminal proceedings against fraudsters and to recover losses,

- ensure that any lessons learned are applied to strengthening anti-fraud controls and processes.

The scope of an organisation's fraud response plan will vary depending on the nature and size of the business ([Fraud Advisory Panel, 2010](#)).

Although the fraud response plan will not provide all the answers, it will provide a good insight into an organisations stance on fraud, whether any internal investigation was commenced with a view to protecting the organisations reputation, supporting a criminal investigation or both.

A well prepared 'crime package' prepared by professional investigators, compliant with relevant laws<sup>3</sup>, procedures and practices can assist the police and save considerable time and resources. Thorough consideration to these issues from the outset can minimise wasted time and duplication of effort.

#### **Case Study: Corporate Handover**

In February 2014 Willis Ltd reported a suspected fraud involving a former employee, Mr H a senior broker in their Marine Division. Initially it was thought that Mr H had set up a third party company between 2005 and 2009 in St Kitts & Nevis, which he then claimed had conducted introducer work in many of his deals and was, therefore entitled to commission.

The total commission paid in this period was \$1,350,000. It was then identified that a second third party company had also been set up by Mr H, this time between 2001 and 2012 in Ecuador. Mr H had been carrying out the same conduct with that company, leading to further commission payments of \$1,030,000. Mr H was dismissed in October 2013.

It was then identified from the bank accounts belonging to these entities that the money had mostly been paid to Mr H, his partner Miss W and his estranged wife, Mrs H.

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<sup>3</sup> Like a police officer, any person 'charged' with the investigation of an offence is duty bound to comply with the Police and Criminal Evidence Act 1984 and any 'relevant' material obtained during the investigation must be retained as per the Criminal Procedure and Investigations Act 1996. Any failure to comply with the relevant legislation could deem material inadmissible.

Since this was referred Willis Ltd have been very easy to contact, have held several meetings and are now getting towards the final draft for the statements which will include all the exhibits. They have also, wherever possible, offered full disclosure regarding the civil case against Mr H and Miss W which is running alongside this investigation.

The investigative/desktop analysis will complement the above assessment and may occur more than once, for example, each of the following stages may require an independent desktop analysis:

- crime package – hand over between originating organisation and law enforcement
- crime assessment and dissemination - NFIB
- disseminated package – receiving law enforcement unit

Regardless of the processes that have gone before, it is important that the investigating force/agency conducts its own investigative/desktop analysis and gives full consideration to the crime and its relevance to local, regional and national strategic/operational priorities. What may have justified dissemination/hand over for investigation may, on re-evaluation and when mapped against local strategic/operational priorities, be considered more suitable for disruption and preventative action.

Unlike the majority of crimes, when conducting an investigative/desktop analysis the focus is not limited to a single crime and the identification of the suspect but should be more holistic, taking into account more than purely an investigative outcome. In addition to routine crime assessment/evaluation this should as a minimum include:

- initial hypothesis of what has happened
- identification and location of suspect(s)/person(s) of interest
- location of potential material/evidence
- involvement of professional enablers
- scale and use of financial enablers
- use of cyber enablers
- involvement of an organised crime group
- assessment of jurisdictional issues

- modus operandi – how was the fraud perpetrated
- identifiable investigative leads
- estimate and impact of harm caused
- scale and location of known victims
- potential for unknown victims
- opportunities for asset recovery
- prognosis of future harm & loss
- how does the crime map against strategic/operational priorities
- issues and potential complexities of an investigation
- likelihood of bringing a case to a successful conclusion.

Because of the evolution of cyber enabled crime, new methods of committing old style frauds are being devised on a daily basis with no need for the perpetrator to know or even be located in the same country as the victim(s) requiring a large proportion of investigations to involve cross border/international enquiries.

Although there are established and effective procedures for international working there are a number of countries where any prospect of international enquiries or cooperation would rule out the likelihood of a successful investigation. Early identification of the location of suspects, material and key lines of enquiry are essential to minimise false starts and wasted effort.

### **3.1.7: Disruption**

The effectiveness of disruption activity depends on the timeliness of the intervention and the range of tactics that can be deployed. There is always the potential that disruption activities could have the negative effect of making the target stronger and more resilient to future disruption activities.

It is therefore, important that disruption activities and interventions are deployed at the earliest opportunity, and strategies are implemented to maintain and diversify tactics to minimise the opportunities for the offender to re-organise. Ultimately, the aim of these

activities is to force criminals and organised crime groups to become more exposed, enabling more effective and consistent targeting and disruption of their criminal activities.

### **Measuring the effectiveness of disruption activities**

Like a criminal conviction or civil sanction, it is possible to measure and report on the effectiveness of disruption activities and interventions. There are five main indicators for measuring the effectiveness of disruption activities:

- reduction in the targets rate of communication/information flow
- reduction in the ability of the target to conduct its business
- reduction in reported crime
- failure or reduction of the targets management & business processes
- restriction or removal of financial services.

By using these measures it is possible to report on how the interventions have impacted on the criminal or organised crime group to pass information, dispatch or receive goods and share knowledge.

### **Focus of disruption activities and interventions**

Disruption activities can be focused on individuals within a criminal/organised crime group or they can be focussed on the organisation. If targeting an individual the focus should be on the most senior person in the organisation. The more senior the person the greater the potential disruption as these individuals are often critical to the flow of information and conduct of the business enterprise.

Before disruption activities are deployed, it is important to understand the criminal/organised crime group and its structure. A comprehensive understanding, as far as possible, will help to identify and deploy the most effective intervention.

### **Fraud disruption activities**



Activities and interventions which could be used to minimise the impact and reach of fraud could include the following. This list is not exhaustive:

### **Communications takedown**

Removal of methods of communication will seriously impact on the ability of the criminal to communicate with potential victims, particularly where technology is used as an enabler, eg, telecommunication services, email or online/web presence.

Rather than just suspend a particular website an option is to automatically redirect visitors to the original site to an alert page. This can provide reasons for the takedown and, if they have been a victim of fraud, how to report it. Similar initiatives are achievable with automated email responses or voicemail messages.

### **Merchant/payment facilities takedown**

As with communication takedowns, a similar intervention can be deployed to remove the ability of the criminals to receive and process financial transactions. Once a financial provider of merchant/payment facilities has been informed that their services are being used to transfer criminal funds they will usually support this tactic. Because of the relatively consistent approach to anti-money laundering legislation internationally, a failure to remove the service, or rectify the situation, could see the financial institution vulnerable to various money laundering offences.

### **Publicising fraudsters**

Some organisations publicise details and even photographs of the offenders they capture. This can happen in a number of ways, where an employee is involved, some organisations, where they catch an offender, will highlight this to other staff. This may, or may not, happen alongside more formal criminal proceedings. Some organisations will publicise cases in newsletters, news releases and hope the media will become interested.

To calculate the benefits of this type of intervention considerable work has been done to provide values to estimate the amount of fraud prevented. This includes:

A major UK bank, using information that was supplied by the NFIB based on banking investment fraud calculated the average bank account disruption figure.

### **Bank disruption...£8,802**

Research into the Impact of Mass Marketing Frauds using OFT Report Dec 2006 & the NFA Annual Fraud Indicator, Nov 2011 - *Assumes that 12 People saved from victimisation per Website Disruption*

### **Web disruption ...£10,000**

A further report by OFT in 2010 estimated the telephone disruption figure.

### **Telephone...£850**

Care must be taken in the application of compulsive powers where purely disruption interventions rather than prosecutorial intentions are pursued to avoid unlawful application. For further advice and guidance on fraud disruption interventions please contact the NFIB or the Economic Crime Academy.

#### **Case Study: Op Creative**

The Police Intellectual Property Crime Unit (PIPCU) acts as the law enforcement gatekeeper for a range of interventions against online intellectual property crime, Operation Creative is an innovative approach used in early Intervention and disruption of online facilitators and enablers.

#### **The Approach**

- Operation Creative, is a multi-faceted operation focusing on a number of tactics to deny criminals the opportunity to profit from on line copyright infringement. In the main, the operation focuses on limiting payment enablers either through the denial of payment services and/or advertising revenue.
- In addition the Creative strategy embraces a collaborative approach encouraging all those businesses and services that operate within the internet to recognise their role in limiting and preventing on line crime.
- Operation Creative is a partnership between PIPCU and rights owners including their

trade associations such as Federation against Copyright Theft (FACT), the British Phonographic Industry (BPI), the International Federation of the Phonographic Industry (IFPI) and the Publishers Association (PA) to identify and present evidence of alleged criminality to any stakeholder who wishes to collaborate with police to stop on line criminality.

- Collectively, the digital advertising industry is encouraged to participate with PIPCU in order to prevent, deter and disrupt criminals from benefiting from brand advertising revenue generated by websites identified through Operation Creative.

#### ***How PIPCU judges criminal infringement:-***

- In order for a website to be adopted by Operation Creative, PIPCU will quality assure the standard of investigations and ensure that all allegations are supported by lawfully obtained evidence and supported by a statement from the rights holder or their nominee. All evidence presented to PIPCU will be of sufficient standard to support a criminal prosecution.
- Where the referral meets the appropriate evidential standards, the details of the website(s) will be passed to the advertising industry with a view to them proactively preventing brands from advertising on those sites.
- The owner/operator of any website will always have the opportunity to challenge PIPCU operational activity. Where evidence exists that the site no longer commits any criminal offence(s); it will be removed from the list with immediate effect.
- All operational tactics (disruption, enforcement and prevention) for Operation Creative will be decided on a case by case basis by the Head of Unit. Any learning derived from the outcome of PIPCU operational activity will be shared with partners where appropriate.

#### **Summary of operational tactics deployed on Operation Creative**

##### **Prevention/Restorative justice**

- Contact is made with the administrator/owner of the target website and their

criminal acts are identified. They are provided with the opportunity to legitimise their activities, through introductions to the relevant rights holder association.

- If no positive contact is made the website will be further reviewed and if criminality is still confirmed then it will be dealt with by other phases of the Operation.

#### **Disruption**

1. Denial of advertising revenue to websites which profit from income generated through the sale of advertising space upon their site.
2. Details of infringing websites known to Operation Creative where it is suspected that criminal profits are being generated through advertising revenue will be made available to companies involved in the creation, sale and trading of display advertising.
3. Removal of Payment Services: If payment options are made available on a website then contact will be made with the payment provider or merchant bank requesting that this facility be removed.

#### **Enforcement:**

- Wherever it is deemed justified, proportionate and lawful, any suspect(s) that is/are identified as being concerned in the provision of crime will be subject to enforcement action.

### **3.1.8: Prevention**

Because fraud is often a 'live' a proactive approach to prevention through operational and organisational learning is required. Unlike traditional structured debriefs and serious case reviews the 'Prevention' element of the Fraud Investigation Model is applied at the very beginning of the investigative process and is repeated throughout the duration of any subsequent investigation, often as part of the regular investigative review process.

The ability to implement effective preventative interventions results from a sound understanding of how the fraud was perpetrated, what contributed to its success and how it could have been prevented. Once this is understood, by analysing the victim typology and demographics, it may be possible to identify where other victims may be located who could be targeted by this, or another similar crime. With this information, an effective targeted and timely fraud prevention initiative is achievable.

A structure is provided for the identification of prevention interventions by asking 4 simple questions.

