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CABINET

MINISTERIAL COMMITTEE ON ORGANISED CRIME

2005

MEETINGS

MTG	DATE	SUBJECT
1st	26 January 2005	1. Organised Crime Priorities 2. List of Priority Partners for Tackling Organised Crime
2nd	17 March 2005	1.OC Committee Workplan and Composition 2. The UK's Strategy Against Organised Crime 3. Methodology for Prioritisation 4. Measuring Performance Against Organised Crime

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MINISTERIAL COMMITTEE ON ORGANISED CRIME

2005

MEMORANDA

MEMO	DATE	SUBJECT
1	21 January 2005	Organised Crime Priorities
2	21 January 2005	List of Priority Partners for Tackling Organised Crime
3	14 March 2005	OC Committee Workplan and Composition
4	14 March 2005	The UK's Strategy Against Organised Crime
5	14 March 2005	Methodology for Prioritisation
6	14 March 2005	Measuring Performance Against Organised Crime
7	17 March 2005	Composition and Terms of Reference
8	18 March 2005	Organised Crime Structures
9	7 December 2005	Dissolution of the Committee

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(OOO(0)1st Meeting

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MINISTERIAL COMMITTEE ON ORGANISED CRIME

MINUTES of a Meeting held in Large Ministerial Conference Room, House of Commons on
WEDNESDAY 26 JANUARY 2005 at 3.00pm

PRESENT

The Rt Hon Charles Clarke MP
Secretary of State for the Home Department
(In the Chair)

The Rt Hon Alan Milburn
Chancellor of the Duchy of Lancaster

The Rt Hon Paul Boateng MP
Chief Secretary to the Treasury

The Rt Hon The Lord Goldsmith QC
Attorney General

Gerry Sutcliffe MP
Parliamentary Under Secretary of State
Department of Trade & Industry

Caroline Flint MP
Parliamentary Under Secretary of State
Home Office

SECRETARIAT

Mr T Walker
Mr E Clift

CONTENTS

ITEM	SUBJECT	PAGE NO
1.	ORGANISED CRIME PRIORITIES	2
2.	LIST OF PRIORITY PARTNERS FOR TACKLING ORGANISED CRIME	4

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ITEM 1: ORGANISED CRIME PRIORITIES

The Committee considered a memorandum from the Parliamentary Under Secretary of State, Home Office, (OC(05)1), which provided an update on the findings and recommendations from some research to measure the impact of organised crime; made recommendations for police forces' and the Serious Organised Crime Agency's priorities; and proposed that the Government should announce these broad priorities and publish the research methodology and detailed workings.

Introducing her memorandum, the PARLIAMENTARY UNDER SECRETARY OF STATE, HOME OFFICE said that work had been ongoing across Government departments to find improved ways of assessing the impact of organised crime. The information presented in the paper represented provisional findings. The impact of organised crime had been measured across a range of areas: the social and economic cost, the size of criminal market, press coverage (which was taken as a proxy measure for the level of public concern), whether there was a systematic threat to the United Kingdom and evidence of the impact of law enforcement. The organised crime threats that had been studied were class A drugs, class B and C drugs, excise fraud, VAT fraud, immigration crime, instrument of payment counterfeiting, fraud against the private sector and cash-in-transit robbery. Class A drugs and immigration crime had come out as clear priorities, however this did not mean that there should not be concern around the other forms of organised crime. Although the work was at an early stage, it was useful to have a process to look at priorities.

Continuing, the PARLIAMENTARY UNDER SECRETARY OF STATE, HOME OFFICE said that the Committee would want to be happy with the research methodology and with the reasons for its publication and the timing of publication. There had already been a request under the Freedom of Information Act for information on how the assessment of the harm of organised crime had been done. It was important to consider the basis on which any information would not be published. The initial recommendations from the study were that class A drugs and immigration crime should remain the top priorities for police forces and the Serious Organised Crime Agency, with the effort on drugs held at current levels and new resources directed into combating immigration crime. The study also recommended that the Serious Organised Crime Agency and police forces should increase their effort to increase asset recovery performance, broadening their focus to include class B and C drugs and instrument of payment theft. These broad priorities should be announced towards the end of February and the methodology and detailed workings should be published during the Spring.

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The following points were made in discussion:

(a) it was right that class A drugs and immigration crime were the top two priorities, but it was important to show that this did not mean that action was not being taken in other areas. The way in which the work was presented would have to be handled carefully and it may be preferable not to publish the methodology;

(b) the methodology did not seem robust. Press coverage could not be relied upon as an accurate measure of public concern and it would be better to use polling to measure this;

(c) there was difficulty in obtaining data on the level of economic fraud and fraud against the private sector. The threat from economic fraud should not be underestimated and it may not be sufficient to rely on solely on the private sector to fund work to tackle this crime. The methodology needed to be robust in this area;

(d) there was a link between gun and gang crime and class A drugs. More work was needed to better understand this link. It was an area in which tough sentences would be a strong deterrent. Moreover it was important to consider the role of prosecutors in support of work to tackle organised crime and the associated need for resources;

(e) the Prime Minister had given a clear steer on the strategy against drugs, including disrupting supply, particularly from Afghanistan. It was important the departments found the resources to deliver in this priority area; and

(f) in respect of asset recovery and class B and C drugs there would need to have been a prosecution before powers under the Proceeds of Crime Act 2002 could be used. Funding of work on asset recovery had yet to be agreed.

Summing up the discussion the SECRETARY OF STATE FOR THE HOME DEPARTMENT said that there was not sufficient consensus to proceed. The announcement should be put back to mid March following discussion at a further meeting of the Committee towards the end of February. That meeting would consider the overall strategy on organised crime, including what action was being taken on the lower priority areas. There was broad

agreement that class A drugs and immigration crime were the main priorities, but it was necessary to look at action being taken against other crimes before confirming this. There needed to be more clarity on the methodology and the link between the areas such as economic and social cost and size of criminal market. There was agreement on the asset recovery point, but the benefits of publishing the methodology should be reconsidered. To inform its discussion, the Committee would require advice on dealing with Freedom of Information requests of the type described. Also, in future, it could be useful for senior officials from the relevant agencies to attend the Committee and the Secretariat should advise on this.

The Committee:

- took note of the Home Secretary's summing up and invited the Parliamentary Under Secretary of State, Home Office, and the Secretariat to proceed accordingly.

ITEM 2: LIST OF PRIORITY PARTNERS FOR TACKLING ORGANISED CRIME

The Committee considered a memorandum from the Parliamentary Under Secretary of State, Home Office, (OC(05)2). Introducing her memorandum, the PARLIAMENTARY UNDER SECRETARY OF STATE, HOME OFFICE said that this was a piece of ongoing work. The work had identified which countries, either at source or transit, gave rise to organised crime that had an impact on the UK. Priority countries had been decided for each of the crime types: drugs, illegal immigration, money laundering, excise fraud, sex offences and other international crime. The crime types were weighted 50%, 15%, 15%, 10%, 5% and 5% respectively to produce an overall score for each country. China had come out higher than expected, while the Western Balkan countries had scored lower than expected. The work should enable better targeted use of resources oversees.

The following points were made in discussion:

(g) it was not clear what the value was in having an aggregate list of countries. It would be better to have a more country specific strategy looking at the particular crimes associated with particular countries. The methodology was not clear and the weightings given to particular crime types seemed arbitrary; and

(h) there was a need for a cross-government strategy that also considered the circumstances that lead to involvement in crimes such as drug trafficking in foreign countries, and looked at solutions to these problems as well. This should include programmes aimed at providing alternative employment options. This was something that should be fed into the 2006 Spending Review.

Summing up the discussion the SECRETARY OF STATE FOR THE HOME DEPARTMENT said a country by country approach was needed. There should be further work and discussion on coordinating international work. It would be useful for future meetings to focus on each type of crime, with a presentation at each meeting. The official level group should be strengthened and report to the Committee.

The Committee:

- took note of the Home Secretary's summing up and invited the Parliamentary Under Secretary of State, Home Office, to proceed accordingly.

Cabinet Office
27 January 2005

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OC(05)2nd Meeting

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MINISTERIAL COMMITTEE ON ORGANISED CRIME

MINUTES of a Meeting held in Conference Room A, Cabinet Office on **THURSDAY 17 MARCH 2005 at 8.30am**

PRESENT

The Rt Hon Charles Clarke MP
Secretary of State for the Home Department
(in the Chair)

The Rt Hon Jack Straw MP
Secretary of State for Foreign and Commonwealth Affairs

The Rt Hon The Lord Goldsmith QC
Attorney General

Anne McGuire MP
Parliamentary Under Secretary of State
Scotland Office

Gerry Sutcliffe MP
Parliamentary Under Secretary of State
Department of Trade & Industry

Caroline Flint MP
Parliamentary Under Secretary of State
Home Office

Sir Stephen Lander
Serious Organised Crime Agency

Mr M Neale
Home Office

SECRETARIAT

Ms G Edwards
Ms N Smith

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CONTENTS

ITEM	SUBJECT	PAGE NO
1.	SOC COMMITTEE WORKPLAN AND COMPOSITION	3
2.	THE UK'S STRATEGY AGAINST ORGANISED CRIME	5
3.	METHODOLOGY FOR PRIORITISATION	9
4.	MEASURING PERFORMANCE AGAINST ORGANISED CRIME	11

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ITEM 1 - OC COMMITTEE WORKPLAN AND COMPOSITION

The Committee considered a memorandum by the Parliamentary Under Secretary of State, Home Office (Caroline Flint) (OC(05)3).

Introducing the memorandum, the PARLIAMENTARY UNDER SECRETARY OF STATE, HOME OFFICE proposed that the Committee should focus on setting overall priorities for tackling organised crime, both nationally and internationally; considering sectoral strategies and the levers and partners needed to drive them forward; monitoring performance against organised crime; and providing a forum for reaching collective agreement on policy options. It should also consider priorities on an annual basis. The Committee would need to meet every six to eight weeks, taking a report on each of the main threat areas over time. This was a critical period as the Serious Organised Crime Agency (SOCA) was established and developed its approach and strategies.

Continuing, the PARLIAMENTARY UNDER SECRETARY OF STATE, HOME OFFICE said the Committee had agreed it would be useful to involve those with operational expertise in the Committee. Sir Stephen Lander, the Chairman-Designate of SOCA, would now attend meetings, as would the chair of the relevant officials group; representatives of other relevant agencies should also be invited to attend where appropriate. She circulated an organisation chart (OC(05)8) detailing the cross-departmental and agency structures supporting the work of the Committee.

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The following points were made in discussion:

a) Domestic and foreign policy needed to be properly integrated if the strategy on organised crime was to be effective. The Foreign Secretary would continue to attend the Committee's meetings where possible;

b) The proposal to invite those with operational expertise to Committee meetings was welcome. The Chairman of SOCA should continue to attend, but it would also be useful to invite the Chief Executive on a regular basis. Others invitees should reflect the agenda, but the Director of Public Prosecutions, the new Customs and Excise Prosecuting Organisation and heads of the intelligence agencies would have a valuable contribution to make. There was a case for inviting the FCO chair of the Official International Group, as well as the chair of the Organised Crime Strategy Group.

c) The Committee should also consider the prosecution strategy for organised crime. This strategy would need to take a UK wide approach, but reflect the different prosecution structure in Scotland. The Lord Advocate would need to be involved.

Summing up this part of the discussion, the HOME SECRETARY said that the Committee had an important role to play in taking a systematic look at the analysis of threats and response strategies. The Committee endorsed the revised work programme and welcomed the proposal to invite a wider range of experts to future meetings. He would write to the Committee with firm proposals for future attendance, while recognising that the list of those invited to attend would need to change to reflect the agenda for particular meetings.

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The Committee:

- took note, with approval, of the Chairman's summing up of this part of the discussion.

ITEM 2 - THE UK'S STRATEGY AGAINST ORGANISED CRIME

The Committee heard a presentation from Mark Neale, Home Office and chair of the Organised Crime Strategy Group, and Sir Stephen Lander. The presentation was circulated in advance (OC(05)4).

There was no clear definition of organised crime, but it included criminal businesses facilitating illegal immigration and supplying drugs and other illicit goods and services; serious fraud against revenue and the private sector ; and activities that enabled organised crime to flourish, such as money laundering. Organised crime was estimated to have a social and economic cost to the UK of £20 billion per year and involve criminal markets worth about at least £15 billion per year. This wrecked lives and harmed communities.

The Government strategy had been set out in the White Paper, "One Step Ahead". This focused on reducing demand, disrupting supply, confiscating assets and increasing personal risk to the key figures by prosecuting and imprisoning them.

The establishment of SOCA was designed to ensure coherent national delivery and an intelligence-led approach. SOCA would need to work in partnership with local police forces, particularly to close the "level 2 gap" where criminals operated across force boundaries. New resources had been made available in the Budget to tackle

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this and build capacity in local forces. The relationship between national agencies and local forces had been difficult in the past and it would be important to move to a situation where knowledge was owned collectively and where local forces fed intelligence to SOCA and accepted tasking from it. Close co-operation with prosecutors would also be critical.