- What were the principle enablers that allowed this fraud to be perpetrated?
- Who else could be at risk from this or a similar fraud?
- What could have been done to remove or reduce the risk from this fraud?
- How can the lessons learned be used to prevent others from becoming a victim of a similar fraud?

#### **Case Study: Buy to Let Mortgage Fraud**

UK Police investigated a large scale, organised mortgage fraud reported to them by two mortgage lenders. Following initial investigation a search warrant and arrest operation was carried out, involving raids on home and business addresses, as well as the arrest of several members of an apparent OCG.

At the main subject business premises, believed to be the kernel of the fraud, mortgage application documentation was found pertaining to a number of further mortgage lenders, who had not previously made reports to police. It was highly likely that further, so far unreported frauds were being carried out by the OCG, and that there was a need to prevent further crime occurring.

A decision was made to host a “hot debrief” with mortgage lender firms, to brief them on what had been uncovered by police and give them the opportunity to check their systems for any applications received from entities connected to this OCG. Making use of established and trusted contacts via the Council of Mortgage Lenders (CML), this hot debrief was held within 36 hours of the police raids being completed.

The decision came with some risk, as the investigation was not a matter of public knowledge at the time. However, it was felt that the need to help prevent potentially high value fraud outweighed the need for maintaining the privacy of the investigation.

For further guidance on fraud prevention and advice that can be given to victims of fraud see: [Frauds & Prevention Advice](#)

### **3.1.9: End Game & Investigative Parameters**

Because the police focus on individuals who commit breaches of the criminal law, it is rare for an investigator to consider the ‘end game’ as the majority of cases pursued by the police a charge and criminal prosecution is the expected outcome. By establishing alternative options for the endgame the investigator will better able to establish how these can be achieved, implement investigative strategies, recognise when the focus of the investigation is lost and just as importantly, when the end has been achieved.

#### **End Game**

By having an end game and giving full consideration to all of the possible sanctions and outcomes available, it will be possible to use resources more efficiently, increase productivity and the likelihood of a successful outcome. When assessing a case to establish options for the possible end game, the investigator must consider the options for a parallel or multi-track investigation; this consists of the investigator using processes and procedures available leading to criminal, civil, regulatory and disciplinary sanctions. More information is available under: [Multi-track Investigations](#)

Questions to help the investigator establish an endgame include:

- What is the seriousness of the offence?
- Impact the offence has had or is having on victims?
- How would the needs of the victims be best served?
- Opportunities to recover/repatriate the criminal proceeds?

- On-going threat to existing or new victims?
- Complexity of the investigation?
- Jurisdictional issues?
- What are the available resources?
- Estimated time consumption of the investigation?
- How does the offence link to current priorities?
- What is a realistic outcome of a criminal prosecution?
- Could the investigative parameters be scaled down to achieve the same outcome?
- Does the outcome warrant the time and resources for its investigation?
- Would a criminal prosecution be in the public interest?
- What are the risks of not pursuing a criminal prosecution?
- Could a more effective outcome be achieved by alternative means?

Every investigation is different and there is no single solution to how an investigation should be structured, some may warrant a traditional criminal process, some may be served better through the use of regulatory or civil proceedings, others may benefit from a blended solution using a range of processes and sanctions appropriate to the role each individual has played within the criminal activity.

### **Investigative parameters**

By establishing the end game, the investigator can confidently place parameters on an investigation targeting those offences which are least complicated and therefore less resource intensive. This will help to prevent the investigation and subsequent prosecution becoming overcomplicated and unwieldy. This should not, however, be construed as the investigator simply looking for the easiest or quickest way to progress an investigation.

In some cases a proactive covert investigation may provide the most effective means to protect victims and to bring the offenders to justice.

### Case Study: Proactive Covert Investigation

Operation Flume was a pro-active covert enquiry set up with the objective of infiltrating an existing Boiler Room operated by an Organised Crime Group (OCG) through the use of undercover officer posing as a money launderer. The investigation was initiated following contact from Homeland Security Investigations (HSI) Florida Office, who entered into a joint investigation with UK law enforcement, named Operation Sundial

Operation Sundial subject, Larry HARTMAN, had avoided arrest and had fled to Costa Rica. Following the indictment of his co-accused, HARTMAN made contact with HSI agents with a view of reaching a plea bargain agreement by assisting law enforcement. HARTMAN informed HSI agents of a Female, Evelyn FALLAS, concerned in a Boiler Room operation, who was seeking assistance with money laundering services for UK victims.

Undercover operatives from the UK and USA were activated. HARTMAN facilitated the introduction of the undercover operatives to FALLAS via a conference call, FALLAS then introduced the undercover operatives to her boss Jairo Alfonso BONILLA-BONILLA.

BONILLA-BONILLA spoke about his business instructing the undercover operatives that he was seeking an account to receive funds and then a further account to receive funds before being again transferred to a third account which would then complete outward transfers into the subjects nominated overseas accounts.

For the money laundering service he would let the undercover operatives take 30 points from each transaction received as commission. BONILLA-BONILLA informed the undercover operatives his business was very grey and to watch the film Boiler Room to understand what his business was.

Following this introduction a face to face meeting took place between the undercover operatives and BONILLA-BONILLA. At this meeting they discussed the proposed particulars and how they would communicate with each other. Both sides agreed a test run of the money laundering accounts which were to be set up with £15k.

Following the meet, false accounts were opened and a company registered with Companies House, details of the accounts were then passed through the agreed communications to BONILLA-BONILLA and FALLAS. Following this the undercover operatives



would receive notification of incoming funds from FALLAS or BONILLA-BONILLA.

After £15k had been raised the funds were retained in the initial recipient account and then funds from the local UK police covert human intelligence source (CHIS) budget were then used to transfer funds onto the other undercover accounts. The undercover operatives were then provided with instructions of how to send the funds and to what recipient account from FALLAS and BONILLA-BONILLA minus their money laundering fee.

Once this was done and both parties were confident with the services provided and criminal agreement the undercover operatives' accounts were then opened to receive all funds from the BONILLA-BONILLA and FALLAS boiler room operation. Further to this BONILLA-BONILLA and FALLAS sought assistance from the undercover operatives in carrying out admin functions for their boiler room, sending out contract notes and instruction for payments for the boiler rooms intended victims.

After sufficient evidence had been secured the undercover operatives looked to set up a second face to face meeting to coincide with the next banking run. The investigation team then presented the evidence to the CPS prosecutor, whom had been attached to the operation since its inception providing advice etc. CPS prosecutor decided sufficient evidence existed to reach the charging threshold for BONILLA-BONILLA and FALLAS.

First instance warrants and then European Arrest Warrants (EAW) were then obtained and through an International Letter of Request (ILOR) officers from the Spanish National Police extraditions unit were assigned to assist with the arrest phase.

At the second proposed face to face meet FALLAS and BONILLA-BONILLA were arrested. Following their arrest both subjects were then extradited to the UK and when presented with the strength of evidence secured against them from the use of undercover operatives both pleaded guilty at the earliest opportunity.

HARTMAN was to be used as a prosecution witness but after failing to reach an agreement with HSI agents and the District Attorney he remained a fugitive in Costa Rica, until he was captured in 2013 travelling on a fake Venezuelan passport.

### **3.1.10: Partner Agencies**

During investigative evaluation it may become apparent that a more effective approach would be to instigate a joint investigation with a partner agency. If this is the case, then early consultation with the partner agency will be required.

For more information on partner agencies involved in countering fraud see [Guide to Useful Organisations](#) and for alternative sanctions see [Multi-track Investigations](#)

Whether the partner agency(s) are all police or from other law enforcement, regulatory, Non-Governmental Organisations (NGO) or a commercial organisation, it is essential that each organisation understands the part they will play in the investigation and their responsibilities.

Once agreed, a Memorandum of Understanding (MoU) should be formalised. If something was to go wrong with the conduct of the investigation and the roles and responsibilities had not been clearly defined within a MoU an organisation could find itself liable for the actions of the partner agency.

A MoU is a formal document that describes a bilateral or multilateral agreement between parties encompassing both public and private sectors.

It is not for use where a specific legal agreement is required. However it can have the legal power of a contract. The wording of any MoU should include disclaimers of legal effect (i.e. a failure to fulfil any aspects of it).

When constructing a MoU, it should include, for example, if data is to be shared. The law allows for statutory disclosure under certain Acts (eg, Data Protection Act 1998, Serious Crime Act 2007<sup>4</sup>, Freedom of Information, CRB checks) but; where there is no such statutory obligation, then it must be clearly identified what the policing purpose is for making such disclosures.

The document should include both the policing purpose and the joint aims and objectives, including:

- how the aims and objectives will be measured
- how and by whom they will be assessed

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<sup>4</sup> CIFAS is an example of a Specified Anti-Fraud Organisation recognised by the Serious Crime Act 2007 which provides a specific legal gateway for public/private sector data sharing for the prevention and detection of fraud

- who will do what.

A well-drafted MoU, will prevent problems or issues arising such as:

- absence of trust
- fear of conflict
- lack of commitment
- avoidance of accountability
- inattention to results.

For a joint operation and partnership working to be successful it is essential that the 4 C's be in place:

- coordination
- collaboration
- cooperation
- communication.

For information on European Joint Working see [European Investigations](#)

Generic templates for joint working can be found at: [MOU Templates](#)

#### **Case Study: Joint working**

City of London Police (CoLP) were asked to assist the SFO in the planning and organising of a search warrant and arrest operation on a very high profile, high value fraud case. Central to the planning process was the formulation of a Memorandum of Understanding between COLP and the SFO, setting out and distinguishing the roles and responsibilities of each party.

Close consideration was also given to any applicable necessity grounds for arrest of suspects. Such decisions were recorded for each suspect in decision logs written out by the SIO and careful cross reference was made to the information supplied to COLP by the SFO in justifying the arrests.

Shortly after the arrests were carried out, Judicial Review proceedings were launched by the Tchenguiz brothers against the SFO and COLP, citing unlawful search and unlawful arrest. During the course of these proceedings, revelations were uncovered about

the inaccuracy of information the SFO had provided the Court when applying for search warrants, and similarly with the information provided to CoLP bringing in to question the necessity for arrest.

The Judicial Review concluded with findings that the SFO had acted unlawfully in obtaining the search warrants, and faced an extensive civil law suit from the Tchenguiz parties as a result. The fraud investigation was brought to a halt.

COLP were found to have acted entirely lawfully and reasonably, given the information provided to them by the SFO at the time. Reference was made to how the MoU clearly placed responsibilities for the conduct of the investigation, and the accuracy of information shared, upon the SFO. Detailed decision log entries, demonstrating the careful consideration of arrest necessity grounds, were also praised by the High Court.

### **3.1.11: NFA / Intelligence Submission**

If a decision is made not to investigate a fraud at the initial Investigative/desktop evaluation or a subsequent evidential evaluation and no action has been taken to disrupt the fraudulent activity, the OIC should reconsider the options available for disruption interventions. See: [Disruption](#)

If the individuals, or group, behind this crime are later identified for further acts or connected to the commission of new fraudulent activity, it is vital that all actions taken by the original OIC are fully documented and supported by comprehensive intelligence submission to both local and NFIB systems.

### **3.1.12: Investigation**

#### **Initial investigation**

Most frauds received by the police for investigation do not fall into the category of ‘serious and complex’ and would be considered ‘volume and priority’ crimes, although the investigation of these may be no less demanding than a major fraud investigation.

Unlike regular crime investigation when an officer is allocated a fraud, in the majority of cases, it will be long running, sometime spanning many months or even years. This, together with the single fraud reporting process, Action Fraud, means that in the majority of cases there is no 'initial' attendance and subsequent hand over to the investigating officer.

At the point of receiving the fraud for investigation there is a possibility that the offence is still ongoing and the offenders are unaware of police involvement; that is, unless disruption activities have already been deployed. Opportunities to locate and gather material need to be considered very carefully, as the action of an investigator in recovering material may reveal to the offender the involvement of the police and jeopardise the potential for a successful conclusion.

The identification and recovery of material is a key strategic theme together with the identification and recovery of assets and tracing of the people involved in the criminal activity including victims, witnesses and suspects. This is called M-A-P, an abbreviation for Materials, Assets and People.

### **Fast-track actions**

These can be just as important in the investigation of fraud as they are in any other type of criminal activity. For further information see [Fast Track Actions](#)

Fast-track actions in fraud would generally be in relation to M-A-P

### **Initial investigation**

For the majority of fraud investigations there are few occasions where there would be an initial police response and investigation, with the exception of a crime in action where an officer is deployed to the scene, eg, a person paying for goods with a compromised credit card who is detained by in-store security.

When a crime is passed to the police by a corporate or partner agency that has completed its own investigation this should be considered in the same light as an initial police investigation and should be reviewed considering the following points:

#### Scene management –

- has anyone been identified
- is it physical or virtual
- where is it located / jurisdiction is it in
- what actions have been taken to preserve it.

For further information see [Managing Scenes](#)

#### Material –

- has any material been located / gathered
- what powers or procedures were used
- is the material available to the investigator
- can the material be used in a criminal investigation.

For further information see [Investigation Process - Material](#)

#### Who conducted the investigation?

- what level of training or competence does the investigator have
- has their role in the investigation concluded
- can they be of further assistance as the investigation progresses.

### **Initial investigation conclusion**

The initial investigation phase is concluded when:

- the NFIB decide there are no viable lines of enquiry and the crime is filed 'no further action' (NFA)
- the NFIB disseminate a package to a local force for investigation
- the officer attending a crime in action concludes initial actions at the scene
- a package is passed by a corporate or partner agency to the police for investigation.

For further information see [Initial Investigation Conclusion](#)

## Comprehensive records

Although the police have no control over how an investigation is recorded by a corporate or partner agency, as soon as a crime or package is passed to the police to investigate it is essential that a comprehensive record of all enquiries is completed. This should include the assessment of the crime or package received. This will benefit the investigation by:

- assisting an investigative evaluation, see [Investigative / Evidential Evaluation](#)
- contributing to the national fraud intelligence picture
- enables supervisors to assess the appropriateness of the investigative plan and supporting strategies

### **3.1.13: M – A – P**

The approach taken in the identification and recovery of material and criminal assets or in the tracing and management of people (victims, witnesses and suspects) will be similar to the those used in other crimes; however, in complex fraud investigation more thought may need to be given to the development of suitable strategies which reflect the scale, impact, geographical and jurisdictional dynamics of the case. By recognising these areas as essential strategic considerations, the officer in the case (OIC) or Fraud Senior Investigation Officer (SIO), if one is allocated, will be more informed on the resourcing requirements and better able to plan for the effective and efficient conduct of the investigation.

Each case will be different but below are a number of questions which may be relevant to ensure the right strategies to be developed and implemented:

#### **Material:**

- Where is the relevant/available material?
- Is the material accessible and retrievable?
- What are the implications for seizing the material?
  - storage
  - disclosure
  - analysis – physical / digital

- presentation.
- Is the material necessary for achieving the end game?
- Can the material be managed as 3<sup>rd</sup> Party material?
- If the material is located overseas, what is the seizure and retention process?
- Are there any potential issues for CPIA and Disclosure?

#### Case Study: Operation Rye

The case of the now infamous rogue UBS trader, Kweku ADOBOLI was a challenging investigation on many levels for the police. During the summer of 2011, ADOBOLI who was a rising star at Switzerland’s largest investment bank, lost his bank \$2.3 billion in unauthorised trades and concealed this activity by creating fictitious records and entries on internal systems.

From the outset of this enquiry, the Senior Investigating Officer identified that managing the scale and complexity of the case would be essential to achieving a successful outcome. Initial enquiries revealed that ADOBOLI’s offending went back as far as 2008 and the material held within the bank relating to the trades was ‘voluminous’, with trading data for the loss making period alone totalling millions of trades.

The critical decision was taken, not to go into the bank and image computers or seize evidence relating to the trades. Instead, demands were made on the bank to identify and produce specific items of evidence and retain all material as the third party. This approach ensured that the investigation was fully focussed on evidence gathering and not swamped by the management of material.

Following a not guilty plea, the disclosure requests from the defence team commenced with an initial request for 33 items, almost exclusively relating to material held by the bank as a third party. Forensic examinations from the bank, breaking down these requests revealed that these 33 items related to 1.2 million documents, many of which had hundreds of pages.



A robust approach to the disclosure exercise followed and the case was brought to trial exactly one year after ADOBOLI's arrest. After a 10 week trial at Southwark Crown Court, ADOBOLI was sentenced to 7 years imprisonment for Fraud by Abuse of Position.

The disclosure strategy adopted by the SIO in this case ensured the investigation remained focussed on the evidence alone and laid the platform for the timely progression of the prosecution and the successful outcome in the case.

#### Case Study: Operation Trufflehunter

This case relates to an investigation conducted by the Dedicated Cheque and Plastic Crime Unit (DCPCU) into the criminal activities of Thomas BEECKMANN, a German electronics engineer, who at the time of this investigation lived in Singapore.

Over a long period the DCPCU had been receiving intelligence that a London based Organised Crime Group, was active in the theft of PIN Entry Devices (PED's) from the Benelux region of Europe. These PED's were being brought into the UK and held pending a visit to the country by BEECKMANN. BEECKMANN was paid by the OCG to compromise the PED's by introducing circuitry which, when the PED's were re-introduced into a retail outlet, would record all card details, store them and download them on request by the fraudsters via a Bluetooth Network.

A large scale intelligence phase was coordinated by the DCPCU which resulted in gaining knowledge of BEECKMAN's global movements. This resulted in his arrest at Victoria Coach Station whilst in possession of eighteen circuit boards of the type used for PED compromise along with a heavily encrypted laptop computer. With the assistance of Dutch Authorities evidence was gathered to link the circuit boards seized from BEECKMAN to similar compromises throughout Europe.

Section 49 RIPA powers were invoked in relation to the laptop with BEECKMAN

refusing to disclose the encryption key. BEECKMAN pleaded guilty at court to offences of Possessions of Articles for Use in Fraud and RIPA offences and received a sentence of three years. This operation resulted in a significant drop in the number of PED compromises throughout Europe and a better understanding throughout the industry of such technological compromises.

**Assets:**

- Can relevant assets be traced?
- Where are the assets located?
- In what form are the assets?
- Will Jurisdictional processes allow for their seizure and repatriation?
- Who else is looking at the recovery of the assets?
- Are any of the assets already subject to any criminal or civil recovery process?
- Are the assets at risk?
- Should a parallel financial investigation be commenced?
- Are there any additional risks associated with a financial investigation?

**People:**

- Who are they?
- Where are they?
- How many are there?
- Do they have any special needs or requirements?
- What is their geographic spread?
- Are they willing to cooperate with an investigation?
- Can good evidence be obtained from them?
- Are we in a legal position to detain suspects?

**3.1.14: Victim Management**

The investigation of crime and the bringing to justice of an offender(s) is a core function of the Police Service; as is the care of our victims, not just in the physical sense of the word, such as tending to the wounds of the victim of an assault, but also to the mental and social wounds of those affected by fraud. This harm is not quite as obvious as that sustained in a serious assault, but nevertheless, the intrinsic damage caused to both the immediate victim and to the wider victims, such as family members, can be detrimental to them continuing to lead a secure way of life.

In the investigation of fraud it is essential that, amongst the intricacies of the investigation, the needs of victims are not forgotten and that the correct balance between engaging and getting the right result for them is achieved.

Within fraud it is important to recognise not only the **primary** victim but also any potential **secondary** victims. Although the initial crime may be aimed at an individual or a corporate victim (primary victim), fraud will ultimately impact on other individuals (secondary victims); for example, family members or in the case of a corporate, those employed by the primary victim, or who may lose their jobs as a result. There may be other businesses also that rely on the primary victim's existence and ability to function at full strength and so the domino effect takes place. Each of these businesses and the staff employed by them are secondary victims, each with individual needs, who will suffer the effects at different levels.

Although the secondary victims may not feature as an integral element of the investigation, their recognition is essential for the accurate measurement of the harm caused and can be invaluable when presenting a case to a court.

With some large scale frauds there can be a large number of victims, in some cases these can reach into the hundreds and be spread across the country or overseas. It is for these reasons that within fraud investigations victims are considered a key strategic theme under sub activities, which, unless managed effectively, can become all encompassing and overwhelming to an investigator.

In providing support to victims of fraud, it is important to recognise the needs of different individuals or groups and how best to communicate with them; a form of

electronic communication sent to an IT aware individual may not be suitable for another victim who is less IT aware.

To assist in the prioritisation of vulnerable and intimidated victims see [Guide to Risk Assessment](#)

When developing your victim management strategy consider the use of the following:

- use of mail-merge for sending bulk messages without disclosing recipients
- website victims page secure/unsecure
- web forum
- automated telephone calls (call out)
- pre-recorded telephone mail box (call in)
- Social Media
- 'victim' APP (smart technology)
- localised victim workshops.

For further information on Victims and Witnesses see [Victims & Witnesses](#)

### **3.1.15: Enforcement Options**

This phase of the investigative process is the opportunity for the OIC and/or supervisor to stand back and assess if the original investigation plan and supporting strategies are still appropriate prior to entering the Suspect Management phase.

The investigation plan would have been based on the information available during the original Investigative/desktop evaluation, which may be different to what is known now following the initial phase of the investigation. Drawing on the outcomes of the original evaluation and the initial investigation phase all of the material available should be assessed and scrutinised with view to following considerations:

Appropriateness of the 'End Game'?

- Is it still proportionate to the crime?
- Would an alternative outcome be more suitable?

#### Appropriateness of the ‘Investigative Parameters’?

- Is the scope still applicable to the desired outcome?
- Can the parameters / scope be streamlined for a more effective investigation?

#### Multi-track and Multi-Agency working?

- Does the OIC/Investigation team have the right skills/expertise to pursue a multi-track investigation?
- Have the correct agencies/organisations been engaged to enable appropriate multi-track outcomes and sanctions?

#### Is a formal investigation still appropriate?

- Are there any cross-border or jurisdictional risks that could hinder or undermine the investigation?
- Would a formal investigation be in the public interest?
- Are there any Social, Political or Community influences on the investigation?