The creation of SOCA was an opportunity to create a new culture and way of working. However, the task of bringing together the existing organisations and cutting through traditional approaches was a challenging one. Its top priority would be to improve knowledge and understanding of the main threat areas and the way criminal enterprises operated. SOCA needed to be an organisation where priority setting was driven by the knowledge base; operational decisions were informed by a judgement of their likely impact on harm reduction; and there was a feedback loop to assess whether the predicted impact had been delivered.

OC Committee had an important role to play in considering sector strategies. These were already in place for drugs and immigration crime, and a strategy on hi-tech crime was due shortly. Other threat specific strategies would be needed, as well as strategies to tackle cross cutting criminal activity, such as experts in money laundering.

Internationally, the UK would need to continue to play a leading role in the work of multilateral institutions on organised crime. However, a more joined up approach by UK agencies operating in individual countries was needed. The FCO-chaired international group was trying to develop a shared understanding of priorities. SOCA would need to ensure that operations on the ground reflected this collective judgement. The results of Plan Jamaica demonstrated the major impact that joint operations between UK and overseas authorities could have both in the partner

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country and on UK markets.

The Serious Organised Crime and Police (SOCP) Bill would introduce radical new powers for tackling organised crime, including powers to compel evidence and strengthening of the rules on Queen's Evidence; it would also open the way for Financial Reporting Orders, which would require major criminals to open up their finances to scrutiny after their release. But it was also important that SOCA and others used the full range of existing powers which were available. The Proceeds of Crime Act was an important tool, and the target of recovering £18 million of assets this year would be achieved; however, this figure was dwarfed by the £15 billion or more that the criminal markets were estimated to be worth. Immigration powers could also be used more systematically to keep criminals out of the country.

OC Committee should oversee this strategy and provide a steer on priorities and performance. A new performance framework was being developed which would focus on reduction of harm, and consider whether enforcement action helped deliver this rather than measure the level of operational activity.

The following points were made in discussion:

d) The Committee should take an overview of performance against organised crime and challenge where strategies were not working. All departments needed to contribute their expertise and help the agencies tackle this criminality.

e) The progress towards establishing SOCA was very welcome. The significant challenge of breaking with the past and delivering an organisation with a new culture and approach was recognised.

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f) The FCO had a key role to play and needed to ensure that its work was aligned with that of SOCA. It was developing a wider concept of its diplomatic role, and recognising that its strategy needed to reflect domestic priorities more strongly. The distinctions between the FCO's operational, capacity building and diplomatic activity were often far from clear-cut. The next meeting could take a presentation on the FCO's work on organised crime.

g) While enforcement agencies should use the full range of tools at their disposal, raising the personal risk for major criminals through prosecution and imprisonment was critical. There were good reasons why the prosecution role had been kept separate, but SOCA and the prosecutors would need to work in partnership. Resource issues would also need to be considered carefully. Close co-operation with prosecutors overseas would be needed if operations were to move beyond disruption and pursue cases through the courts. It would be useful for a future meeting to have a presentation on the prosecution strategy.

h) The new powers in the SOCP Bill were welcome. However, the debate on intercept would need to be revisited.

Summing up this part of the discussion, the HOME SECRETARY said that this had been a useful debate and welcomed the offer of presentations on the role of the FCO and the prosecution strategy. In future discussions the Committee should be prepared to think about where investment might deliver better results. It should consider the business case for particular measures and not feel bound by existing budgetary allocations.

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The Committee:

- took note.

ITEM 3 - METHODOLOGY FOR PRIORITISATION

The Committee had before it a memorandum by the Parliamentary Under-Secretary of State, Home Office (OC(05)5).

Introducing the memorandum, the PARLIAMENTARY UNDER SECRETARY OF STATE, HOME OFFICE said that it aimed to provide the greater clarity over the methodology that the Committee had asked for at its previous meeting. This was ground-breaking work which was designed to inform decisions on prioritisation. The assessment covered economic and social costs; the size of criminal markets; public concern; and evidence of systematic threat to the UK. The material on levels of public concern had been drawn from press coverage; this was not ideal, but a pragmatic approach because of the lack of other sources of data. The Home Office were now investigating how polling could be used to get a more in-depth feel for public perception. They were also aiming to improve the evidence on private sector fraud.

Continuing, the PARLIAMENTARY UNDER SECRETARY OF STATE, HOME OFFICE said that this work had been requested under the Freedom of Information Act. The request had been turned down on the grounds that the work would be published in due course. There were good reasons for opening up the debate and engaging with academics and others on how the work could be developed. But presentation would be difficult, and this should be discussed at the next meeting of

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the Committee.

In discussion the following points were made:

i) This was a difficult area, but it was important to move to an assessment of harm from organised crime. These were the right questions to ask, even if bold assumptions had needed to be made.

j) The use of press coverage as a measurement of public concern was not convincing and was likely to be criticised. It would not be perceived as a rational measure on which the Government should set its priorities.

Summing up this part of the discussion, the HOME SECRETARY said that the overall approach was endorsed, but the Committee was not convinced by the proposal to use media coverage as a proxy for public concern. It did not consider this should be included in the published methodology. Presentation of this work would be discussed at the next meeting.

The Committee:

- took note, with approval, of the Chairman's summing up of this part of the discussion, and invited the Parliamentary Under Secretary of State, Home Office to proceed accordingly.

ITEM 4 - MEASURING PERFORMANCE AGAINST ORGANISED CRIME

As there was insufficient time to discuss the memorandum (OC(05)6), the HOME

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SECRETARY asked colleagues to send comments in writing.

The following point was made in discussion:

k) The performance framework needed to cover offences brought to justice.

The Committee :

- took note.

Cabinet Office
18 March 2005

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OC(O)01
1 January 2005

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MINISTERIAL COMMITTEE ON ORGANISED CRIME

ORGANISED CRIME PRIORITIES

Memorandum by the Parliamentary Under-Secretary of State, Home Office

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Summary and Recommendations

1. The Home Office has led a multi-agency project to measure the impact of organised crime in order to inform priority setting. This paper sets out provisional findings and recommendations.

The Committee is asked to approve

- **That class A drugs and immigration, in that order, should remain SOCA and forces' top priorities, but with drugs effort being held at current levels and new resources directed into combating immigration crime**
- **That SOCA and police forces should step up their effort to increase asset recovery performance, broadening their focus to include class B and C drugs and IP theft**
- **That we announce these broad priorities towards the end of February, with the methodology and the detailed workings published during the Spring**

2. **The committee is also invited to note / comment on the work programme to build on this work over the year ahead (set out in annex B)**

Background

3. As the White Paper on organised crime made clear, there is no single metric which can measure and compare crimes as diverse as trafficking for sexual exploitation and VAT carousel fraud. We have sought instead to measure impact in a range of areas. The provisional results are set out in the table below.

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Threat Area	Social and Economic Cost (ranking)	Size of criminal market (ranking)	Press Coverage	Systemic threat to UK?	Evidence of Law Enforcement Impact?	Curren spend
Class A drugs	12.7 (1)	5.3 (1)	4	Low	Low	389
Class B, C drugs	0.2(=6)	2.1 (3)	6	Low	Low	13
Excise Fraud	3 (2)	3.6 (2)	3	Low	Good	50
VAT fraud	2 (4)	1.5 (4)	8	V Low	Good	76
Immigration Crime	2.1 (3)	0.8 (6)	1	Medium	Low / n/a	51
IP Counterfeiting	0.2(=6)	1.1 (5)	5	V Low	Low	<5
Fraud against private sector	0.9 (5)	0.5 (7)	2	Low	Medium	14
Cash in Transit robbery	0.02(8)	0.02 (8)	7	None	Good	
Gun and gang crime (including CIT)						71
TOTAL	21.2	15.1				695

4. The reasoning behind these estimates is set out in brief in annex A. This is very much work in progress. Once the academic peer review process has been completed, and consultation with departments is complete in the Spring, we intend to publish the detailed workings, as well as a general methodology. While the White Paper figure up to £40b in total harm was highly qualifie and expressed as a ceiling, this figure of £20b can probably safely be treated as a minimum.

5. The categories can briefly be explained as follows

- **Economic and Social costs** seek to quantify the main adverse impact of these crimes. Harms include costs in anticipation of crime (e.g. security precautions), the cost of crime itself (e.g. harm to victims, health and benefit costs, losses incurred) and costs in response to crime (e.g. criminal justice costs).
- **Size of criminal markets**: This seeks to measure the turnover of organised crime across the threat areas.
- **Press Coverage**: This is based on a Home Office funded study into press coverage over the period 1998-2003, covering national broadsheet and tabloid papers and the regional press. It is intended to act as a short term proxy for assessing level of public concern with the various organised crime threats
- **Systemic Threats to the UK**: The Economic and Social costs model should over time be able to quantify predictable and 'volume' harms of organised crime activity. We also need to review the wider threats to public confidence and stability which organised crime can pose.

We have done this on the basis of three assessments. The first is the risk to the integrity of public and private institutions (mainly from corruption), the second is the risk to the political stability of the UK, and the third the level of threat to the UK competitiveness and economic stability

Evidence of Law Enforcement Impact: For now, this is a fairly subjective assessment of the standard of existing evidence that any given level of law enforcement effort in these threat areas will successfully reduce underlying harms. Clearly this needs to be a factor in deciding on the appropriate level of investment

Recommendations

6. Given limited resourcing, this analysis suggests some difficult decisions need to be made over the medium term.

7. Organised Immigration crime seems arguably under-resourced even comparing spend to (highly conservative) assessments of economic and social harms and the size of the market, and before taking into account the exceptional public concern and potential political risks which immigration crime poses. We recommend a medium term steer to SOCA agencies and local forces to rebalance effort. This would mean SOCA directing any additional resources mainly against volume facilitation, while we also encourage local forces to put additional investment in vice capacity to tackle the growing trafficking problem.

8. Class B and C drugs do not cause anything like the level of harm of class A drugs. But the size of the market is enormous, and the shift in effort towards an exclusive focus on class A means that serious traffickers are significantly less affected by proactive law enforcement interest. This contrasts starkly with the message we sent recently when increasing penalties for cannabis traffickers. It is vital that no major criminal group is able to act with impunity. We feel a targeted effort against such traffickers using Proceeds of Crime Act powers would send a powerful signal without imposing major new resource constraints on forces.

9. Both counterfeiting and organised fraud against the private sector remain under-resourced. We should, however seek to fill this gap with more joint funding by the private sector, following successful models like the Dedicated Cheque and Plastic Card Unit.

10. Additional effort over the medium term against organised immigration crime implies a gradual shift in priorities, but need not lead to any cash reduction in our current effort against class A drug trafficking. In addition, the new CIDA delivery strategy promises to focus our effort much more clearly on reducing underlying harms.

11. We should note the risks from gun and gang crime. This essentially reactive area has increased sharply over recent years. It is essential that the Government's gun strategy bears down on the underlying problem, as further increases will put pressure on the resources available for proactive work against organised crime in all categories.

12. We propose writing to Sir Stephen Lander and Hughes at SOCA setting out these amended priorities for the SOCA agencies and for SOCA itself, copying the letter to Chief Constables who should take these national organised crime priorities into account in drawing up force plans. This will also be covered by a statement to the House.

Other implications of the work

13. A total turnover of £15b from organised crime puts our performance on asset recovery into perspective, even if agencies achieve this year's target of £80m. But while we have the powers to seize this money, the quality of our intelligence on what happens with criminal proceeds and where the assets are hidden remains very poor. We will need to improve our performance by a factor of several times to start making a real impact on criminal markets, but this will require a step change in the the quality of our financial intelligence, and a clear commitment on all public agencies to share the data needed to track these assets down. We have legislative opportunities in the SOCA and Revenue Agencies bills to ensure this happens.

Presentational issues

14. Any shift in priorities will need to be carefully handed, as will the presentation of the various harm figures. We have already had some unhelpful media comment on the media coverage study. But we strongly believe the wider public interest lies with openness and broad consultation, in order to improve the robustness of the methodology

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ANNEX A: Details

Class A Drugs

1. The economic and social cost figures are based on Home Office research from 2000, updated to 2003 prices. Figures relate to England and Wales only, and the methodology is currently being refined, and new figures should be available in the next month or two. Problem Drug Users account for 99% of these costs, with drug related crime making up 88% of the total. A number of non-crime harms like impact on dependants are yet to be fully covered, but preliminary results suggest the overall cost estimates should not be expected to change dramatically.

2. The work sizing the market builds on previous work by Home Office It is thought to overstate the size of the market overall, as figures are extrapolated from urban areas to the country as a whole. Figures for powder cocaine and other recreational drugs are probably understated, however. Heroin, crack and cannabis make up 87% of the total market value, contributing 36%, 27% and 24% respectively. New figures are expected by April.

3. Drug trafficking was, surprisingly, not among the top areas of organised crime covered in media reports between 1998-2003. We have scored drug abuse as having a relatively low systemic threat to the UK. There is unlikely to be any major threat to the political or economic stability of the country as a result of trafficking at present. The size of the drug market does, however, pose obvious challenges to the integrity of law enforcement and the financial system, probably more than any other organised crime type.

4. Studies have found limited evidence of long term law enforcement impact on the price and availability of drugs. This may be partly because targets hitherto have focused exclusively on outputs like arrests and seizures, and have not encouraged law enforcement to take a strategic approach to tackling the market. The new CIDA delivery strategy begins to address this.