#### Could disruption be a more suitable outcome?

### **3.1.16: Suspect Management**

The identification of suspects and the use of the trace/interview/eliminate (TIE) strategy are common to most criminal investigations. For further information see [Working with Suspects](#)

In terms of a fraud investigation it may be appropriate to consider what category of fraudster you are dealing with prior to implementing a suspect or arrest strategy. In general terms those who commit fraud can fall in one of the below categories, however, this should not be seen as exhaustive or exclusive:

1. Occasional: These are generally good people who have either strayed or been corrupted through need or necessity.

2. Opportunist: Career criminals who will turn their hand to any activity that will generate an income stream, often motivated by greed; although fraud is high yield and low risk, it is generally the preserve of the thinking criminal.
3. Organised: Fraud is a crime of choice for many organised crime groups because of remote nature by which it can be committed, the high returns and low risk of detection and prosecution.
4. Operational: Committed by individuals as part of their employment, often senior in position with considerable power and influence within the organisation.

A person suspected of committing fraud may fit neatly into one of these or may sit across two more categories, whether they fit neatly into one category is not important, what's important is the recognition of those involved and how different suspect / arrest strategies may yield greater results if planned correctly; the strategy used for a member of an organised crime group may not be applicable or as effective if used for a CEO of high standing from a major investment company

The strategy for suspect management must also take into account the lifespan of the typical fraud enquiry which, more often than not, can last many months, if not years; this impacts on how best to achieve best evidence from any interviews with suspects.

A common response within fraud is to undertake an early suspect "First account" interview where, rather than being questioned, they are just given the opportunity to provide their perspective of the allegations under investigation. The rationale behind this is based on the R v Howell case and the Judge's direction that:

"Would any innocent man not give an early explanation in the face of a grounded allegation"?

Therefore when conducted correctly, the interview could help in countering any defence bought up later. The downside is that, as their use is becoming more common, the defence are looking for ways to counter them.

In relation to fraud, the defence tend to rely on the complexity of the allegation or the inability to have information to hand as reasons for silence. Consideration should therefore be given in individual circumstances as to what could reasonably be disclosed at

the early stage to support the “grounded allegation” if the information to hand at that time is just the allegation the value of the interview will be minimal.

The traditional approach is still for searches and arrests to go hand in hand. Whilst it is accepted that in certain instances it is necessary as part of a long-term enquiry, its use legally is now debatable. In some instances it can be counter-productive due to the vast amount of documentation that can result from the search, especially with a fraud investigation.

To arrest or interview voluntarily, an individual after a search will mean that you will be interviewing with only a fraction of the evidence available and, if enough thought is given to the process, it will almost certainly lead to ‘no comment’ interviews and can provide more information to the suspect than is being gained.

Strategically, searches and arrests should be considered separately as two important parts of the investigative process from day one of the enquiry.

In the majority of serious and complex fraud investigations, the case will be document heavy which will make its defence attractive (financially) to solicitors and barristers who specialise in the subject of fraud. By the very nature of how fraud is committed and the material generated during the investigation, solicitors will try and negotiate maximum disclosure to their benefit and that of their client by using their position to, in effect, disempower the investigator.

It should be noted that monies belonging to the suspect which are subject to restraint cannot be used to pay for legal advice and services.

The primary tactic used by defence teams is to focus on the complexity of the case, so an objective for the interviewer is to simplify the offences and processes in order to reduce the opportunities for the defence to claim lack of understanding.

### **3.1.17: Further Investigation**

Within fraud investigation if an investigation has reached the ‘Suspect Management phase’ then it is vital that a clear plan is in place, with an established end game and preferred outcomes. However, during the investigation, further information will almost

always come to light that in any other investigation may justify a revision to the investigative parameters, offences under consideration or inclusion of new suspects. It is often as a result of this additional information that ‘mission creep’ sets in and the original investigation can lose focus, grow unnecessarily complex and more often than not extend the length of the investigation.

The investigator must decide if the new information has a material impact on the case in hand and decide if it is ‘in scope’ or ‘out of scope’. If it is out of scope that does not necessarily mean that it will not be investigated, it just means that it will not be investigated as part of this particular case, maintaining investigative integrity without allowing mission creep to set in.

An example of such a situation would be where a suspect is under investigation for targeting elderly and vulnerable victims with a fraudulent investment scheme. The focus of the investigation is Fraud by False Representation with a parallel financial investigation to recover the proceeds of crime. During the investigation information comes to light that suggests the suspect obtained lists of potential suspects and their contact details from an individual engaged in care for the elderly.

The investigator has two main options:

1. Extend the scope of the investigation to include the new line of enquiry.
2. Park the new information and set aside for a separate investigation.

Considerations to be taken into would include:

Option 1 –

- How does the new information relate to preferred end game?
- Would the case against the suspect be strengthened if this line of enquiry was pursued?
- If the line of enquiry was pursued, but not proven, would it damage the current investigation?
- If the line of enquiry is not pursued, would there be any repercussions for the investigation?
- What would be the resource requirements of pursuing this line of enquiry?
- How is it likely to impact on the timeframe for the investigation?



- Is there an obligation under CPIA to pursue this as a reasonable line of enquiry that could assist the defence or undermine the prosecution case?

Option 2 –

- Is the new information relevant and necessary to the investigation in hand and the preferred end game?
- If the new information is parked, would it justify a separate investigation?
- If a separate investigation was pursued would it be an abuse of process, or a legitimate investigative strategy?
- Would a separate or subsequent investigation be hindered or jeopardised by the current investigation?
- Should a separate investigation be conducted independently but in parallel?

There is no definitive answer, every case and all new information will have to be assessed on its own merits, in the above example let's now consider:

The person providing the contact list to the suspect works for a governmental agency, they were not a party to the subsequent criminal activity but did receive a benefit for the supply of the data, which was a breach of the agency's policies and procedures, as well a potential breach of various criminal statutes. Although, on the surface, this would appear to be a simple Fraud by Abuse of Position which could be viewed as the enabler for the above case, its investigation could add considerable complexity to the original investigation, consider:

- What other offences could the conduct constitute?
  - Bribery Act offences – paying and receiving an advantage?
  - Misconduct in Public Office?
  - Conspiracy to Defraud?
- Have there been any other data breaches to this or to any other persons?
- Is the suspect a sole agent or are there others within the same organisation involved?
- What are the implications for the existing financial investigation?
- Does the agency in question have an investigative capability and what are the implications of a joint investigation?

These are just a few of the considerations but it is clear that, without giving full consideration to new information and the potential this may have on the investigation, the resulting actions could be detrimental to the achievement of the agreed end game.

For routine Further Investigation considerations see: [Further Investigation](#)

### **3.1.18: Evidential Evaluation**

Even when the process of investigating fraud has been simplified, the length of a typical investigation can be considerably longer than the average criminal investigation; so it is imperative that progress of the investigation and the material gathered are subject to regular review and evaluation. This will allow the investigator and the supervisor to ensure that the investigation is still on track and that mission creep hasn't caused a loss of focus or expansion to the investigative parameters, which is easily done in prolonged and complex fraud investigations.

When conducting the evidential evaluation, the investigator should revisit the 4 prevention questions as, the more an investigation progresses, the more information that may be available to inform further preventative activities. In addition, the investigative evaluation is also an opportunity to revisit the original decisions on disruption, alternative sanctions and joint working. In addition to the formal investigative & evidential evaluation objectives, the evaluation of fraud cases should also identify:

- confirmation and alignment to the investigative hypothesis
- conformity with the agreed investigative parameters
- suitability of preferred end game/sanctions
- new learning or intelligence
- reassessment of the public interest considerations
- delivery of value for money (appropriate to the crime under investigation)
- ongoing resource implications and considerations
- alternative outcomes or discontinuance of the formal investigation.

For further information on evidential evaluations see: [Investigative / Evidential Evaluation](#)

### **3.1.19: Result / Conclusion**

Unlike the traditional investigative model where the ultimate goal was arrest and charge in anticipation of criminal conviction, with the Fraud Investigation Model the priority is the effective and timely removal of the threat and protection of victims from further harm. To achieve this, investigators look to implement the most effective solution, or sanction, without being constricted to purely criminal processes and procedures. It is therefore important that organisations recognise alternative outcomes as a successful conclusion and cases are closed appropriately.

Some refer to this as ‘the Al Capone strategy’ whereby the notorious organised crime boss, whom the authorities struggled to build a case around his organised crime activities, secured a prosecution for evasion of tax.

### **3.1.20: Operational and Organisational Learning**

There are relatively few ‘new’ frauds; most fraud is theft employing some form of deception or false representation and is increasingly facilitated using new methods and technologies. Because of the rate at which fraudsters diversify and change their ‘MO’, it is imperative that a system for capturing and disseminating operational learning through the use of structured debriefs is embedded within the investigative process. As a minimum, structured debriefs should be conducted:

- at the conclusion of all contested trials
- on any other investigations where significant learning could be obtained
- where input from other appropriate partner agencies may provide an alternative insight or learning opportunity.

The process of structured debriefs focuses on the following aspects of the investigation:

- What went well?
- What didn’t go so well?
- What would you do again next time?

- What advice would you give someone else investigating a similar fraud?

The process is relatively straightforward and quick to complete for routine cases, in more complex cases it may be necessary to separate out areas or stages of the investigation and conduct separate debriefs for each. These could be:

- pre Investigation & intelligence phase
- warrants, search & seizure
- arrests & interviews
- international working / enquiries
- inter-agency working
- case building and disclosure
- post charge / court.

At the conclusion of the structured debrief, the facilitator of the session compiles a structured de-brief report, using a standardised template in order to maintain consistency in the presentation of outcomes, learning and recommendations.

For an example of structured report see: [Debrief Report](#)

#### Case Study: Operation Learning Operation Rye

The defendant in this investigation, Kweku Adoboli, was charged on the 16<sup>th</sup> September 2011 with offences of false accounting and fraud by abuse of a position in relation to his activities as a trader while employed by a leading bank. His arrest followed an internal investigation in which the defendant made voluntary admissions that he had conducted trading in breach of limits set by his managers and had, also, falsified records in an attempt to conceal the bank's true trading position. The defendant's unauthorized trading resulted in a loss to the bank in the region of USD2.3 billion.

Although this case was successfully investigated and prosecuted a year and a day after the offending, it was felt that, due to the sheer scale and complexity of the investigation, a structured debrief be carried out in order to identify key areas of operational learning.

The structured debrief was carried out by using a recognized method and was held on the 9<sup>th</sup> January 2013; key personnel involved in both the investigation and prosecution were in attendance (including representatives from the Crown Prosecution Service).

The debrief concentrated on various stages of the investigation and, also, included difficulties experienced during the actual prosecution. A summary of the identified key learning points were as follows:

1. A list of independent experts should be kept and maintained to assist in future investigations of similar complexity.
2. Consideration should be given to identifying if a major fraud should be deemed to be a 'critical incident', particularly if the investigation is likely to affect the reputation of the force or significantly impact on resources.
3. Consideration should be given to the training of non-fraud officers who might well provide the initial response to an allegation of fraud. (It was suggested that a crib sheet be written to ensure maximum use of golden hour opportunities were understood and acted upon).
4. The media office should be contacted as soon as possible with a clear strategy put in place to manage media enquiries, particularly with a significant fraud attracting widespread media coverage (this strategy must also ensure that there are sufficient press officers at court during the trial to prevent distraction to the officer in the case and harassment of the witnesses and victims when arriving and leaving court).
5. A third party single point of contact should be identified within the victim organization in order to assist with disclosure. It was only when a single point of contact had been identified, that communication between the investigator and victim organization became less strained (due to the rationale and relevance for material requested being properly explained).
6. That, where possible, there is continuity in the personnel involved in the investigation and prosecution.