Class B and C Drugs

5. The economic and social costs of class B and C drugs are assessed to be low, with little drug-related crime, but some evidence of health harms, including mental health. Class B and C drugs make up one of the largest single markets for organised crime.

6. Class B and C trafficking was mentioned slightly less frequently than class A in press reports. The judgements on systemic risks and law enforcement impact were the same as for class A drugs.

Excise Fraud and Smuggling

7. The economic and social costs of excise smuggling are made up of lost tax revenue, health costs attributable to increased excise good consumption (tobacco in particular), lost profit to UK business due to the existence of an illegal market, and law enforcement and regulatory costs. The

market has been sized using HMCE estimates of the volume of goods smuggled into the UK and the estimated level of illicit street prices.

8. Surprisingly, excise smuggling received more press coverage over the 1998-2003 period than class A drugs. We have assessed it as posing a low 'systemic' risk to the UK, with the large income it generates and the shadow economy it fosters posing a moderate threat to overall integrity in the system.

9. HMCE's strategies against cigarette, alcohol and oils frauds have a proven record in holding and beginning to roll back the level of market penetration of smuggled goods.

VAT Fraud

10. The turnover and economic and social costs of VAT fraud are very similar, being made up overwhelmingly of HMCE estimates of the total losses to the taxpayer. VAT fraud does not have a high media profile. While turnover is as high as excise fraud, the fraud is limited in scope and we do not believe it poses any systemic threat to the stability or integrity of the UK over and above the large tax losses already recorded.

People smuggling and trafficking

11. People smuggling and trafficking have been combined for the purpose of these calculations. The former covers the volume facilitation of illegal immigrants. The latter covers cases where the traffickers continue to maintain an ongoing exploitative and control relationship, whether through control or deception.

12. We have taken a cautious approach to measuring the social and economic costs of people smuggling. The paper's figures are almost exclusively based on the costs to the state of processing and supporting asylum seekers who were smuggled into the country (we assess that 70% were). Some removal costs are also covered. We will be examining ways of measuring the cost of additional crimes committed by illegal immigrants. There is however no current evidence that illegal immigrants consume more in services than they contribute in taxes.

13. The work on the social and economic cost of people trafficking is ground breaking, and we will need to consult on the methodology. It uses the 'Quality adjusted life year' approach familiar in health economics to measure the impact on the victims of a coercive and exploitative relationship. Mental and physical harms are assessed, as is the impact of loss of freedom. The figures depend heavily on assumption on the number of facilitated prostitutes in the UK, and the number of those who are believed to be in an exploitative relationship with traffickers. We have taken conservative assumptions, but the real figure is extremely hard to estimate.

14. The figures on the turnover of people smuggling groups take a conservative view of the cost of facilitation to the UK. Much of the money involved may change hands outside the UK. The figures are likely to be an under-estimate, as they only include those facilitated into the UK who subsequently claim asylum. We are looking at methodologies to assess what proportion of those

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on legitimate visas may also have been facilitated by crime, eg through bogus educational establishments.

15. Organised immigration crime was by some way the organised crime area which received most press coverage between 1998-2003. This applied nationally and locally, and in broadsheet and tabloids.

16. We have also given organised immigration crime the highest value as a potential systemic threat to the UK. It poses some challenges to the integrity of public and private sector through the risk of corruption from a lucrative trade and the potentially corrosive impact on public sector integrity through the support it gives to the parallel economy. More importantly, it is the only area of organised crime to pose a risk, however small, of political instability.

17. Operations against organised immigration crime have not been taking place for long enough to get a good idea of their impact on the underlying harms. The situation is made more difficult by the lack of any good data on the size of the illegal population in the UK or the numbers being facilitated annually.

IP Counterfeiting

18. The figures for this crime area have dramatically reduced since last year, as our analysts have had the opportunity to subject industry figures to critical scrutiny. Industry's figures are more exaggerated even than we had expected, though we expect the current estimate to increase somewhat in the next revision. The economic and social costs consist mainly of genuine lost profit resulting from lost sales to the brand owners and the associated tax loss. The turnover figures remain large, though we remain very uncertain about the methodology used.

19. IP theft had some public profile, but we have assessed it as posing no real systemic threat to the UK, at least at current levels.

Fraud against the Private Sector

20. This is one of the areas of greatest uncertainty in the project. The figures quoted are much smaller than those in common circulation. It is important to note, however, that they relate only to fraud thought to be committed by organised crime, which is a small subset of all fraud. The figures are based on those areas where experts suggested there was a problem, and where we have been able to get reliable figures. We are seeking to build up contacts with banks and the ABI to get figures on a broader range of crime areas.

21. The various sorts of fraud have received a high public profile, but we have assessed them as posing a relatively low threat to the UK, except potentially in the area of economic stability. The figures on current spend considerably overstate the level of effort, as they cover a large proportion of forces' effort against fraud generally, not just in the organised area.

22. Recent projects like the Dedicated Cheque and Plastic Crime Unit suggest investment against fraud can pay good dividends in reducing losses from crime, and the roll out of chip and pin may also demonstrate the benefits of crime prevention investment.

23. The figures for law enforcement spend on fraud are slightly higher than we would have expected, and may include some working on financial investigation for drugs etc.

Gun and gang crime / Cash in Transit Robbery

24. Ideally, we would like to have been able to value the entire area of high value organised thefts and gun crime, but good data only exists for the subset area of cash in transit. Despite its high public profile, and the dramatic impact of successful attacks, this remains a relatively insignificant problem nationally, though highly important in Northern Ireland. The downward trend in this sort of robbery in London in recent years, and the success of operations like GRAFTON around Heathrow demonstrate that law enforcement operations and good crime prevention approaches can be highly successful in creating a hostile environment for these criminals to operate.

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ANNEX B: FILLING THE INFORMATION GAPS

We have already identified a number of areas where the methodology can be improved. Those where work is already in hand are set out below

ECONOMIC AND SOCIAL COSTS OF ORGANISED CRIME

- Work to assess and measure the impact of organised crime on local communities, including levels of crime committed by illegal immigrants and the extent of extortion in certain ethnic minority communities
- Work with the private sector to improve the quality of our data on fraud and Intellectual Property theft
- Reviewing data on gun crime to see if an organised crime component can be measured and valued

SIZING THE MARKET

- Work to improve data on the stocks and flows of illegal migrants into the UK; and to assess the numbers entering the UK through organised crime-facilitated abuse of the visa system
- Work to improve data on the size of the market for counterfeit goods in the UK

PUBLIC CONCERN

- Developing a methodology for measuring directly public concern about organised crime, for example through direct surveys

SYSTEMIC THREATS TO THE UK / EVIDENCE OF LAW ENFORCEMENT IMPACT

- Wide consultation after publication of the methodology in March, with a view to firming up what is largely a subjective assessment at present

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21 January 2005

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CABINET

MINISTERIAL COMMITTEE ON ORGANISED CRIME

LIST OF PRIORITY PARTNERS FOR TACKLING ORGANISED CRIME

Joint Memorandum by the Parliamentary Under-Secretary of State Foreign and Commonwealth Office and the Parliamentary Under-Secretary of State Home Office

Summary

1. Whitehall officials and Agency experts are working to identify which countries, either source or transit, give rise to organised crime that has an impact on the UK, and with whom there is the greatest potential for co-operation. The current draft and annexes A and B are both works-in-progress.

Recommendations

2. **Committee members are invited to note this ongoing work.**

3. **We recommend that the list or priority partners, once finalised, is used to inform UK strategy on organised crime. In particular, we recommend that this list is used to inform the production of country strategies by the FCO chaired official International Group.**

4. **Once the list is finalised, we recommend writing to relevant Departments and local police forces to inform them of the results.**

Background

5. On 30 November 2004 the International Group agreed a new approach to assessing overall priorities. This is the first time that such a list has been attempted.

6. Following this method, experts from the relevant Departments and Agencies met to decide priority countries for each crime type: drugs, illegal immigration, money laundering, excise fraud, sex offences and other international crime[1]. After an initial sift into four categories

[1] Includes kidnap, firearms, high-tech crime, non-excise fraud and IP theft

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(ranging from 'primary impact on the UK' to 'little evidence of impact on the UK'), the groups distributed 100 points between the countries.

7. As a first stage, they were asked only to consider which countries had the most potential for cooperation with the UK given patterns of organised crime activity. They did not take into account current levels of co-operation, where resources are spent, or where it is practical to take action. There was general consensus on the list within each threat area.

8. More complex is the task of creating a unified list by deciding on weightings between crime categories. A system of weighting was agreed which broadly reflects the findings of the wider harm exercise described in the Organised Crime Priorities paper. The provisional weightings were as follows:

Crime Type	Weighting (%)
Class A drugs	50
Illegal immigration	15
Money laundering	15
Excise fraud	10
Sex offences	5
Other international crime	5

9. The full results of this part of the exercise are at Annex A. The top 20 countries are at Annex B.

10. Because the harm index is still in development, the weightings are to a degree subjective. We have made a reasonable guess based on the research so far. Any changes would affect the final order of priority countries, although the overall top 20 is likely to stay roughly the same. The list as it stands includes countries such as Spain and the Netherlands. Obviously we have close co-operation with these countries and it is not right that they should be included alongside those countries where there is a lack of political will or capacity. Further work will be done to reflect this. All departments, however, thought it important to start this overall prioritisation.

11. Several interesting results arose from the exercise:

    i) China came out higher than expected. This is because it consistently scores highly in the non-drugs categories.

    ii) The Western Balkans (e.g. Serbia and Montenegro) do not score as high as we might have been expected

    iii) Nigeria similarly only just makes the top 20.

    iv) The threat to the UK is widely dispersed, with the top 10 threat countries accounting for just under half the total number of points.

Implications

12. We recommend using the results, once finalised, as a guide for developing our international strategy on organised crime. This exercise should inform, for example:

i) the order of country strategies drawn up by the International Group
ii) commissioning of JIC assessments
iii) SOCA's international strategy

13. Ultimately, the Cabinet Office work on Countries At Risk of Instability points the way to structures to produce single country strategies taking account of all UK interests. This exercise will feed the specific organised crime perspective into this process.

14. The results should feed into spending decisions, taken alongside other factors such as the quality of local projects, likelihood of co-operation with the host government and availability of opportunities for disruption.

Next steps

15. Once the list is finished, we suggest sending a joint letter from Home Office and Foreign and Commonwealth Office Ministers to Government Departments which hold budgets that may be used for law enforcement support overseas to draw their attention to this list of overall priorities. We also recommend writing to ACPO and law enforcement heads.

16. We see this exercise becoming a regular, probably annual, one. There is much to be done to improve the robustness of the methodology, but we believe this is a promising start.

SIGNED

CAROLINE FLINT
BILL RAMMELL

Cabinet Office
January 2005

Attachments

Annex A
Annex B

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Annex A (Percentages and weighting)

Country	Drugs		Illegal Immigration		Money-Laundering		Excise Fraud		Other International C		Sex Offences		Total Score	
	Points	Weighted	Points	Weighted	Points	Weighted	Points	Weighted	Points	Weighted	Points	Weighted	Points	Weighted
Afghanistan	11.0	5.5	3.0	0.5	3.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	17.5	6.5
Pakistan	6.0	3.0	11.0	1.7	7.0	1.1	0.0	0.0	2.0	0.1	0.0	0.0	26.0	5.8
China	0.4	0.2	11.0	1.7	4.5	0.7	25.0	2.5	11.0	0.6	0.0	0.0	51.9	5.6
Spain	8.5	4.3	0.0	0.0	4.5	0.7	6.0	0.6	0.0	0.0	0.0	0.0	19.0	5.5
Colombia	9.0	4.5	0.0	0.0	6.0	0.9	0.0	0.0	0.0	0.0	0.0	0.0	15.0	5.4
Turkey	7.0	3.5	4.0	0.6	3.5	0.5	0.0	0.0	3.0	0.2	0.0	0.0	17.5	4.8
Netherlands	8.5	4.3	0.0	0.0	0.0	0.0	3.0	0.3	3.0	0.2	0.0	0.0	14.5	4.7
Iran	6.0	3.0	9.0	1.4	1.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	16.0	4.5
Bulgaria	3.0	1.5	1.0	0.2	0.0	0.0	5.0	0.5	13.0	0.7	3.0	0.2	25.0	3.0
UAE	1.0	0.5	1.0	0.2	9.0	1.4	8.0	0.8	2.0	0.1	0.0	0.0	21.0	2.9
Russia	0.4	0.2	3.0	0.5	2.0	0.3	10.0	1.0	10.0	0.5	8.0	0.4	33.4	2.8
Jamaica	4.0	2.0	1.0	0.2	2.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	7.0	2.5
Belgium	3.0	1.5	0.0	0.0	2.0	0.3	6.0	0.6	0.0	0.0	0.0	0.0	11.0	2.4
India	0.4	0.2	9.0	1.4	4.5	0.7	0.0	0.0	1.0	0.1	1.0	0.1	15.9	2.3
Romania	2.3	1.1	1.0	0.2	0.0	0.0	1.0	0.1	8.0	0.4	3.0	0.2	15.3	1.9
Ukraine	0.2	0.1	1.0	0.2	2.0	0.3	8.0	0.8	1.0	0.1	9.0	0.5	21.2	1.8
Venezuela	3.0	1.5	0.0	0.0	2.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	5.0	1.8
Thailand	0.0	0.0	3.0	0.5	1.0	0.2	0.0	0.0	6.0	0.3	14.0	0.7	24.0	1.6
Nigeria	0.4	0.2	1.0	0.2	4.5	0.7	0.0	0.0	10.0	0.5	0.0	0.0	15.9	1.5
Iraq	0.2	0.1	9.0	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.2	1.4
Albania	0.4	0.2	4.0	0.6	1.0	0.2	0.0	0.0	5.0	0.3	5.0	0.3	15.4	1.4
Panama	0.4	0.2	0.0	0.0	8.0	1.2	0.0	0.0	0.0	0.0	0.0	0.0	8.4	1.4
Belarus	0.0	0.0	0.0	0.0	0.0	0.0	6.0	0.6	5.0	0.3	9.0	0.5	20.0	1.3
Serbia Montenegro	1.5	0.8	1.0	0.2	1.0	0.2	0.0	0.0	3.0	0.2	0.0	0.0	6.5	1.2
Poland	0.4	0.2	0.0	0.0	1.0	0.2	8.0	0.8	0.0	0.0	1.0	0.1	10.4	1.2
Eastern Caribbean	2.3	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.3	1.1
Brazil	1.9	0.9	1.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.9	1.1
Peru	2.0	1.0	0.0	0.0	0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	2.5	1.1
Bolivia	2.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	1.0
Sri Lanka	0.2	0.1	1.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	13.0	0.7	14.2	0.9
Lithuania	0.2	0.1	0.0	0.0	2.0	0.3	1.0	0.1	6.0	0.3	1.0	0.1	10.2	0.8
Bangladesh	0.4	0.2	4.0	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.4	0.8
Egypt	0.0	0.0	4.0	0.6	1.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	5.0	0.8
Hungary	1.2	0.6	0.0	0.0	0.0	0.0	1.0	0.1	0.0	0.0	1.0	0.1	3.2	0.8
Moldova	0.0	0.0	0.5	0.1	1.0	0.2	5.0	0.5	0.0	0.0	0.0	0.0	6.5	0.7
"TRNC"	0.4	0.2	0.0	0.0	3.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	3.9	0.7
Cambodia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.0	0.7	14.0	0.7
Somalia	0.0	0.0	4.0	0.6	0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	4.5	0.7

Country	Drugs		Illegal Immigration		Money-Laundering		Excise Fraud		Other International C		Sex Offences		Total Score	
	Points	Weighted	Points	Weighted	Points	Weighted	Points	Weighted	Points	Weighted	Points	Weighted	Points	Weighted
Philippines	0.0	0.0	0.0	0.0	0.5	0.1	0.0	0.0	0.0	0.0	12.0	0.6	12.5	0.7
South Africa	0.4	0.2	0.5	0.1	1.0	0.2	0.0	0.0	0.0	0.0	4.0	0.2	5.9	0.6
Libya	0.0	0.0	4.0	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0	0.6
Bosnia Herzegovina	0.4	0.2	0.5	0.1	1.0	0.2	0.0	0.0	3.0	0.2	0.0	0.0	4.9	0.6
Latvia	0.2	0.1	0.0	0.0	2.0	0.3	1.0	0.1	0.0	0.0	1.0	0.1	4.2	0.5
Gibraltar	0.0	0.0	0.0	0.0	3.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	3.5	0.5
Malaysia	0.0	0.0	0.0	0.0	0.0	0.0	5.0	0.5	0.0	0.0	0.0	0.0	5.0	0.5
UK COTs	0.4	0.2	0.0	0.0	2.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	2.4	0.5
Macedonia	0.4	0.2	0.5	0.1	1.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	1.9	0.4
Kenya	0.7	0.3	0.0	0.0	0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	1.2	0.4
Ecuador	0.7	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.3
Guyana	0.7	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.3
Hong Kong	0.0	0.0	0.0	0.0	2.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	2.0	0.3
Turkmenistan	0.4	0.2	0.0	0.0	0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.3
Uzbekistan	0.4	0.2	0.0	0.0	0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.3
Luxembourg	0.0	0.0	0.0	0.0	1.0	0.2	1.0	0.1	0.0	0.0	0.0	0.0	2.0	0.3
Greece	0.2	0.1	1.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.2	0.2
USA	0.0	0.0	0.0	0.0	0.5	0.1	0.0	0.0	3.0	0.2	0.0	0.0	3.5	0.2
Benin	0.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.2
Cape Verde	0.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.2
Croatia	0.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.2
Gambia	0.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.2
Ghana	0.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.2
Ivory Coast	0.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.2
Portugal	0.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.2
Senegal	0.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.2
Slovenia	0.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.2
Surinam	0.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.2
Tajikistan	0.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.2
Togo	0.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.2
Azerbaijan	0.2	0.1	0.0	0.0	0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.2
DRC	0.0	0.0	1.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.2
Sudan	0.0	0.0	1.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.2
Zimbabwe	0.0	0.0	1.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.2
France	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0	0.2	0.0	0.0	3.0	0.2
Lebanon	0.0	0.0	0.0	0.0	1.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.2
Trinidad & Tobago	0.0	0.0	0.0	0.0	1.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.2
Czech Republic	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.1	1.2	0.1
North Korea	0.0	0.0	0.0	0.0	0.5	0.1	0.0	0.0	1.0	0.1	0.0	0.0	1.5	0.1

	Drugs		Illegal Immigration		Money-Laundering		Excise Fraud		Other International C		Sex Offences		Total Score	
Country	Points	Weighted	Points	Weighted	Points	Weighted	Points	Weighted	Points	Weighted	Points	Weighted	Points	Weighted
Argentina	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1
Armenia	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1
Belize	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1
Costa Rica	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1
Cuba	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1
Dominican Republic	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1
Estonia	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1
Georgia	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1
Haiti	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1
Honduras	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1
Italy	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1
Kazakhstan	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1
Kyrgyztan	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1
Mexico	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1
Nicaragua	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1
Oman	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1
Paraguay	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1
Slovakia	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1
Algeria	0.0	0.0	0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1
Ethiopia	0.0	0.0	0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.1
Etritrea	0.0	0.0	0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.1
Kosovo	0.0	0.0	0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.1
Syria	0.0	0.0	0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.1
Vietnam	0.0	0.0	0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.1
Antigua	0.0	0.0	0.0	0.0	0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.1
Indonesia	0.0	0.0	0.0	0.0	0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.1
Israel	0.0	0.0	0.0	0.0	0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.1
Jordan	0.0	0.0	0.0	0.0	0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.1
Switzerland	0.0	0.0	0.0	0.0	0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.1
Ireland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.1	0.0	0.0	1.0	0.1

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ANNEX B

Top 20 countries

Country
1. Afghanistan
2. Pakistan
3. China
4. Spain
5. Colombia
6. Turkey
7. Netherlands
8. Iran
9. Bulgaria
10. UAE
11. Russia
12. Jamaica
13. Belgium
14. India
15. Romania
16. Ukraine
17. Venezuela
18. Thailand
19. Nigeria
20. Iraq

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OC(05)3
14 March 2005

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CABINET

MINISTERIAL COMMITTEE ON ORGANISED CRIME

OC COMMITTEE WORKPLAN AND COMPOSITION

Memorandum by the Parliamentary Under Secretary of State, Home Office

Summary and Recommendations

OC committee is invited to approve

- A work programme for the year ahead
- Extending routine attendance at OC meetings to include Stephen Lander, and where appropriate inviting other senior officials and figures from law enforcement, prosecution or intelligence who may be able to contribute to agenda discussions

OC is also invited to discuss the frequency of future meetings.

Background – OC workplan

OC's terms of reference are to "co-ordinate the Government's strategy for tackling organised crime". Home Office Ministers propose the main focus of the committee being

- Setting overall priorities nationally and internationally
- Taking stock of strategies in individual sectors and identifying the foreign policy and other political levers needed to drive them forward
- Monitoring performance against organised crime
- Providing a forum for collective agreement, e.g. on legislation

OC has already taken papers on national and international priorities on organised crime. We would expect priority setting to be carried out broadly annually. OC will also be taking this meeting a paper on performance, which is likely to be an agenda item quarterly.

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OC members stressed at the last meeting that we needed to keep in view the overall strategy against organised crime, and also to ensure that some of the other threat areas were not being neglected. We suggest that OC consider at its meetings not only performance against the main threat areas of drugs and immigration crime, but look at Government strategies against the main threat areas set out in the UK Threat Assessment and the recent prioritisation exercise (paper OC(05)1).

This would mean OC, over time, also taking as agenda items short papers / presentations as SOCA and Government develop strategies to address main threats like

Class A drugs
Immigration Crime (including trafficking)
Class B and C drugs
Major fraud
Money laundering
Hi tech crime, including on-line sex abuse
Intellectual Property Theft / counterfeiting
Criminal possession and use of firearms
Major robberies; including cash in transit, art and antiques,

It would also be helpful to hear from Treasury colleagues on experiences from the strategies against VAT and excise fraud.

The committee might also look at out international effort. This would involve considering further the issue of how to prioritise our effort between the main countries, and discussing some major country strategies.

OC Composition

This is an ambitious work programme, and Home Office Ministers believe meetings would benefit from combining Ministerial attendance with participation by some of the main operational players. We would propose having the SOCA Chairman-Designate Sir Stephen Lander attend routinely, along with the chair of the official group OCSG. Others from law enforcement or intelligence may also be invited to attend depending on the agenda item.

Frequency of Meetings

Given the weight of the work programme, OC might usefully meet 6 weekly to 2 monthly. We would welcome views on this.

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OC(05)4
14 March 2005

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CABINET

MINISTERIAL COMMITTEE ON ORGANISED CRIME

THE UK'S STRATEGY AGAINST ORGANISED CRIME

Note by the Secretaries

The attached slides have been prepared by Home Office officials and will form the basis of a presentation to be given at the meeting.

SIGNED MS G EDWARDS
MS N SMITH
MR E CLIFT

Cabinet Office
14 March 2005

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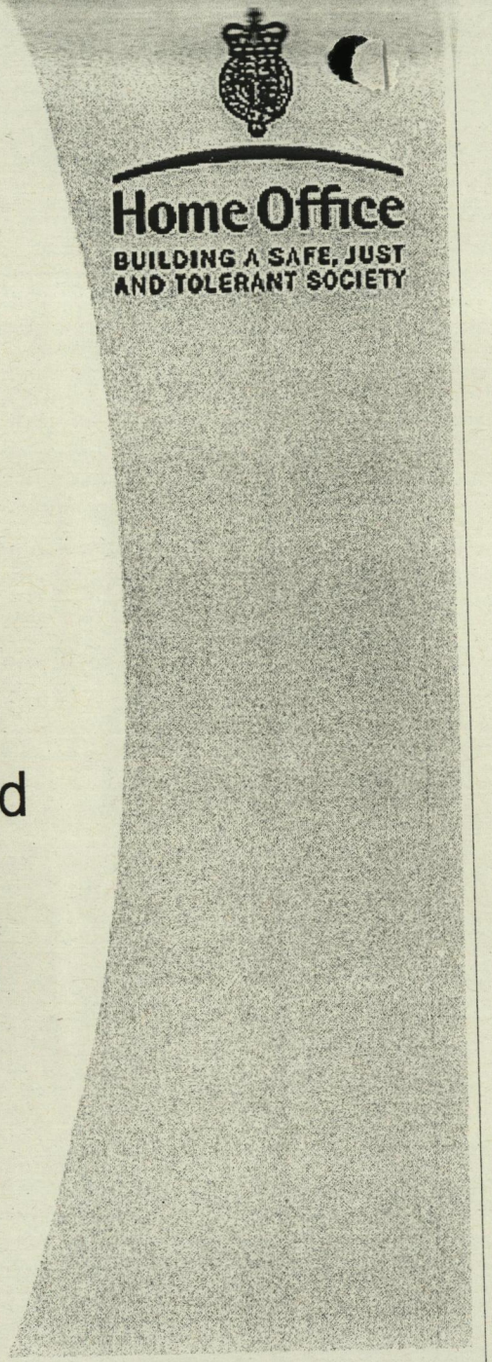
The UK's strategy against organised crime

Presentation to OC Committee

17 March 2005

Summary - what we need from Ministers / OC committee...



- Setting overall priorities between threats
- Prioritising our international effort
- Monitoring performance against o/c strategies
- Tackling key barriers to cooperation domestically and overseas
- Making collective policy decisions - eg on legislation

What do we mean by organised crime?