The findings of the debrief have been widely disseminated through those attending

the specialist fraud investigation training; additionally, many of the significant learning points have been incorporated into case studies used to train investigators. The findings of the report have also been shared with the College of Policing to ensure that the learning opportunities can be captured in national learning descriptors for fraud investigation as well as assisting in identifying future national occupational standards for the investigation of fraud.

There is a current investigation into a similar fraud involving a ‘rogue trader’ and the learning obtained through Operation Rye is currently heavily influencing the strategy.

### **3.2: Multi-Track Investigations**

A multi-track investigation is one where the investigator develops an investigative strategy that combines the requirements of the investigative and sanctions processes consistently to ensure:

- the most effective and appropriate investigation is conducted, and
- the most effective and appropriate sanction(s) is/are applied.

The advantage of a multi-track investigation is in its flexibility and the message it sends out in deterring others from committing similar offences.

This approach encourages working with partner organisations on joint investigations where the potential sanction or end game sits with a partner agency, such as an offence of ‘cheating the public revenue’ which sits within the specialism of Her Majesty’s Revenue and Customs or where a solicitor, who has facilitated frauds against clients could be disbarred, a sanction available to the Solicitors Regulation Authority.

Below is an outline of the different processes that could be followed and a short overview of some of different sanctions that could be utilised within multi-track investigations:

## **Criminal Prosecution**

The advantages of a criminal prosecution extend beyond the prosecution itself as the threat of a criminal prosecution can, at times, secure the cooperation of the fraudster and the publicity of criminal investigation can have a general deterrent effect.

The Crown brings most cases but there is a provision for individuals or organisations to instigate a private prosecution under Section 6 of the Prosecution of Offences Act 1985.

There are a number of organisations that regularly use private prosecution including the Royal Society for the Prevention of Cruelty to Animals, the League against Cruel Sports, and the Federation Against Copyright Theft.

## **Civil Processes**

There are a variety of civil torts which can be used in fraud cases to pursue fraudsters for losses and damages. Usually the desired outcome is to freeze the defendant's assets with a view to bringing them to the table to negotiate a settlement out of court.

Within law enforcement there is sometimes a reluctance to use civil processes as the cases and sanctions do not lead to the fraudster receiving a criminal record and the perception by the public is sometimes that, without a criminal prosecution, the police have not fulfilled their duty.

Although previously rare within policing and law enforcement, this approach is common to a large number of organisations, either as the main sanction or alongside criminal prosecutions. Their end game is to secure damages and restitution from the perpetrator.

## **Regulatory sanctions**

Where a fraudster holds a form of accreditation or licence and they are found to have committed an offence of fraud, an option may be to get them disciplined by the regulatory body.

Some of most high profile cases utilising this approach have been achieved by NHS Protect which, on a number of occasions, have secured additional sanctions against medical practitioners, with the ultimate sanction being suspension or erasure (barred from practicing).

The police service are favouring this process as a means to effectively work with partner agencies from the regulatory sector in dealing with professional enablers, such as financial advisors, solicitors, accountants and surveyors.

### **Staff disciplinary**

Sanctions against fraudsters who work for the 'victim' organisation can be as simple as staff disciplinary action. This can range from warnings, suspension, and demotion to the ultimate sanction of dismissal.

### **Parallel Sanctions**

Once an investigation has been planned and a suitable 'end game' identified, the result or outcome does not need be limited to one process, there are a number of opportunities to pursue parallel sanctions such as:

- staff disciplinary process and civil litigation
- staff disciplinary process and a criminal prosecution
- staff disciplinary process, civil litigation and a criminal prosecution
- civil litigation and a criminal prosecution
- civil litigation and regulatory sanctions.

However there must be careful consideration of how these processes are coordinated, both chronologically and operationally. (I.e. criminal cases take precedence over civil remedies etc).

### **Joint Investigations & Alternative Sanctions available to the Fraud Investigator**



## **UK Borders & Immigration (UKBA)**

In cases where there is a joint investigation with the Police and UKBA, the police will normally lead the investigation and the CPS will be the prosecuting body. Meetings at an early stage of the investigation or case preparation are recommended to outline steps that should be taken to agree case progression. Working in partnership with UK Borders and Immigration can enable access to the following outcomes and sanctions:

- Obtaining Leave to remain in the UK by Deception - Immigration Act 1971
- Remaining beyond Time Limited by Leave (overstaying) - Immigration Act 1971
- Possession of Immigration Stamps or replica Immigration Stamps - Immigration Act 1971
- Employment of Illegal Immigrants - Asylum and Immigration Act 1996
- Forgery and Counterfeiting and Offences, Forgery & Counterfeiting Act 1981
- Identity Document Offences, Identity Documents Act 2010

Full details and guidance on each of these offences is available at: [CPS & Immigration](#)

## **HMRC**

Following the merger of the CPS with the Revenue and Customs Prosecutions Office a more robust and consistent fraud prosecution capability has been developed to tackle the increasing levels of fraud and tax evasion committed against the HMRC.

The CPS, in conjunction with HMRC, has taken a public stance to increase the number of tax fraud and evasion cases prosecuted.

Working with the HMRC and the CPS it is possible to successfully prosecute, not only individuals, groups and organised criminals who evade tax or excise duty, but also those who set up sophisticated but dishonest tax avoidance schemes.

The concept of joint working with the HMRC will be more common to fraud investigators as the majority of fraudsters are reluctant to declare proceeds of crime as income for revenue and tax purposes.

Revenue or tax related fraud (including VAT) as it is commonly referred is investigated by Her Majesty's Customs and Revenue (HMRC) or by the National Crime Agency.

The main tax related fraud offences are:

- fraudulent evasion of income tax
- fraudulent evasion of VAT
- cheating the public revenue
- providing false documents or information to HMRC
- fraudulent evasion of excise duty on imported goods or smuggling goods.

The majority of tax related fraud offences are created by statute, with the exception of the cheating the public revenue, which is a common law offence, preserved by the Theft Act 1968.

Most offences are triable either-way with the exception of cheating the public revenue, which is indictable only.

#### **Fraudulent evasion of income tax**

The Taxes Management Act 1970 (TMA 1970) imposes criminal liability on a person who is 'knowingly concerned' in the fraudulent evasion of income tax by him or another person. A person will be 'knowingly concerned' if he had both knowledge (rather than mere suspicion) and actual involvement in the fraud.

#### **Fraudulent evasion of VAT**

The Value Added Tax Act 1994 (VATA 1994) creates specific offences relating to the deliberate non-payment of VAT.

Criminal liability will arise under the VATA 1994 if a person:

- is 'knowingly concerned' in 'fraudulent evasion' (e.g. knows that money is owed but deliberately fails to submit tax returns or creates false accounts) or

if he purposefully takes steps to evade liability (e.g. fails to register for VAT and to keep proper accounts), or

- acquires possession of goods or deals with goods or accepts the supply of services, having reason to believe that VAT has been or will be evaded, or
- furnishes information that is false, with intent to deceive or makes a statement that he knows to be false or recklessly makes a false statement (e.g. suppresses sales or inflates purchases).

### **Cheating the public revenue**

The common-law offence of cheating the public revenue includes any form of fraudulent conduct which results in depriving the HMRC of money to which it is entitled.

There is an overlap between the offence of cheating the public revenue and the statutory tax related offences. Cheating the public revenue is a 'conduct offence' and therefore the prosecution does not need to prove that the defendant caused actual loss.

The offence carries a maximum penalty of life imprisonment (or an unlimited fine).

### **Providing false documents and information to HMRC**

The Customs and Excise Management Act 1979 (CEMA 1979) creates two offences specifically relating to false declarations to HMRC. Both offences require proof that a declaration was false in a 'material particular'.

The difference between the two offences lies in the mens rea required for each offence. One offence is a strict liability offence, and therefore requires no proof of intention whilst the other offence can only be committed 'knowingly or recklessly'.

### **Fraudulent evasion of duty**

The CEMA 1970 creates two offences relating to the evasion of duty (tax) payable on goods.

Both offences involve the deliberate non-payment of tax such as:

- customs duty on the importation of certain goods from outside the European Union (EU)
- excise duty payable on alcohol products and tobacco, and
- VAT on goods imported to the UK from outside the EU.

The provisions are drafted so that the offences can be committed in a number of ways and will often include activities such as the possession, concealment, disposal or removal of goods. The statute refers to 'any fraudulent evasion' or 'attempt at evasion' so the reach of provisions is therefore very wide.

More information on the prosecution of tax related fraud can be found at: [CPS & Tax Evasion](#)

### **Single Fraud Investigation Service (SFIS)**

The CPS are now the prosecuting body for Benefit and Tax Credit fraud and the following guidelines set out the factors that prosecutors should take into account when considering these cases and whether to send cases to the Crown Court, these may also act as the aggravating factors that prosecutors will draw to the sentencing court's attention. These include:

- whether the fraud was professionally planned
- whether the fraud was carried out over a significant period of time
- whether multiple frauds occurred
- use of a false or stolen identity
- relevant previous convictions/cautions/previous out of court disposals for benefit fraud
- an attempt to conceal or dispose of evidence
- abuse of a position of trust
- substantial consequential loss to public funds.

The most common frauds occur as a result of:

### **Failure to declare true financial circumstances**

E.g. employment (paid or unpaid, employed or self-employed work), household income of any kind, capital (including savings, properties owned, investments, student status (including loans or grants), outgoings over declared (including rent or childcare), nursery care.

### **Failure to declare true social, personal or family circumstances**

E.g. living with a partner as husband and wife, children leaving, dependants dying

### **Disability related fraud**

E.g. unreported improvement in mobility or diminished care needs (Disability Living Allowance cases), unreported improved capacity to work (Incapacity Benefit and Employment and Support Allowance cases)

### **Identity or organised fraud**

E.g. applying for national insurance numbers, benefits, payments or other financial advantage, using a false or hijacked identity and/or false identity documents in support; forgery and counterfeiting, or an organised attack or manipulation of the welfare payment system such as a cyber attack, internal or contract fraud.

The majority of prosecutions for Benefit and Tax Credit frauds are under section 111A of the Social Security Administration Act 1992 (SSAA) or the Fraud Act 2006.

Where the defendant has provided false information or made false declarations or representations in the claim for benefit, it is likely that the majority of prosecutions will be brought under:

- Section 111A(1)(a) SSAA 1992 - dishonestly making a false representation to obtain benefit
- Section 111A(1)(b) SSAA 1992 - dishonestly producing or furnishing false information or documents to obtain benefit

- Section 2 of the Fraud Act 2006 - dishonestly making a false representation with intent to gain or cause loss

Where the defendant has made an initial legitimate claim for benefit but then fails to report a change which affects entitlement, the majority of prosecutions will most likely be brought under:

- Section 111A (1A) SSAA 1992 - dishonestly failing to notify a change in circumstances affecting entitlement to benefit; or
- Section 3 of the Fraud Act 2006 - fraud by failing to disclose information

Where tax credit fraud is alleged, these will most likely be brought under:

- Section 35 of the Tax Credit Act 2002 - knowingly concerned in fraudulent activity undertaken with a view to obtaining payments of tax credits; or
- Section 2 or section 3 of the Fraud Act 2006

More information on the prosecution of Benefit and Tax Credit Fraud can be found at:

[CPS & Benefit / Tax Credit Prosecutions](#)

### **Intellectual Property Office (IPO)**

The IPO are the official government body responsible for Intellectual Property (IP) rights in the United Kingdom. These rights include:

- patents
- designs
- trademarks
- copyright.