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No hard and fast definition, but we include

- criminal businesses: the supply and sale of illicit goods and services; drugs; illegal immigration; counterfeit goods
- major revenue fraud (though falls to HMRC)
- some serious fraud against the private sector
- some enablers of organised crime: money laundering; hi tech; gun supply

Organised Crime: why it matters

Home Office
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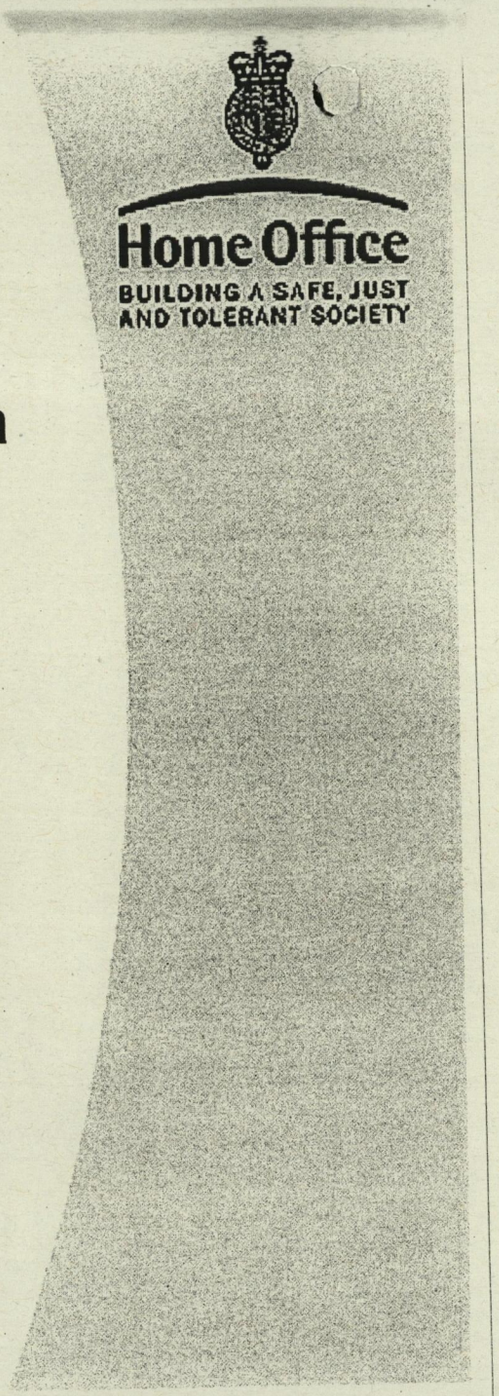
Organised crime does harm & lots of it:

- Over £20 billion of social and economic costs
- Criminal markets worth over £15 billion
- individual lives wrecked by drugs and people trafficking;
- UK neighbourhoods' security undermined by criminal gangs & intimidation
- law enforcement and criminal justice corrupted in many vulnerable overseas countries

Meeting the challenge: a new approach



White Paper '*One Step Ahead*' sets out outline for a coherent strategy

* demand reduction
* disruption of supply using full range of powers
* raising personal risks by convicting kingpins
* confiscating profits and assets

Meeting the challenge: a new approach (II)

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- **Coherent national delivery: the Serious Organised Crime Agency**
    - * intelligence-led, with much improved understanding of criminal markets
    - * targeting markets/criminal businesses doing most harm
    - * working in partnership with local police forces
- **New powers and full use use of existing ones**
- **Making partnerships work and closing the 'level 2 gap'**
- **International action**

NINE KEY CHALLENGES

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1. SOCA: Risks and Opportunities

- Difficult integration of cultures, but;
- Chance to create radically different approach, based on harm reduction
- Intelligence-led, looking to use wider range of tools than traditional arrest and seizure
- Not constrained by cap badges - real opportunities for synergy and sharing best practice
- On track to be ready for April 2006

2. Improving underststanding - our no 1 priority

Home Office
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- "In all the areas of organised crime that it will fall to SOCA to address, the UK's knowledge and understanding of the threat is inadequate"

  Chairman Designate, *Blueprint for SOCA*

- eg - do we understand how even 30% of heroin gets to the UK?

What SOCA is doing about this…

- *"SOCA's top priority will be the continuous development of an improved knowledge and understanding of the way criminal enterprises operate" - Blueprint for SOCA*
- UK Threat Assessment describes the national picture, National Criminal Intelligence Requirement identifies the gaps - to be issued to forces and agencies in March
- HMIC will track forces' progress
- Fundamental structural change within SOCA
- Proactive operations for gathering intelligence, not just enforcement

…and the Home Office's contribution

- Major analysis and research programme
  - measuring economic and social harms, setting priorities
  - How much money is being laundered, and where does it go?
  - What is driving changes in drug and immigration markets?
  - What incentives are current sentence levels setting?
  - What is going on with fraud?

3. Designing strategies for each threat area...

- Enforcement action not enough on its own; need demand reduction, crime prevention too
- Drugs strategy
- New 5 year plan on migration - including priorities for REFLEX
- Hi tech crime strategy due this Spring
- Major gaps - fraud, counterfeiting - guns?

4. … and internationally

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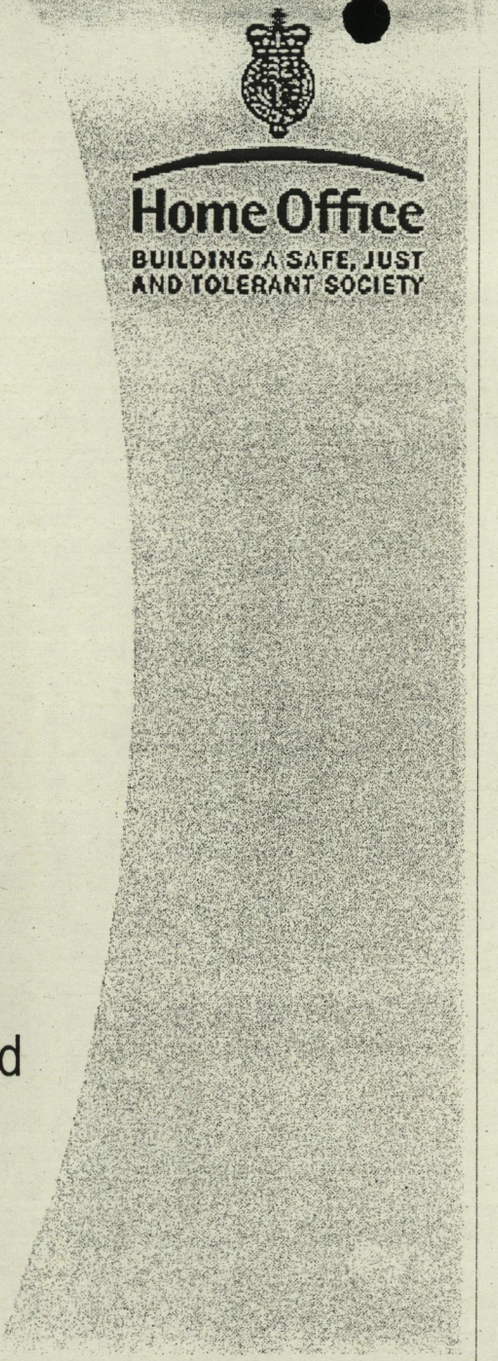
We must disrupt supply chains where they are most vulnerable and where opportunity is greatest

- Priorities for UK Presidencies
  - Spreading UK intelligence model
  - Speeding up process of operational cooperation, information sharing
- Country strategies - the need to prioritise
  - Limited amount of political capital, resources
  - Prioritisation exercise to identify key countries
  - Priorities by threat area, weighted to create overall list
- Country strategies being developed through FCO International Group (drugs and crime strategies) and CIDA, REFLEX

Examples of country action

THIS IS A COPY. THE ORIGINAL IS RETAINED UNDER SECTION 3 (4) OF THE PUBLIC RECORDS ACT

- Plan Jamaica
  - coordinated deployment of UK and partner country assets
  - Progress against top 10 Jamaican based criminals
  - Evidence of cocaine shortages on island -risk of displacement?
- Afghanistan - FCO PSA
  - Coordinating comprehensive CN effort, including interdiction, criminal justice, alternative livelihoods and institution building
  - Embassy team and new inter-departmental unit in London



5. Making partnerships work

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- **National agencies and local forces must work together better; this means**
  - more sharing of intelligence; up and down
  - more investment in this areas by local forces and establishment of regional capacity
  - effective support from national agencies in areas of scarce capacity
  - demonstrating operations have a local impact
  - better incentives for cooperation between national and local agencies in performance regimes

6. Giving SOCA the powers for the job...

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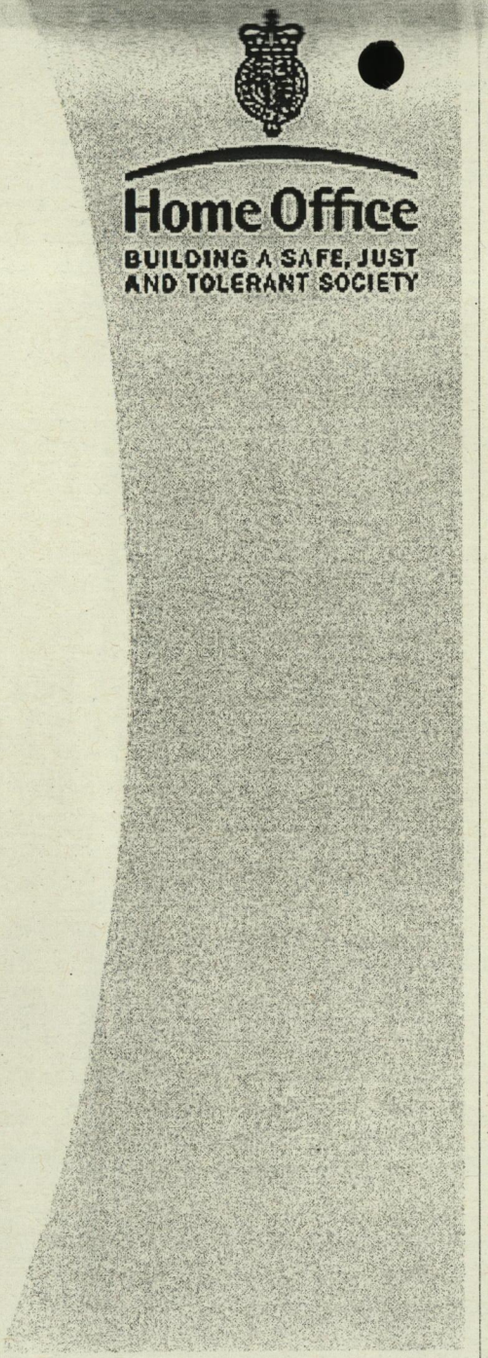
- Major consultation leading to White Paper
- Radical new powers
  - powers to compel evidence
  - strengthening Queen's Evidence
  - Financial Reporting Orders post release
- Sceptical about the need for RICO style participation offences
- The intercept debate

7. … But also making more use of the powers we have



- Proceeds of Crime Act
- Immigration
- Probation
- Tax?

(I) Proceeds of Crime Act

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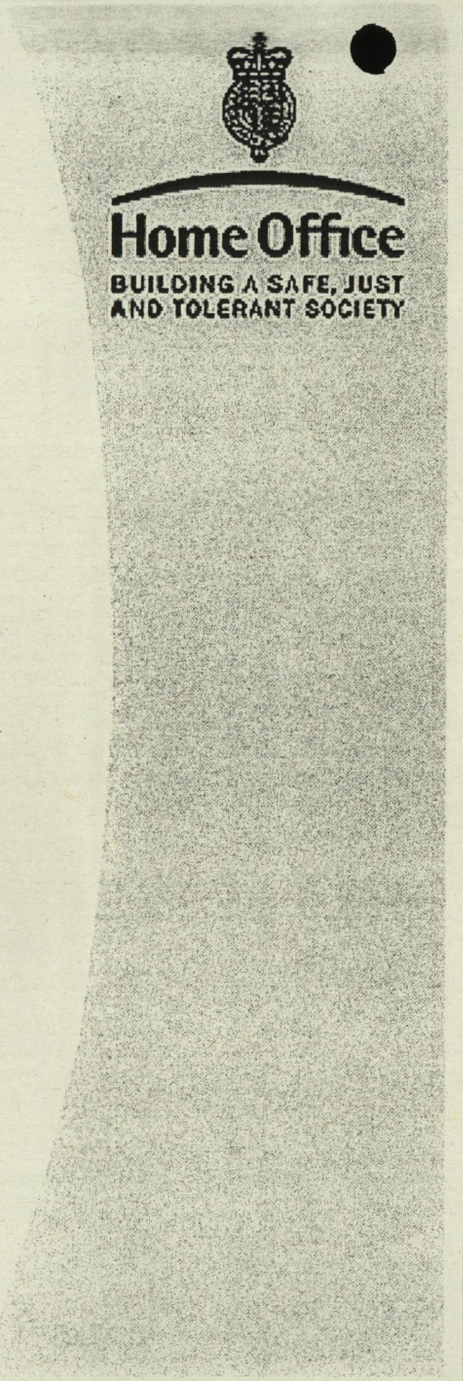
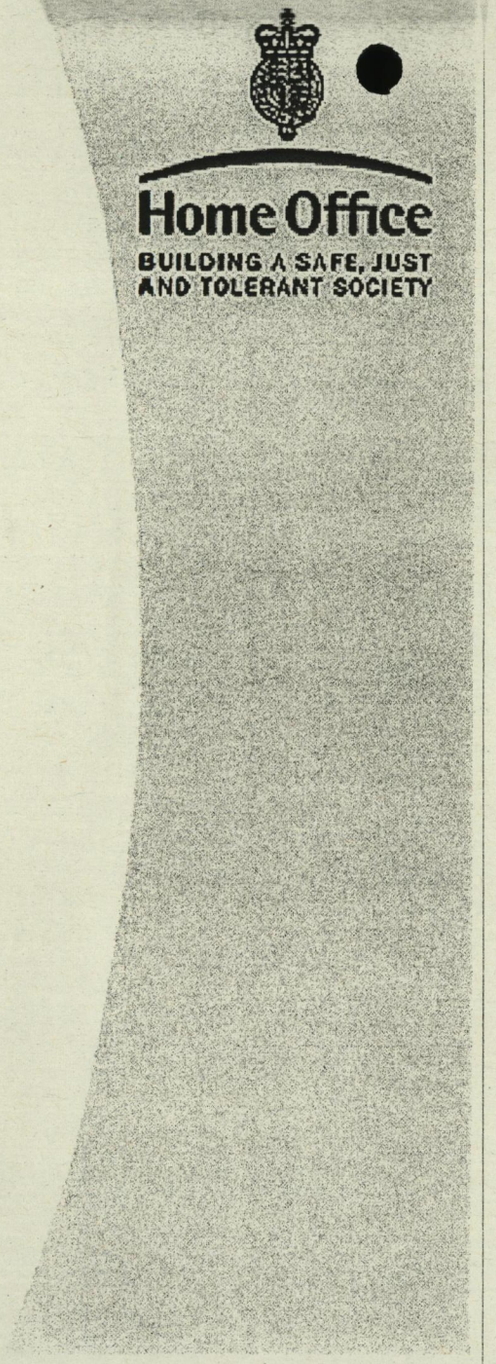
- HMIC found the powers were effective and popular
  - increasing number of orders made
  - but problems enforcing them
  - limited use outside specialist force squads
- HMIC following up report to chase progress
- Local targets now being set by LCJBs
- Incentivisation kicks in this year
- Meanwhile, Suspicious Activity Reports developing into powerful central intelligence tool

(II) Immigration Powers



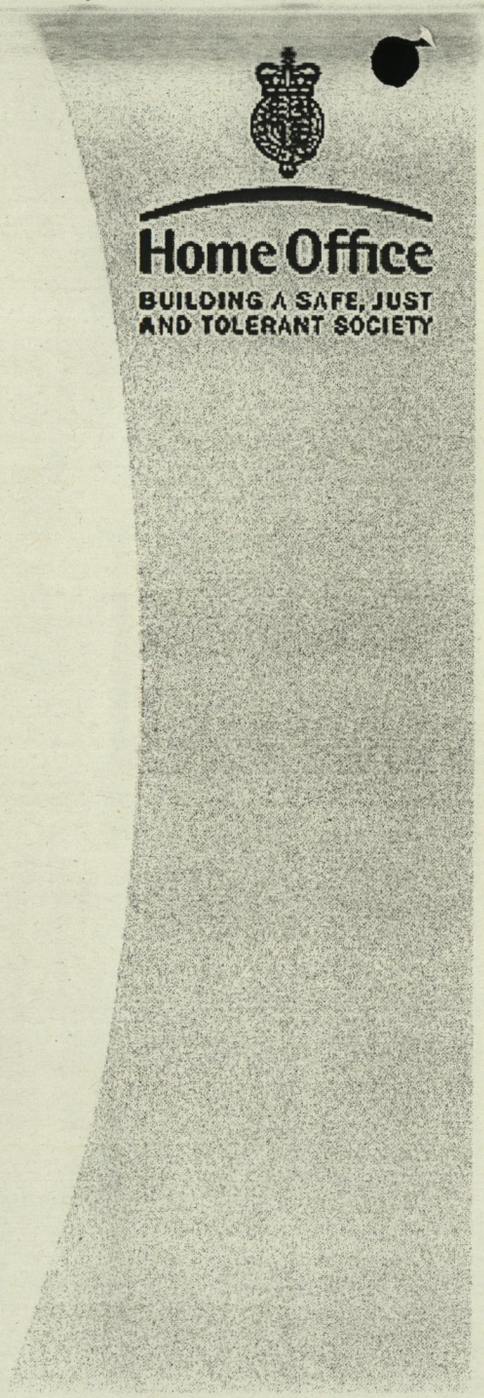
- NCPE guidance to forces on immigration powers - potential to use administrative powers for disruption
- Power to exclude criminals on 'non conducive grounds'
- Refreshing the Warnings Index
- Looking for possible candidates for expulsion from country, using SIAC if necessary

(III) Probation



- Tailored licence conditions for organised criminals?
- Currently identifying possible candidates
- Legal challenges likely

8. Clarifying Governance



- Home Secretary overall responsibility for non-fiscal strategy, priorities and performance
- But SOCA board drives SOCA's strategy
- OC committee - options for future
  - purely Ministerial?
  - Ministerial with officials / SOCA?
- Official group OCSG
  - clears papers for OC, meets quarterly
  - HO chair, officials and heads of agency
- Sectoral groups against main threats - eg CIDA, REFLEX

9. A new way to drive performance

Home Office
BUILDING A SAFE, JUST AND TOLERANT SOCIETY

- A single quarterly report to Ministers and all agncies on performance against organised crime
- Key objective is to reduce harm
- Enforcement action contributes by
  - dislocating illegal markets - driving up prices, reducing availability
  - reducing number of crimes committed by o/c
  - improving our understanding of the threat
- Operational activity will be judged by whether it delivers on this, not measured for own sake

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OC(05)5
14 March 2005

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MINISTERIAL COMMITTEE ON ORGANISED CRIME

METHODOLOGY FOR PRIORITISATION

Memorandum by the Parliamentary Under Secretary of State, Home Office

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Summary and Recommendations

OC committee asked for a paper explaining the methodology underlying the exercise to prioritise our effort against organised crime (OC(05)1). The committee is invited

- To note the methodology
- To note FoI issues and our announced intention to publish this work, probably in May or June
- To confirm that OC is content with the broad recommendations flowing from OC (05) 1, in particular the medium term shift towards increased effort against organised immigration crime.

Background

2. OC(05)1 set out recommendations on priorities based on four broad assessments of harm, and an assessment both of current level of spend and evidence of its impact. The four harm assessments covered

- Economic and social costs
- Size of criminal markets
- Public concern (press coverage)
- Evidence of systemic threat to the UK

3. In coming up with recommendations, Home Office officials and the official group OCSG assessed the level of harm for each threat area (e.g. class A drugs) across these four categories. This was then compared with our best estimate of current spend against each threat and what evidence there was of how much impact existing spend was having. This exercise can give a general impression of whether particular areas were over- or under-resourced, and the conclusion set out in OC

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(05)(1) was that more spend was needed on organised immigration crime in particular.

4. This is obviously not a precise science. The sorts of harm examined are radically different, and different crime types scored higher in some areas than other. It will ultimately be for OC to provide a steer on the relative weight which needs to be given, say, to social and economic harms on the one hand and public concern on the other, though OC(05)1 sets out recommendations.

5. There is considerable scope to improve the methodology, but OC(05)1 represents a world-leading attempt to quantify some extremely difficult questions. The four key harm categories can be described as follows

Economic and Social Harms

6. This work builds on the innovative Home Office analysis on the economic and social costs of crime and of class A drug abuse. These in turn build on work carried out by other government departments. For example, quantifying the cost of loss of life or serious injury from drug abuse builds on DoT work in the road safety area. The figures on the impact on victims of being a victim of trafficking seeks to adapt NHS thinking on 'Quality Adjusted Life Years' (QALY)

7. The costs fall into three main categories. The first is *costs in anticipation of crime*. This covers measures taken (e.g. additional security expenditure) which would not have been made in the absence of the crime threat.

8. The second category is *cost of crime*. This is the largest single category, and it goes well beyond simple economic losses (e.g. value of goods stolen). It also covers estimates of harm to victims (injuries, emotional costs etc), the health costs associated with problem drug abuse and the additional cost to Government e.g. of asylum support for those facilitated into the UK. Ultimately, we would like to include estimates of the impact of crime on local neighbourhoods in this category too.

9. Finally, the figures include estimates of *costs in response to crime*, which includes police and criminal justice costs responding to crime incidents.

10. This category is dominated by class A drugs, where the cost of crime committed by users to fuel their drug habit are extremely high. There are also extremely high figures for revenue losses from VAT and excise fraud. The figure for private sector fraud may be a considerable under-estimate, although the quality of evidence is poor in this area; something which business itself recognises. We are working with business to try to scope the problem better and identify priority areas for improving data.

Size of criminal markets

11. This area focuses more narrowly on the actual turnover of criminal groups, which poses a challenge itself to the rule of law.

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12. The quality of our information again varies considerably here. We have good information for

- Class A drugs (estimates of numbers of problem drug users and their annual consumption)
- Excise fraud (HMCE work on the 'tax gap' and the market penetration of non UK duty paid goods)

13. We have reasonable information on

- Class B and C drugs (survey data)
- Numbers of asylum claimants facilitated into the UK (debriefing of claimants)

14. Data on the size of the market in counterfeit goods and other private sector fraud is poor however. On counterfeiting industry either lacks a robust overview or prefers to use highly exaggerated figures publicly. On fraud, many companies seem reluctant to record losses as such.

15. The relationship between values for economic and social costs and turnover figures varies. For some areas like class A drugs the economic and social cost figures are much higher – as the harm done by users to feed their habit goes well beyond the simple price of the drugs. In other areas like class B and C drugs, the opposite is the case – the market is large, but the evidence of harm is less. In other areas like VAT and excise fraud the two figures are similar, as the main harm is the tax foregone. As a result, while class A drugs are the biggest market, they do not dominate the figures on turnover in the same way as they do for economic and social harms, where they amount to more than half the total.

Public concern (press coverage)

16. The work on estimating press coverage of organised crime threats is an early attempt to come up with a proxy measure of public concern. We obviously need to take public concern into account in deciding which areas to focus in. While press coverage is a crude proxy, the exercise was broad, covering national, local, broadsheet and tabloid papers. The most surprising outcome was the consistency in the results, showing that organised immigration crime has been by some way the area of most interest over the last five years.

17. Press coverage has obvious weaknesses as a proxy. It appears to allow the press to set the agenda and assumes that the preoccupations of the media are also those of the public. We are exploring ways of surveying the public directly, and hope to have something in place over the next year. Officials are also looking at the Treasury risk model, which includes an alternative approach to measuring public confidence.

Systemic threat to the UK?

18. This category attempts to look at harms which are not easily quantifiable but have a potentially serious impact on the whole fabric / stability of the UK. These include political risks, the risk to the integrity of public institutions and servants, and risks to the financial or economic stability of the UK. We have also looked at possible links to terrorism, though evidence here is inconclusive.

19. Highly lucrative areas of criminality can pose corruption problems, while threats like organised immigration crime could potentially have a political impact through increased extremism. We have not ranked any individual threat as posing more than a medium risk of the sort of catastrophic threats outlined here, however.

Publication and improving the methodology

20. This harm work was mentioned in an interview with Stephen Lander, and as a result, we have received FOI requests to see the workings. We intended anyway to publish the methodology in order to encourage debate with leading experts in the field and hence improve the methodology, and the FoI legislation will not allow us to hold the material back. We have responded to the FOI request quoting the exemption for material intended for publication, and have quoted a probable date of early Summer for publication.

21. We do have some flexibility around presentation, however. We would anticipate publishing the work on economic and social harms, turnover and press coverage with a short note setting the work in context and outlining proposed improvements. We will come back to OC committee probably in May with more detailed proposals.

22. Openness about the fact that this approach is still work in progress should be helpful presentationally. We have a number of concrete proposals for improving the methodology in addition to those on measuring public concern. Fraud is an area where the data is particularly weak, but we are also reconsidering whether the treat threats like guns and gangs as a separate threat in their own right, or to incorporate them into the main 'predicate' offence like class A drugs, in the same way we have done for money laundering.

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OC(05)6
14 March 2005

COPY NO 11

CABINET

MINISTERIAL COMMITTEE ON ORGANISED CRIME

MEASURING PERFORMANCE AGAINST ORGANISED CRIME

Memorandum by the Parliamentary Under Secretary of State, Home Office

Summary and Recommendations

OC is invited to approve a basic framework for measuring our performance against organised crime. This involves a three tiered approach to measuring impact.

- Trends in the harm caused by organised crime
- Key outcomes
- Operational activity

Background

2. We see one of OC's key functions as monitoring how successful our effort against organised crime is proving. The White Paper *One Step Ahead* makes it clear that we need a new approach to measuring performance. This needs to go beyond traditional measurement of law enforcement activity (eg arrests and seizures) and start measuring our impact on the underlying problem.

3. The official group OCSG has looked at what successful performance would look like, and has proposed the 'three stranded' approach set out in this paper. This is very much work in progress. This paper sets out the thinking behind the three tiers and what should be covered in them. A rough sketch of what the performance report would look like is set out at Annex A. We would see this performance regime as sitting above all the various existing strategies for non-fiscal crime (fiscal crime is governed by specific Treasury targets)

TIER ONE: TRENDS IN THE HARM CAUSED BY ORGANISED CRIME

4. We are ultimately aiming to reduce the harm done by organised crime. As such, the top tier of the performance report should assess trends in underlying

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harms, work being done to improve our understanding of harms, and progress in putting in place wider strategies to tackle harm.

5. At this stage, the key harm measurements are our estimates of the economic and social harms of organised crime and our estimates of organised crime turnover. We are also looking at measures of public concern and an assessment of the systemic risk which different classes of organised crime pose.

6. While the ultimate outcome of successful enforcement work should be downward pressure on harms, harm cannot be the main performance measure for two reasons.