The IPO has a dedicated enforcement arm and their Intelligence hub holds a wide range of national and international intelligence on all areas of Intellectual Property. The IPO works closely with Trading Standards, HM Revenue & Customs, the National Crime Agency and the newly formed Police Intellectual Property Crime Unit.

If you own an intellectual property (IP) right such as a copyright, design, patent or trademark, then others cannot manufacture, use, sell or import it without prior permission. Unauthorised use of someone's IP can be classed as IP crime and may lead to prosecution.

Trademark infringement generally relates to counterfeiting whilst a breach of copyright can be piracy.

Examples of counterfeiting could include fake:

- clothing
- footwear
- handbags
- pharmaceuticals.

Examples of piracy could be DVDs, CDs or CD ROMs of unauthorised copies of:

- music
- software
- films
- games.

Key offences applicable to Intellectual property offences are:

Trade Marks Act 1994, (Penalty of up to 10years on indictment)

- S92 - Unauthorised use of a trademark

Copyright, Designs and Patent Act 1988, (Penalty of up to 10years on indictment)

- S107 - Criminal liability for making or dealing with infringing article
- S198 Criminal liability for making, dealing with or using illicit recordings
- 296ZB Devices and services designed to circumvent technological measures
- 297 Offence of fraudulently receiving programmes
- 297A Unauthorised decoders

For more information see [IPO](#)

## **Alternative Sanctions available to the Fraud Investigator (General)**

### **Restraint Order (POCA)**

A Restraint Order is the equivalent to a civil freezing order, but is used for criminal investigations under the Proceeds of Crime legislation. As with the civil freezing order, it is designed to stop the suspected fraudster hiding or spending the assets. A Restraint Order can be obtained before conviction where confiscation will be pursued.

### **Serious Crime Prevention Orders (SCPO)**

SCPOs were established under the Serious Crime Act 2007 and enable the DPP, Director of Serious Fraud Office and DPP Northern Ireland to make an application to the High Court (non-convicted) or Crown Court (for a convicted person). These are for serious crimes, which include fraud, counterfeiting etc.

A SCPO can contain prohibitions, restrictions, requirements and other terms which are considered appropriate to protecting the public and preventing or disrupting serious crime. The CPS guidance on SCPO identifies a wide range of potential restrictions relating to:

- financial, property or business dealings;
- working arrangements;
- with whom a person associates or communicates and the means used to do so;
- the premises he/she is allowed to use and for what purpose;
- the use of any item and
- travel both within UK and abroad.

A SCPO can last for up to 5 years and a breach of a SCPO, on summary conviction carries up to 12 months imprisonment or 5 years on indictment. They can also be applied against bodies corporate, a partnership and unincorporated association. Breach by these can lead to a winding up order.



## **Serious Organised Crime and Police Act 2005 (SOCPA) Agreements**

Sections 71 to 75 of The Serious Organised Crime and Police Act 2005 ('the 2005 Act') came into force on 7th April 2005 and established a statutory framework to replace earlier arrangements for regulating agreements made with offenders who have offered to assist the investigation or prosecution of offences committed by others.

Full Immunity - Section 71 of the 2005 Act provides that if a 'specified prosecutor' thinks that for the purposes of the investigation or prosecution of any offence it is appropriate to offer any person immunity from prosecution, he may give that person an immunity notice.

Restricted use undertakings - Section 72 provides that if a 'specified prosecutor' thinks that for the purposes of the investigation or prosecution of any offence it is appropriate to offer any person an undertaking that information of any description will not be used in any criminal or confiscation proceedings or civil recovery under Part 5 of the Proceeds of Crime Act 2002 (civil recovery of the proceeds of unlawful conduct) he may give that person a restricted use undertaking. Any such undertaking must be given in writing

As with section 71, section 72 has been amended by section 113 of the Coroners and Justice Act 2009 to provide that while a person who assists the authorities under those powers can be offered immunity in respect of any offence they may have committed, the assistance must be in relation to the investigation or prosecution of an offence that is capable of being tried in the Crown Court

Section 73 agreements relate to those co-operating defendants who have not benefited from an immunity from prosecution or a restricted use undertaking but who have, nonetheless, assisted or offered to assist in the investigation or prosecution of others. A defendant who pursuant to a written agreement with a specified prosecutor has provided or who has offered to provide assistance to an investigator or prosecutor is eligible to receive a reduction in sentence provided he has entered a guilty plea.

Section 74 allows a specified prosecutor to refer a sentence back to the sentencing court (i.e. the Crown Court) for review if certain conditions are met and the defendant is still

serving the sentence. The review itself is not an appeal against sentence. It is a fresh process which takes place because new circumstances have arisen, such as:

- a. the defendant received a reduced sentence on the basis of a written agreement to assist, but then knowingly failed to any extent to give assistance in accordance with the agreement);
- b. the defendant received a reduced sentence on the basis of a written agreement to assist, and then in pursuance of a separate agreement gives or agrees to give further assistance;
- c. the defendant did not receive a discounted sentence but in pursuance of a written agreement subsequently gives or offers to give assistance in connection with investigating or prosecuting an offence.

In sentence review cases under section 74, applications can be made under section 75 of SOCPA to exclude people from court, impose reporting restrictions or for the court to sit *in camera*.

### **Financial Reporting Orders (FRO)**

FROs were established under the Serious Organised Crime Prevention Act 2005. Upon conviction of a listed offence, which includes Fraud, the court may make an application for a FRO when it is believed there is further risk of such a listed offence been committed.

These can last for up to 5 years in a magistrate's court and 15 years in a crown court. In essence they require the individual to make regular reports concerning their financial situation.

### **Disqualification from Acting as a Company Director**

Under the Company Directors Disqualification Act 1986, where a person is convicted of an indictable offence which is linked to a company, or the management of a company,

they can be disqualified from being a company director for up to 5 years in magistrates court and 15 years in crown court.

### **Disqualification from Driving**

A person can be disqualified from driving for any period the court sees fit. Although this is not a typical sanction associated with fraud, powers contained within the Powers of Criminal Courts (Sentencing) Act 2000, allow the court to disqualify a person from driving when a vehicle has been used for the purpose of criminal activity.

### **Compensation Order, Restitution Order, Deprivation Order and Confiscation Order**

There are a number of orders which can be made by the courts on conviction.

Compensation Orders are covered by sections 130 - 133 Powers of Criminal Courts (Sentencing) Act 2000 which are orders for the offender to pay compensation to the victim. From 3 December 2012, section 63 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 inserts section 130(2A) providing: "A court must consider making a compensation order in any case where this section empowers it to do so". This new requirement is in addition to the long-standing requirement in section 130(3) to "give reasons...if it does not make a compensation order..."

Restitution orders are covered by sections 148-149 Power of Criminal Court (Sentencing) Act 2000 and are similar to compensation orders but instead return the property to the victim or assets seized from the offender to the value to be paid to the victim.

Deprivation Orders are covered by Section 143 Powers of Criminal Courts (Sentencing) Act 2000 governs the powers of the courts to deprive an offender of property, used, or intended to be used to commit or facilitate the commission of any offence (not necessarily the offence of which the offender has been convicted); facilitation includes taking steps to dispose of the property or avoid conviction.

A Confiscation Order can be made where the offender is deemed to have benefited financially from their offending in accordance with the Proceeds of Crime Act 2002. Assets

and monies seized from this order, however, go to the Treasury and law enforcement agencies (only when there is no Compensation Order against those assets).

### **Freezing Orders**

Freezing orders are not technically a sanction, but by freezing an individual's assets they end up becoming a limited sanction. They must form part of a civil suit and their aim is to restrain the assets of the defendant so they cannot spend or hide them during any parallel process. Freezing Orders are often used with the aim of bringing the defendant to the table to negotiate a settlement.

### **Deferred Prosecution Agreements (DPA)**

DPAs were introduced in Schedule 17 of the [Crime and Courts Act 2013](#) and are applicable to cases of fraud, bribery and other economic crime. They apply to organisations, not individuals.

Under a DPA a prosecutor charges a company with a criminal offence but proceedings are automatically suspended. The company agrees to a number of conditions, such as paying a financial penalty, paying compensation and co-operating with future prosecutions of individuals. If the company does not honour the conditions, the prosecution may resume.

DPAs are designed to avoid lengthy and expensive prosecutions with the prolonged uncertainty they bring for the victims, blameless employees and others dependent on the fortunes of the company. At present, when a company is convicted of a criminal offence, a court can impose a fine or put it out of business by winding it up. Both these outcomes can cause collateral damage to employees and shareholders who may be blameless.

DPAs avoid that and provide a welcome addition to the prosecutor's tool kit for use in appropriate circumstances. A DPA could be appropriate where the public interest is not best served by mounting a prosecution.

In February 2014 the SFO published a [Joint Code of Practice](#) with the CPS on the use of DPAs following a consultation. The most important features of the DPA regime outlined in the code are judicial oversight, and unequivocal (full and genuine) cooperation from the corporate.

### **3.3: International Investigations**

With the increased use of technology, criminals have evolved and learnt how to commit traditional crimes in new and innovative ways, often remotely, with the criminal enterprise located outside of the country in which the victims' live. This has resulted in the need for investigators involved in serious and complex fraud operations to consider international and cross-border enquiries in excess of what is achievable through the traditional process of the Mutual Legal Assistance Treaty (MLAT) and the use of International Letters of Request.

For more information on traditional models of Cross-border working see [European Investigations](#)

It is becoming more common within serious and complex fraud investigations to instigate joint investigations with the countries where the criminal enterprise is operating. Although great use can be made of the MLAT and Joint Investigation Teams (JITs) sometimes a more effective and sustainable solution can be achieved through the agreement of international working and intelligence sharing protocols, often achieved through the use of a MOU and facilitated by the NCA.

#### **Case Study: Op Wardour**

In Jan 2014 representatives of UK law enforcement visited China to attend a number of formal meetings with Chinese law enforcement which had been arranged by the NCA Attaché at British Embassy Beijing.

The purpose of the visit was to commence an exchange programme between both

countries with the aim of;

- Identifying and exploring future routes of communication between UK and China LEA's regarding cross jurisdictional IP Crime issues
- Agree protocols concerning the sharing of intelligence between UK and China
- Share information & intelligence of UK & Chinese OCG's with Ministry of Public Security (MPS) via relevant competent authorities
- For both countries to formally receive requests for assistance , via the relevant competent authorities , to dismantle/disrupt OCG's concerned in IP Crime

UK law enforcement made a request of the Public Security Bureau (PSB) for assistance with an investigation concerning UK national arrested 2013 in Shanghai linked to existing UK based OCG. (**Op Wardour**)

In March 2014 search warrants were executed and arrests made based on intelligence supplied by the Chinese. This intelligence proved to be accurate and helped lead to the disruption of an existing UK based OCG involved in the importation of counterfeit goods into the UK.

In addition to intelligence sharing initiatives cross border partnership working can focus on medium to long term arrangements where there is a need for a sustained collaborative approach.