7. First, the work on harm is still groundbreaking, and figures will be within a considerable margin of error. Secondly, underlying harms are attributable to a range of factors, of which organised crime is only one. Drugs harm need to be tackled by the wider ranging drugs strategy including demand reduction and treatment provision, for example.

SECOND TIER: SUCCESSFUL OUTCOMES

8. We propose the key outcome measures should be
- improved knowledge and understanding of criminal markets
- Upward pressure on the price of illegal commodities and services
- increases in the quantity of assets seized, including as a proportion of total assessed criminal turnover

Measuring Understanding

9. Devising a way of measuring the quality of our understanding of various crime threats is complex, but essential. The White Paper makes it clear that 'there is nothing more important in the fight against organised crime than high quality intelligence'. Our performance up to now on intelligence has not been helped by the fact that no Government targets in this area have ever examined intelligence performance. Volume activity targets have incentivised agencies to increase the number of operations rather than dedicating themselves to intelligence development work. By building a more comprehensive intelligence picture this should in time enable operations to be more tightly focused against targets of maximum threat.

10. We are examining practical ways of measuring intelligence understanding. One approach we will use is a 'baseline assessment' – a snapshot picture of what percentage of the total market for drugs or facilitation is currently visible to law enforcement. Another is an intelligence 'gap analysis', based on forces and agencies' performance against the National Criminal Intelligence Requirement which is about to be issued by NCIS. This requirement should for the first time provide a national template on the key gaps to be filled in our intelligence understanding.

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Dislocation of illegal markets

11. Whatever types of operations are undertaken against criminal groups working illegal markets, we would expect to see upward pressure on prices in the longer term as successful law enforcement operations increase the scarcity of product in the UK, drive up business costs and increase the risk premiums which traffickers demand.

12. We already have plans in place to improve the quality of drug price data, adjusting our data for purity and volume. We are, however, working from a very low base. REFLEX is also treating as a high priority the need to get data on the price of facilitation services to the UK. In time, we would like to add other price data too, for example for other illicit products, or for criminal services like money laundering.

13. In principle price data will need to be compared with parallel figures on demand, and also compared with international peers. The former is already available through the drugs strategy. The latter is theoretically available, but our impression is that the reliability of data from partner countries is extremely patchy.

Asset Recovery

14. We will also report quarterly on progress against the national target for asset recovery, where we have good quality data. In addition to headline figures, we will also be able to report on some components of the effort, for example progress on cash seizures and enforcing existing orders.

TIER 3: OPERATIONAL ACTIVITY

15. We propose reporting on operational activity in four ways.

- Firstly, we will use the CIDA and REFLEX reporting against the respective Operating Plans.
- Secondly we will develop operational performance measures where appropriate for other organised crime threats.
- Finally, finally we will report on progress against priority Country Plans drawn up through the FCO chaired International Group.

Operational Results on drugs and immigration crime

16. The considerable bulk of SOCA and other organised crime agencies' effort will be against targets dealing with Class A drugs and organised immigration crime. Both of these are already subject to a performance regime under CIDA and REFLEX respectively. It is important that we maintain consistency here. We are not proposing setting separate targets for SOCA, forces or anyone else in these areas, but that performance should be measured for the CIDA and REFLEX community collectively.

17. Following work with OFCU and a PMDU led review of the drug supply strategy, both CIDA and REFLEX have recently agreed a broad approach to developing 'control strategies' to measure their performance. We will provide

summaries on progress here, though performance will not be easily reducible to a series of operational headlines.

Operational results on other crimes

18. OC committee has agreed that other organised crime threats not be neglected, while recognising the overall priority which class A drug trafficking and people smuggling will enjoy. Other threats to be covered are likely to include certain areas of organised non-fiscal fraud, counterfeiting and possibly gun crime. In addition, the recent paper to OC committee recommended an increased effort against major traffickers of class B and C drugs.

19. We do not currently have a very good picture of the proportion of SOCA agencies' effort at present on some of these threat areas, and nor is there a performance regime in place. We are working on developing measures on financial crime through the Dedicated Cheque and Plastic Crime Unit, and are looking to pool resources with industry on the counterfeiting question. At present, however, this area is highly under-developed.

International Work

20. The recent Strategy Unit report on Countries at Risk of Instability, the work on the CIDA delivery strategy and the FCO International Group have all come to the conclusion that we need more focused strategies for dealing with key challenge countries. OC committee recently discussed a weighted list of priority countries taking into account the threat from a variety of types of organised crime.

21. In the meantime, the FCO chaired International Group has been tasked with drawing up strategies on the key countries. The performance report might cover progress in drawing up these plans and implementing their provisions. In the latter case, we should, for example, be looking for indicators of outcomes on the ground in the priority countries, considering in particular the progress we have made against key country objectives like encouraging intelligence sharing and building capacity, as well as more traditional operational measures.

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ANNEX A

SPECIMEN ORGANISED CRIME REPORT

NOTE – Assessments and figures in this specimen report are mainly indicative

TIER 1: TRENDS IN HARM

Threat Area	Social and Economic Cost	Trend?	Size of criminal market	Trend?
Class A drugs	12.7		5.3	
Class B, C drugs	0.2		2.1	
Excise Fraud	3		3.6	
VAT fraud	2		1.5	
Immigration Crime	2.1		0.8	
IP Counterfeiting	0.2		1.1	
Fraud against private sector	0.9		0.5	
Cash in Transit robbery	0.02		0.02	
Gun and gang crime (including CIT)				
Total	21.2		15.1	

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New developments since last report

eg

New figures being developed on the size of the market in illegal immigration;

Pre-Budget report updates figures on the scale of excise and MTIC fraud

Revised figures on the size of illegal drugs markets due to be published in April

Work in progress to improve analysis

Consultation with IP industry to agree methodology on turnover and social and economic harms of piracy. [Milestones, risks]

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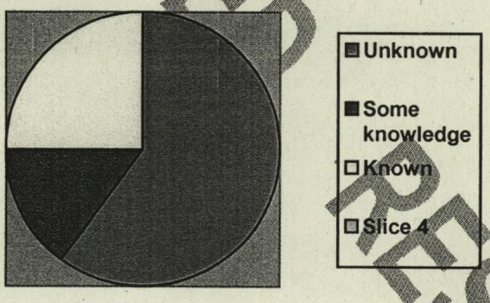
Consultation with fraud stakeholders to identify knowledge gaps and additional work [Milestones, risks]

Proposed publication of the methodology for assessing economic and social harms, followed by a consultation exercise with international experts

TIER 2: SUCCESSFUL ENFORCEMENT OUTCOMES

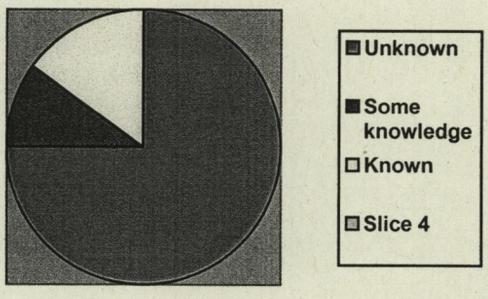
Quality of Intelligence Coverage: Drugs



The recent baseline assessment suggests we have some knowledge of how around 35% of class A drugs reach the UK, but firm knowledge of only about 20%

Actions on from this: incl milestones, risks

Quality of intelligence coverage: Organised Immigration Crime



A similar baseline assessment suggests an even lower proportion of the market is understood.

Actions on from this: Our knowledge of the overall size of the market for migrants is poorer than for drugs. We are consulting with IND colleagues to refine estimates of total numbers of clandestines, false ID entrants. We are considering whether to

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- include those taking advantage of abuse of the visa system eg bogus educational establishments

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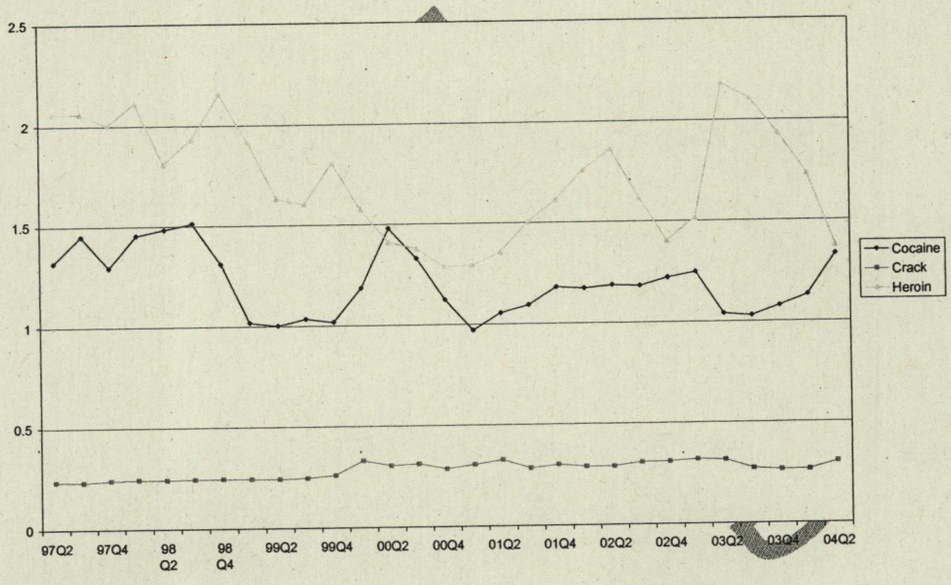
Dislocation of Criminal Markets: Prices for facilitation to the UK

Multi-attempt guaranteed entry to the UK from Channel ports: Latest quote £x
Facilitation to UK by air from Istanbul with fake documents: Latest quote £x

Dislocation of Criminal Markets: Drugs Prices

This chart sets out trends in drugs prices adjusted for purity. Over the next few months, NCIS' Project PARAMOUNT will be piloting a more advanced measure, which includes adjusting for weight of samples.

We are also assessing the feasibility of including comparative data on prices in other EU jurisdictions.



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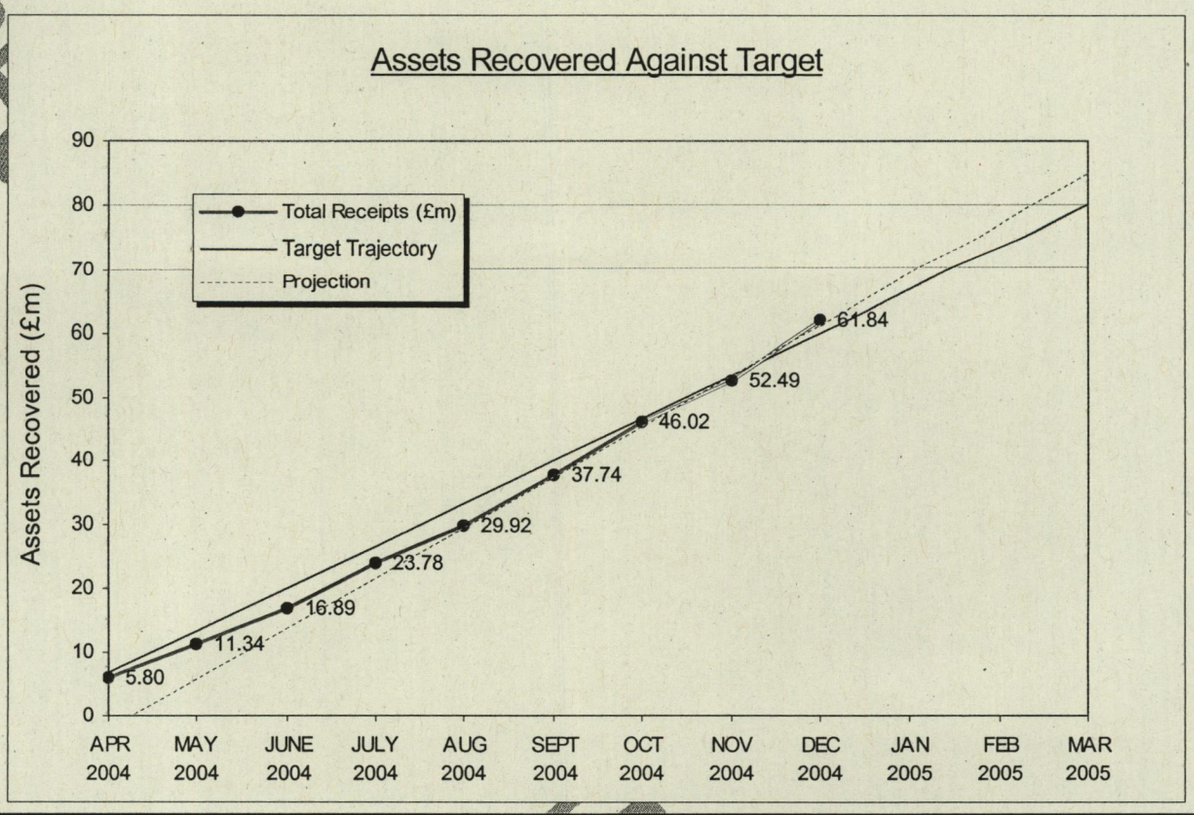