### **Case Study Project Sandpiper**

Project Sandpiper is a European Commission funded project in which the Dedicated Cheque and plastic Crime Unit (DCPCU) has partnered with the Romanian National Police (RNP) to tackle Romanian organised crime groups that are impacting on the payments industry in the UK and Romania.

The two year project has seen significant operational successes and to date twenty officers from both the DCPCU and RNP have benefitted from international secondments and

the legacy of the project will be the establishing of a strong and effective collaboration between UK and Romanian law enforcement.

Operation Sandhaven is one such case which has been developed from this project and relates to a Romanian Organised Crime Group engaged in significant ATM crime in and around London.

Through intelligence developed under Project Sandpiper, DCPCU officers executed a number of search warrants and made multiple arrests. Computer equipment seized, when examined revealed 36,688 unique compromised UK card numbers and this activity alone has resulted in estimated savings to industry totalling £15m. The four principle suspects have been charged with serious fraud offences and trial listed for August 2014.

The process known as 'Joint Investigation Team' (JIT) and is facilitated by Eurojust whose mission is to stimulate and improve the coordination of investigations and prosecutions between the competent authorities in the Member States and improves the cooperation between the competent authorities of the Member States, in particular, by facilitating the execution of international mutual legal assistance and the implementation of extradition requests.

Eurojust may ask the competent authorities of the Member States concerned:

- to investigate or prosecute specific acts;
- to coordinate with one another;
- to accept that one country is better placed to prosecute than another;
- to set up a Joint Investigation Team; or
- to provide Eurojust with information necessary to carry out its tasks.

Furthermore, Eurojust:

- shall ensure that the competent authorities inform each other of investigations and prosecutions of which they have been informed;

- shall assist the competent authorities in ensuring the best possible coordination of investigations and prosecutions;
- shall give assistance to improve cooperation between the competent national authorities, in particular based on Europol's analyses;
- shall cooperate and consult with the European Judicial Network (EJN), and make use of and contribute to the improvement of its documentary database;
- may, in accordance with its objectives, try to improve cooperation and coordination between the competent authorities, and forward requests for judicial assistance when they: (i) are made by the competent authority of a Member State, (ii) concern an investigation or prosecution conducted by that authority in a specific case, and (iii) necessitate its intervention with a view to coordinated action;
- may assist Europol, particularly with opinions based on analyses carried out by Europol; and
- may supply logistical support, e.g. assistance in translation, interpretation and the organisation of coordination meetings.

### **What is a JIT?**

A JIT is an investigation team set up on the basis of an agreement between two or more Member States and/or other parties, for a specific purpose and limited duration.

### **Advantages of using a JIT:**

In general the benefits of a JIT compared to that of traditional forms of international co-operation, such as "mirror" or "parallel" investigations and International Letters of Request, are briefly summarised below. This list is not exhaustive as there may be many advantages to a JIT that are specific to the circumstances of each individual case.

- Ability to share information directly between JIT members without the need for formal requests.
- Ability to request investigative measures between team members directly, dispensing with the need for International Letters of Request. This applies also to requests for coercive measures.



- Ability for members to be present at house searches, interviews, etc. in all jurisdictions covered, helping to overcome language barriers in interviews, etc.
- Ability to co-ordinate efforts on the spot, and for informal exchange of specialised knowledge.
- Ability to build and promote mutual trust between practitioners from different jurisdictions and work environments.
- A JIT provides the best platform to determine the optimal investigation and prosecution strategies.
- Ability for Europol and Eurojust to be involved with direct support and assistance
- Ability to apply for available EU, Eurojust or Europol funding.
- Participation in a JIT raises awareness of the management and improves delivery of international investigations.

The concept of JITs arose from the belief that existing methods of international police and judicial co-operation were, by themselves, insufficient to deal with serious cross-border organised crime. It was felt that a team of investigators and judicial authorities from two or more States, working together with clear legal authority and certainty about the rights, duties and obligations of the participants, would improve the fight against organised crime.

### **JITs set up between EU Member States and third States**

JITs can be set up with and between countries outside of the European Union, provided that a legal basis for the creation of such JITs exists. The legal basis can take the form of:

- an international legal instrument,
- a bilateral Agreement,
- a multilateral Agreement,
- national legislation (e.g. Article(s) of the Code of Criminal Procedure).

### **Requirements for a JIT**

The approach for establishing a JIT is not dependent on the seriousness of a crime but rather from the crime's international and cross-border dimension. JITs may, in particular, be set up where:

- a Member State's investigations into criminal offences require difficult and demanding investigations having links with other Member States, or
- a number of Member States are conducting investigations into criminal offences in which the nature of the case necessitates co-ordinated and concerted action in the Member States involved.

JITs will usually be considered when investigating more serious forms of criminality. However, when considering setting up a JIT, national legislation and operational guidelines should be checked to determine whether the creation of a JIT is subject to a seriousness threshold or any other qualifying criteria.

Whether a JIT is suitable in a particular case depends on the individual circumstances, but JITs can be considered in smaller as well as bigger cases.

- involve Eurojust and Europol at earliest opportunity to discuss possible benefit of the creation of a JIT and concrete steps in formation
- JITs can serve as basis for future co-operation by facilitation of mutual trust and contacts
- creation of a JIT can be suggested by a Member State, as well as Eurojust and Europol
- a JIT is a flexible investigative tool to be used for the benefit of the investigator.

For more information on Eurojust and JITs see [Eurojust](#)

#### **Case Study: Op Soundwave**

Op Soundwave was a European wide investigation into 'boiler room fraud' which at its apex was receiving millions of pounds from UK based victims who believed they were buying legitimate shares in upcoming bio-fuel and mineral companies. By the conclusion of

the investigation police had identified 138 victims who had combined losses in excess of £11 million.

From the outset of the investigation it was apparent that the strategy would have to be innovative and expeditious due to the level of ongoing damage the OCG were causing to UK victims. The strategy that was undertaken used all facets of covert proactive policing in order to generate, identify and evidence the criminal role of each subject.

Due to the level of cooperation that was needed from the Swedish authorities, an application was made to Eurojust, Hague for a 'Joint Investigation Team' to be undertaken between the UK and Sweden. This initiative allowed the exchange of information and performance of actions without the need for official IMLAT requests, this action greatly increased the efficiency and speed of the investigation. In addition one witness from Sweden was kept under police protection throughout the prosecution phase due to threats and acts of violence he received from associates of the OCG.

The preparation of this case was an incredibly complicated matter with the final case bundle totalling in excess 50,000 pages, all of which was served electronically to reduce costs for the police and the judicial system. In addition to this the disclosure process was exceptionally complicated due to the amount of material seized during the operation. The case involved the recovery of exhibits from both Sweden, where witnesses were located, and Spain, where their 'boiler room' premises were eventually located.

### **3.4: Prosecuting Fraud**

#### **The Crown Prosecution Service**

The Crown Prosecution Service has a dedicated, specialist, fraud prosecution team based in London, Leeds, Birmingham, Manchester, Liverpool and Cardiff. In addition each CPS Area has a Complex Casework Unit. Fraud cases not appropriate for either of these two units are prosecuted by the CPS in the normal way alongside other mainstream crime.

The majority of fraud prosecutions are investigated by the police force in the geographical area in which the fraud is alleged to have taken place. The case is then usually referred to and dealt with by the CPS area geographically aligned to the investigating police force. Either the police force or the CPS Area is entitled to refer a case to the Specialist Fraud Division for consideration, and equally the Division is willing to give advice and support to police and local CPS prosecutors.

The Specialist Fraud Division provides a dedicated fraud expertise to advise, from an early stage, on the most serious, complex and difficult fraud and corruption investigations being conducted by all police forces across England and Wales, with a view to bringing the resulting prosecutions.

The Division also prosecutes all criminal tax, excise and strategic export cases investigated by HMRC, all benefit fraud cases investigated by DWP and criminal investigations conducted by a number of other agencies including the Medicines and Healthcare Products Regulatory Authority and the Gangmasters Licensing Authority.

Bringing this combination of specialisms within one Division in the CPS reflects the fact that economic criminality can take many forms and enables the Division's prosecutors to deploy a range of expertise to give effective advice to investigative bodies. The diversity of expertise also supports partnership working across different law enforcement bodies.

**Delivering the Recommendations of the  
Fraud Review 2006  
and the  
Paradox of Police Leadership**

**Appendix Twenty Two**

**Academy, In-Force**



**Final trials for new uniform**  
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New design 'more comfortable and practical'



**Gr8 job!**  
pages 4-5

Keeping good order – home and away



**Best of British**  
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Knockout Kerry crowned champion

AUGUST 2013

ISSUE 49

The newspaper for the City of London Police

# in force

## NIGERIA TRIP SPARKS BIG DEMAND FOR FRAUD TRAINING

A GROUND-BREAKING overseas mission to Nigeria has enabled the force's Fraud Academy to establish an all important stronghold in West Africa, as well as raising the City of London Police's profile as a world leader in combating economic crime.

The key objective of the visit was to showcase the Fraud Academy's courses and to discuss future opportunities for the City of London Police.

The intense week-long trip, made by A/DCI Steve Strickland, DS Mike Betts and DS Martin Baldwin, was spent working alongside the Nigerian Police's Special Fraud Unit (SFU) delivering a series of workshops to 150 delegates from both law enforcement and private sector agencies across Nigeria.

Steve Strickland, ECD's Head of Training and Educational Services, said: "The success of this trip has been breathtaking. The SFU, backed by almost every local speaker, are keen to ensure that this event becomes a regular occurrence.

"We have been taken aback by the huge interest this event has generated; we made national TV as well as regular reporting in the daily newspaper. There has been much positive discussion for the Fraud Academy to provide future training to a wide range of agencies, banks and others from the financial services sector. We are now very busy actively following up these many leads and enquiries."

### ■ MORE FRAUD ACADEMY SHOWCASES PLANNED IN UAE AND MALAYSIA



The delegates attending the Fraud Academy showcase learned about the City of London Police's history and the uniqueness of what we can do to help others around the world to combat economic crime and fraud.

Det. Supt Paul Barnard said: "The trip to Nigeria has broken new ground for the Fraud Academy. We have plans to run more Fraud Academy showcase events in the United Arab Emirates and Malaysia.

"This is a good news story, not simply for ECD, but for everyone in the force. It demonstrates the potential of the Fraud Academy to generate significant new revenue and that will be money re-invested in all types of policing here in the City."

Steve Strickland and Mike Betts suitably attired on Nigeria's National Dress Day with Nigeria Police Commissioner Ayotunde Ogunsakin

## City serial 'in thick' of Belfast action

PUBLIC ORDER officers from City of London Police have returned from two tours of duty in Northern Ireland with praise for their professionalism ringing in their ears.

Officers underwent specialist training in Northern Ireland policing tactics ahead of being deployed in June at the heart of the G8 Summit when world leaders came to Northern Ireland in the tightest security operation seen in the UK since the London Olympics.

The City of London Serial were hand-picked to work within the high security, inner perimeter of the G8 Summit where world leaders such as David Cameron and US President Barack Obama were staying.

Less than a month later City of London Police officers were called back to the Province to support the Police Service Northern Ireland (PSNI) as part of mutual aid to maintain order after a series of street riots during the Belfast Marching Season.



Burning barricade in Ardoyne

Insp Andy Philp, of B Group Operations, said: "We were right in the thick of it. We were deployed up by the Ardoyne shops area which is traditionally a flashpoint between Loyalists and Nationalists.

"We dealt with a barricade that was set alight and a chase through a housing estate. The entire serial was deployed in defence of the officers who were chasing. We made one arrest of a female who was involved in the disorder and stopped a well known activist.

"We were then deployed in another Loyalist area, Mount Vernon, which had been the scene of street rioting. While we were up there we were able to prevent any further repetitions of serious disorder.

"We had a fantastic comment from one of the PSNI officers, a veteran with 25 years service. He said our deployment on the housing estate in the Ardoyne was probably the best

and most professional work he had ever seen."

The 21 officers from the City who were working in Belfast in July also had to cope with some of the hottest temperatures recorded in Northern Ireland for several years.

Insp Philp said: "It was incredibly hot, even through the night. We were in ballistic vests and stuck inside armoured Land Rover security vehicles with no air conditioning. The heat was intense with your full public order kit on."

The G8 Summit and Marching Season policing is the first time mainland forces have been called in to support the PSNI. All City officers returned from both stints safe and well.

**Great Job: Read more about our role policing the G8 – at home and away – on pages 4 & 5**



**Delivering the Recommendations of the  
Fraud Review 2006  
and the  
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**Appendix Twenty Three**

**Academy, In-Focus**



• ISSUE ONE • SPRING • 2014

# CITY OF LONDON POLICE

# Academy *In focus*



▶ AN INTERNATIONAL FORCE



▶ INTERNATIONAL EXPOSURE



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## An International Force against Economic Crime

Our status as the National Lead Force for Economic Crime reaches much further than the UK; the Academy is continually approached by Private and Public Sector organisations from around the globe to provide world class economic crime education.

From Nigeria to Dubai, we are proud to have delivered bespoke tuition packages to a host of international delegates, earning an unparalleled reputation for creating practical training solutions to aid the global fight against economic crime.

## Helping Global Law Enforcement & Corporate Enterprises Tackle the Threat of Economic Crime

As the National Lead Force for Economic Crime the City of London Police is responsible for sharing knowledge, operational learning and best practice to those committed to combatting economic crime.

We are constantly striving for new and innovative ways to enhance law enforcement capability and protect the corporate enterprises who engage in commercial business in the City of London

and the financial centres of the world against the threat of economic crime.

Under the umbrella of the City of London Police Economic Crime Directorate, a number of practical initiatives exist to prepare, prevent and protect against fraudulent attacks on the public and private sectors, culminating in the pursuit of organised crime through intensive investigations reaching far across the globe.

By using such unique live case studies, information based training with the Academy can provide the skills, tools and knowledge to breach vulnerable areas within corporate operations. In addition to our standard courses, our flexible training approach enables the Academy to tailor elements of fraud tuition to meet the needs of international law enforcement, government agencies and individual corporate enterprises.



### A message from Steve Strickland, Head of International Development

Welcome to the Academy In Focus International Newsletter.

In this, the first issue of 'In Focus', we have reflected on the international highlights of the last year, you will see the wide variety of programmes that we have been working tirelessly to design and deliver to meet the needs of international investigators, counter fraud professionals and anti-corruption specialists, providing them with the vital skills to combat economic crime in an ever changing and fast moving world. In future issues we will bring you details of forthcoming events, new programmes and the latest in organisational learning and best practice from the City of London Police and our specialist Fraud, Anti-Corruption, Insurance, Intellectual Property and Cheque & Plastic Card Crime teams.





## Working with the British High Commission in Botswana to increase operational capability of the DCEC

*Specialist investigative training for elite team dedicated to countering international corruption*

A recent training programme delivered in Botswana by detectives from the Academy will shortly lead into a continent wide anti-bribery education initiative to combat corruption across Africa.

The event delivered in March 2014 at the Public Services College in the capital Gaborone was hosted by the Botswana Directorate on Corruption and Economic

Crime (DCEC). The DCEC is an autonomous law enforcement body formed in 1994 to investigate, prevent and educate the public and private sector in counter fraud initiatives.

The Academy team spent six days in Botswana, training thirty delegates from the DCEC and the Director of Public Prosecutions office.

Whilst in Gaborone the team met representatives from the Commonwealth African Anti-Corruption Centre (CAACC), a

department co-located within the DCEC which promotes anti-bribery and corruption initiatives across Africa's member states.

As a result of this highly successful pilot, a schedule of future training events for 2014 is currently being planned by the Academy. One of the new initiatives for 2014 is a 'Train the Trainer' programme to provide developing countries with a sustainable and cost effective solution for building national and international capability.

## DCEC: International Anti-Corruption Investigators Course

Steve Strickland and David Aldous from the Academy deliver a bespoke 3 day course at the Public Services College, Gaborone, Botswana which was tailored for the specialist and highly complex work of the DCEC

## DUBAI POLICE: International Bribery & Corruption Programme



## Joint enterprise with the British Foreign & Commonwealth Office for the Dubai Police

*Intensive investigators' programme for specialist intelligence operatives in the Dubai Police*

The financial crisis has, popped the construction bubble, and several high-profile corruption cases have come to light, demonstrating a need for stricter controls in both the public and private sectors.

The government has aimed to minimise the threat from corruption through several initiatives and efforts, one being the provision of specialist bribery intelligence and investigation training delivered by the Academy.

This bespoke training programme was designed to reflect the local legal system and the operational practices of the Dubai Police, taking account of the impact of the financial crisis and rise of corruption investigations within the Emirates.

The training programme incorporated the latest operational learning from the City of London's Overseas Anti-Corruption Unit, incorporating high profile case studies from investigations that have spanned the globe.

The United Arab Emirates' (UAE) economic growth is largely based on a business-friendly environment which has historically attracted substantial foreign investment.

Traditionally, corruption has not been a widespread phenomenon, and occurrences of petty corruption were reportedly uncommon.

Martin Baldwin and David Aldous deliver a specialist course designed for the Dubai Police and Intelligence Services



## International partnership to deliver Anti-Bribery Management Training

*Understanding Bribery and Effective Due Diligence*

City of London Police Commissioner, Adrian Leppard QPM, said: "Bribery is the most insidious form of corruption. It permeates and destabilises the social fabric of developing societies and denies communities their rightful aid. Good business must be seen to identify and deter bribery, suffocating its opportunity to manipulate and debase transactions. Business needs systems to achieve this and the BS 10500 Anti-Bribery Management System Standard sets a benchmark for good business practice both domestically and internationally."

The City of London Police, in partnership with the British Standards Institute (BSI) have designed a series of training programmes to combat the increasing prevalence of bribery and corruption.

The on-going threat of corruption in high-risk countries poses a real danger to international growth, trade and competition.

This programme, delivered at the Hong Kong offices of BSI was the first international offering of the new 10500 Anti-Bribery Management

training. Delegates attended from Indonesia, Korea, Taiwan, Vietnam, Hong Kong, China, Malaysia and India.

The training programmes have been designed to give businesses peace of mind about their anti-bribery strategies.

The training delivered to the delegates will enable businesses to implement an effective anti-bribery management system and conduct internal investigations of bribery.

## BSI HONG KONG: Anti-Bribery Management System



Mike Betts, one of the Academy's Anti-Corruption experts and project lead for the design of the BSI Anti-Bribery Management System Training travels to Hong Kong to deliver the first international programme.

## NIGERIA SFU: Corporate Fraud 5 Day Workshop



## Educational partnership between the Academy & Nigerian Special Fraud Unit (SFU)

*A showcase event on Insider Abuse in Financial Institutions & The Implications on a Developing Economy*

The intense week-long trip, made by the Academy team, was spent working alongside the Nigerian Police's SFU delivering a series of workshops to 150 delegates from both law enforcement and private sector agencies across Nigeria.

Steve Strickland said: "The success of this trip has been breath taking. The SFU, backed by almost every local speaker, are keen to ensure that this event becomes a regular occurrence." "We have been taken aback by the huge interest this

event has generated; it has made national TV as well as regular reporting in the daily newspaper. There has been much positive discussion for the Academy to provide future training to a wide range of agencies, banks and others from the financial services sector."

The delegates attending the Academy's showcase event learned about the City of London Police's history and the uniqueness of what we can do to help others around the world to combat economic crime and fraud.



Steve Strickland, Mike Betts and Martin Baldwin celebrate the success of the 5 day workshop delivered to delegates from law enforcement, regulators and financial institutions

A ground breaking overseas mission to Nigeria has enabled the Academy to establish an all important stronghold in West Africa, as well as raising the City of London Police's profile as a world leader in combating economic crime.

The key objective of the visit was to showcase the Academy's courses and to discuss future opportunities for the City of London Police.

## Joint programme delivered in partnership with Euromed Police III

### *International Fight Against Corruption*

In the framework of Euromed Police III Project, the sixth training seminar was delivered in partnership with the City of London Police Economic Crime & Fraud Training Academy on "Fight Against International Corruption."

23 delegates from 7 South Mediterranean countries, namely Algeria, Egypt, Israel, Jordan, Lebanon, Morocco and Palestinian Authority attended this seminar, all being professionally concerned by the topic. Delegates studied the harm

and impact of corruption, analyzing the various levels and aspects of corruption in the world, looking at the damage caused to society, reducing public confidence in government and public institutions, increasing poverty, poor quality of products, inequality and civil unrest.

Case studies were presented on the different ways of detecting, investigating and prosecuting corruption including a study of the various international legal

systems and the benefits from employing a multidisciplinary approach, drawing on the expertise of civil and criminal practitioners as well as developers of the most advanced technological solutions.

The seminar concluded with a focus on the need for international co-operation which is an absolute requirement for the effective and efficient investigation of corruption.

## **EUROMED:** International Fight Against Corruption



Steve Strickland, Mike Betts and Chris Felton deliver the Academy's first international corruption programme with specialist speakers from Italian Guardia di Finanze, Israeli National Fraud Investigations Unit, French Gendarmerie and Jordanian National Police

## About the Academy

Launched in 2011, the extraordinary demand for training from the National Lead Force for Economic Crime has driven rapid development within The Academy with a diverse variety of both national and global Public and Private Sector organisations and individuals benefitting from the unparalleled experience of learning priceless counter fraud and anti-corruption techniques from an unprecedented training team of serving City of London police officers.

With a focus on practice over theory, The Academy curriculum draws upon the Economic Crime Directorate of the City of London Police, recognised as one of the world's greatest resources of economic crime intelligence, developing real time training content sourced from current high profile economic crime investigations.

2014 heralds a new exciting phase of teaching at the Academy to include e-learning, corporate partnerships and theatre workshops. Our mission to educate as wide an audience as possible in the detection and prevention of economic crime continues, underpinned by the tireless economic crime investigative work of The City of London Police.



## Is 2014 going to be your year to benefit from the Academy's specialist training services?

We recognise that quality training should deliver organisational and operational improvements that are tangible and measurable.

We want to help you realise these improvements – which is why we offer a comprehensive pre and post course customer support service. We can help you identify training needs, develop a bespoke course or programme and offer a range of post course services from mentoring to work-based assessment and analysis of benefits.

We look forward to welcoming you to one of our City of London based training venue or one of our remote sites provided by our partners in the UK and overseas. Alternatively, if you have a suitable training venue of your own and would like us to come to you, then please let us know.



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