4.2.1 Source breakdown

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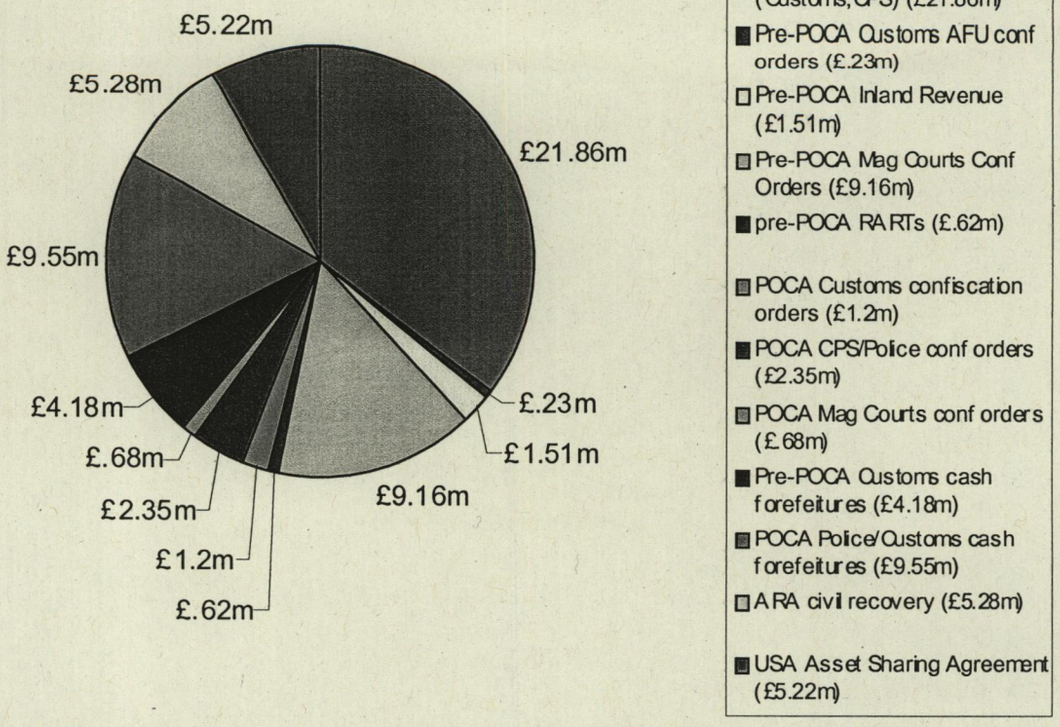
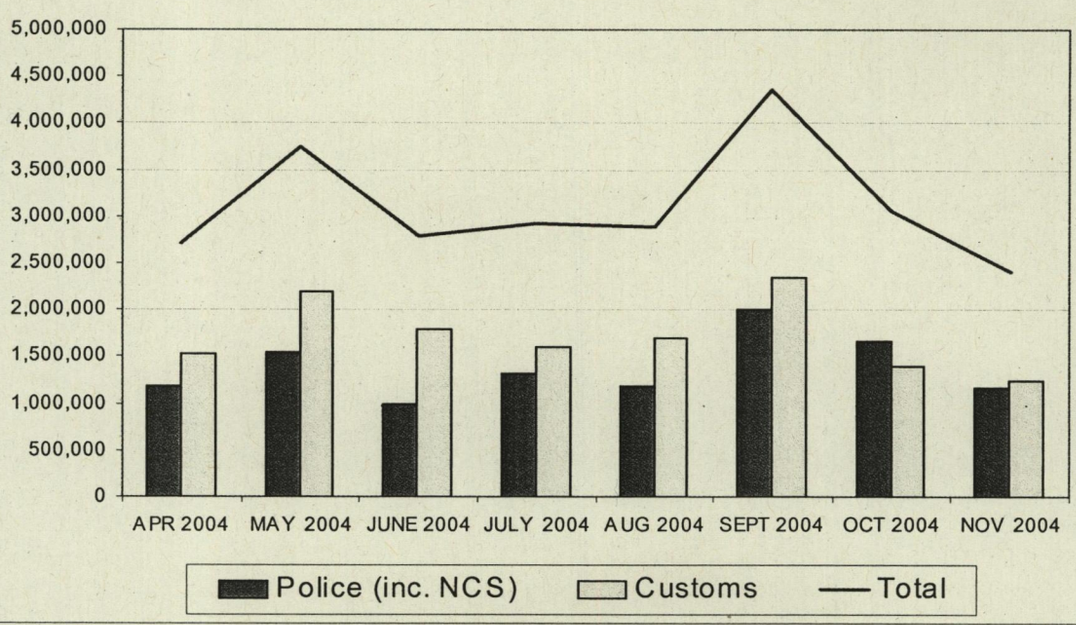
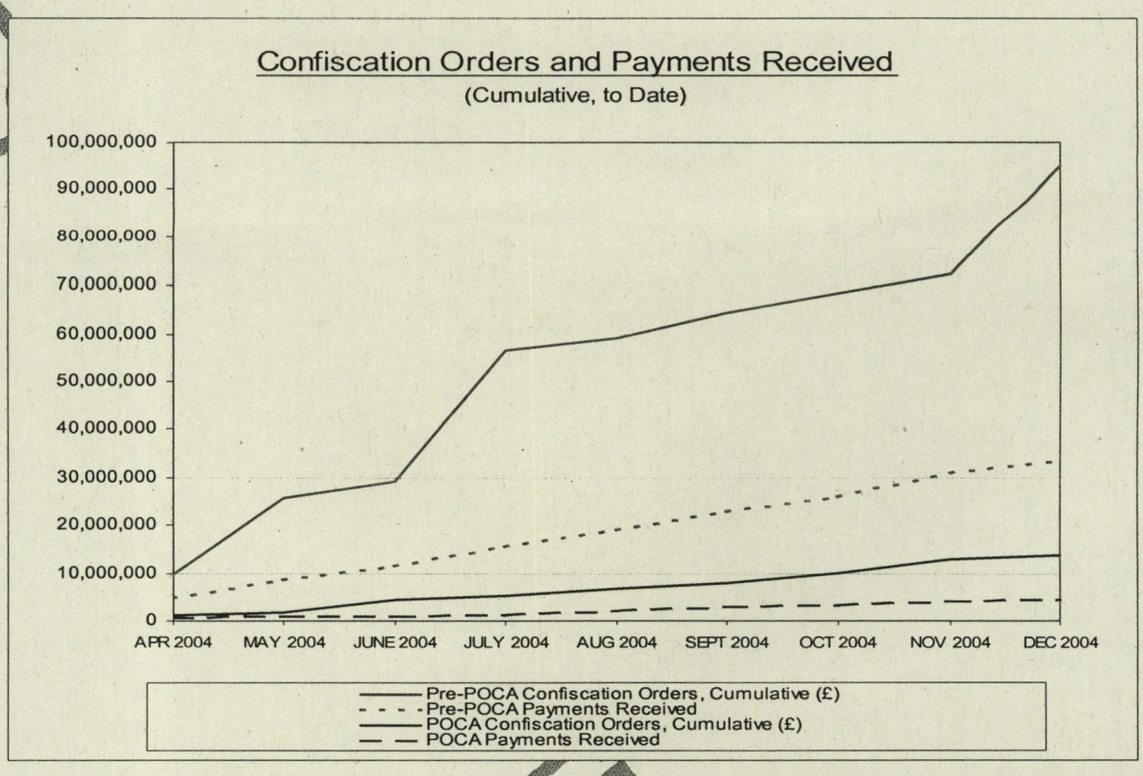
Asset Recovery Source Breakdown to end Dec (£61.8m)



Monthly Cash Seizures by Police and Customs





Overall flagging on asset recovery: Green

Milestones ahead and Risk register

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TIER THREE: OPERATIONAL ACTIVITY

Operational Activity II: International work

- Progress on Afghanistan
- Plan Jamaica
- Other country plans (to be agreed)

Operational Activity III: Progress against sectoral plans

Operational Activity on Drugs – attach CIDA Operations Plan

Operational Activity on Immigration crime – attach REFLEX delivery plan

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CABINET

MINISTERIAL COMMITTEE ON ORGANISED CRIME

COMPOSITION AND TERMS OF REFERENCE

Note by the Secretary of the Cabinet

By direction of the Prime Minister the Composition of the Committee has been revised and is now as follows:

COMPOSITION

Secretary of State for the Home Department (Chair)
Chancellor of the Exchequer
Secretary of State for Foreign and Commonwealth Affairs
Secretary of State for Scotland
Chancellor of the Duchy of Lancaster
Secretary of State for Northern Ireland
Secretary of State for Trade and Industry
Secretary of State for Constitutional Affairs
Attorney General
Parliamentary Under Secretary of State, Home Office (Caroline Flint)

TERMS OF REFERENCE

" To co-ordinate the Government's strategy for tackling organised crime."

SECRETARIAT

The Secretaries are Ms G Edwards, Ms N Smith and Mr E Clift, Cabinet Office.

SIGNED SIR ANDREW TURNBULL

Cabinet Office
17 March 2005

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MINISTERIAL COMMITTEE ON ORGANISED CRIME

ORGANISED CRIME: STRUCTURES

Note from the Secretaries

The attached organogram was circulated at the meeting of OC Committee on 17 March 2005.

SIGNED MS G EDWARDS
MS N SMITH
MR E CLIFT

Cabinet Office
18 March 2005

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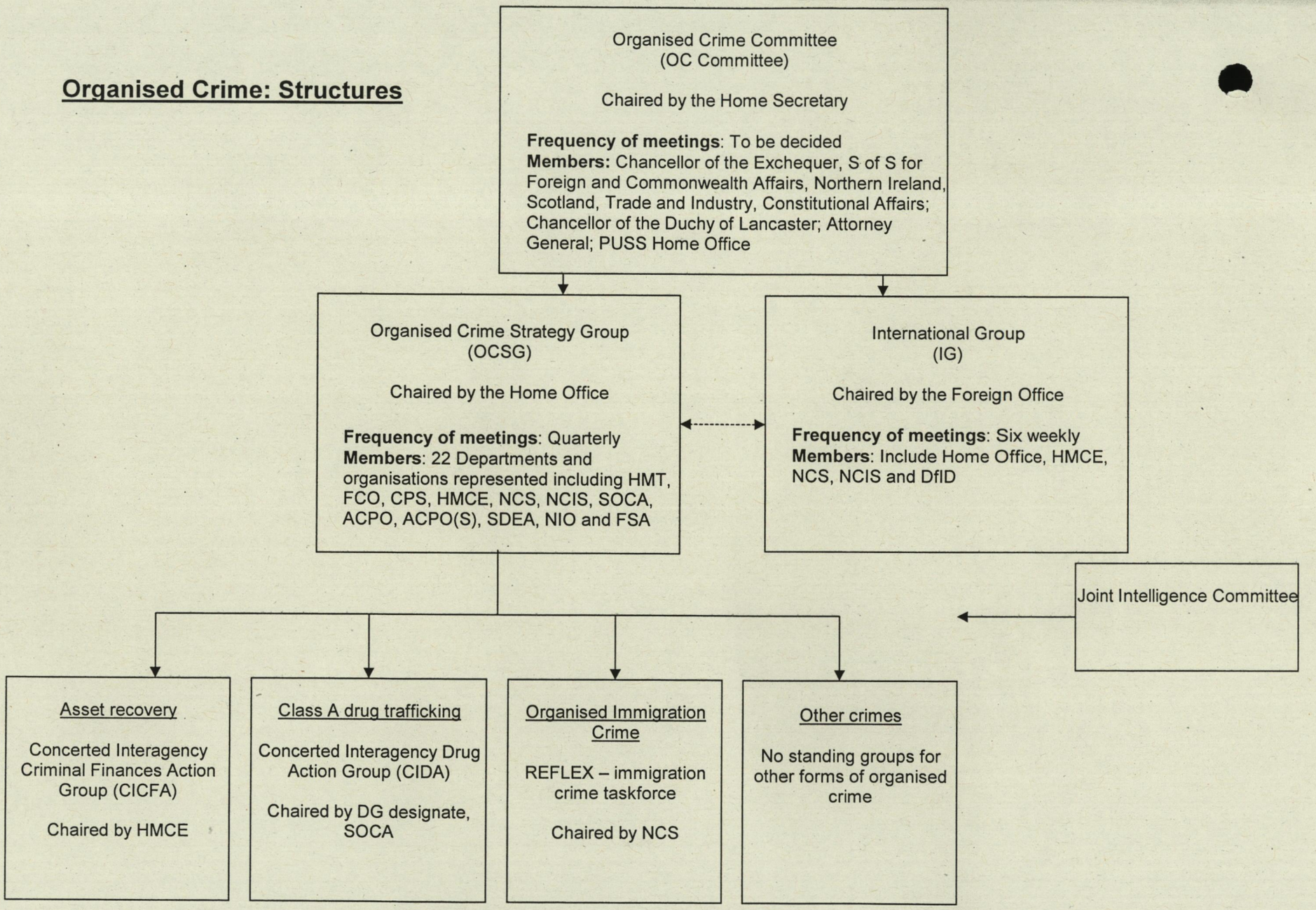
Organised Crime: Structures



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OC(05)9
7 December 2005

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CABINET

MINISTERIAL COMMITTEE ON ORGANISED CRIME

DISSOLUTION OF THE COMMITTEE

Note by the Secretary of the Cabinet

The Committee is now dissolved.

SIGNED SIR GUS O'DONNELL

Cabinet Office
7 December 2005

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