# NCA
National Crime Agency

**2021**

# National Strategic

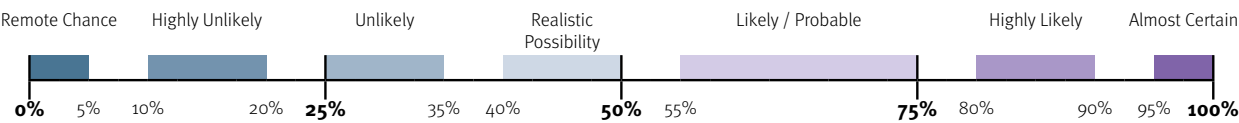# Assessment

## of Serious and Organised Crime

## Serious and Organised Crime

Serious and organised crime is defined in the 2018 Serious and Organised Crime Strategy as individuals planning, coordinating and committing serious offences, whether individually, in groups and/or as part of transnational networks.

The main categories of serious and organised crime are: Child Sexual Abuse (CSA); Modern Slavery and Human Trafficking (MSHT); Organised Immigration Crime (OIC); Drugs; Firearms; Organised Acquisitive Crime (OAC); Cyber Crime; Fraud; Money Laundering; and Bribery, Corruption and Sanctions Evasion.

## Probability and Uncertainty

Throughout the National Strategic Assessment, the 'probability yardstick' (as defined by the Professional Head of Intelligence Assessment) has been used to ensure consistency across the different threats and themes when assessing probability. The following defines the probability ranges considered when such language is used:

| Remote Chance | Highly Unlikely | Unlikely | Realistic Possibility | Likely / Probable | Highly Likely | Almost Certain |
|---|---|---|---|---|---|---|
| **0%** 5% | 10% 20% | **25%** 35% | 40% **50%** 55% | **75%** | 80% 90% | 95% **100%** |

I am once again proud to introduce the **National Strategic Assessment of Serious and Organised Crime 2021**, our most comprehensive assessment of the threat to date, which has been produced with support from partners across law enforcement, government, the third and private sectors.

In 2020 we made a commitment to evolve our understanding of the number of individuals involved in serious and organised crime. I commend our officers for exploring new methods, which have varying degrees of confidence and are not wholly comparable with last year's approach. The scale figures quoted in this report give us a more mature understanding and will enable all those determined to tackle the scourge of serious and organised crime to focus their efforts in the right areas.

Operating across geographical and virtual borders, organised crime perpetuates serious violence, imports harm to the UK from across the globe, drives instability overseas, undermines sovereignty, and corrodes economies worldwide.

The threat has proved resilient in the face of COVID-19 with offenders increasingly turning to online spaces, using emerging technologies and well-established tools to avoid detection. Consequently, we have seen dramatic increases in ransomware attacks, and growing levels of cyber-enabled fraud. Offenders commonly use specialist and commercially-available encryption to hide their communications, and cryptocurrencies to launder their profits.

Law enforcement also continues to adapt, embracing collaboration, employing innovative approaches to intelligence collection, and utilising our full capabilities to disrupt organised crime groups worldwide. Last year saw some fantastic results, as data extracted from criminally dedicated secure communications was used to dismantle entire organised crime groups, and seize illegal commodities and criminal assets. We have responded to threats to the National Health Service (NHS), the UK's vaccine programme and the abuse of government stimulus schemes; identified child sex offenders in the UK and worldwide, safeguarding their victims; and targeted those seeking to undermine our borders.

Our priorities remain tackling offenders at the high end of high harm, those who: **exploit the vulnerable**, **dominate communities** and **undermine the UK's economy**. But this assessment also highlights that our most effective means of disrupting these offenders is to **target the technologies and capabilities that enable** them, for which there remains much more to do.

With the strongest assessment of SOC to date, we will continue to focus our efforts towards these tasks.

**Dame Lynne Owens DCB CBE QPM**

# Contents

# Tackling the Threat
# Timeline of Success

Throughout 2020, UK law enforcement and its partners have focused on targeting high-harm, high-impact criminals who exploit the vulnerable, dominate communities and chase criminal profits, and undermine the UK's economy, infrastructure and institutions. This has resulted in a wide range of activity to pursue offenders through prosecution and disruption, prevent people from engaging in serious and organised crime, protect individuals, organisations and systems and prepare for when crime occurs; a small sample of these successes are covered in the timeline.

## January

The weleakinfo website which provided cyber criminals with access to more than 12 billion personal credentials has been taken down following an investigation led by the NCA, in collaboration with international law enforcement partners. The credentials from over 10,000 data breaches hosted on the website are known to have been used in further cyber attacks in the UK, Germany and the US. The takedown led to a further operation involving cyber crime teams from across the Team Cyber UK network, and the arrest of 21 criminals who paid for access to the site in order to download personal data for use in further offences.

## February

A career criminal who used a web of more than 40 aliases to stay on the run after absconding from prison in the early 1990s was jailed for 3 years and 8 months for attempting to smuggle 8 illegal migrants into the UK on a motor cruiser. The individual was found in possession of various false identity documents which he used to evade authorities during his time on the run.

Over five tonnes of cocaine with a wholesale value of approximately £189 million was seized in Venezuelan waters following joint working with Montenegrin authorities after the NCA's International Liaison Officer network focused on a crew of Montenegrin sailors travelling to South America to traffic commercial quantities of cocaine to Europe.

## March

With an increased threat to children under lockdown conditions, the NCA tasked an operation to coordinate prioritised investigation of high harm CSA offenders. The operation is ongoing, and as of the end of 2020 the NCA had identified over 1,000 suspects, and the NCA and police forces had arrested 320 people and safeguarded over 400 children. Of the 320 arrested, 122 were targeted by NCA officers, with 17 in positions of trust. This included the deputy head of a primary school. Following his arrest, indecent images and 87 Category A videos of child abuse were recovered on his laptop. He told officers he had used The Onion Router (TOR) software in an attempt to make himself anonymous online. He was sentenced in September 2020.

## April

During the COVID-19 pandemic the NCA's National Data Exploitation Capability (NDEC) worked at pace with the Cabinet Office and partners across government and law enforcement to identify the level of serious and organised crime activity present in the Personal Protective Equipment (PPE) Procurement scheme. Directors and companies with a significant SOC footprint were identified via intelligence or convictions data. Thousands of checks were completed and assessed, resulting in intelligence being passed to partners. Contracts relating to 6 different companies worth £72 million were refused as a direct result of NCA intelligence, further supporting approximately £140 million saved through the wider scheme.

## Operation Venetic - A Breakthrough Against SOC

Since spring 2020, law enforcement has significantly disrupted and dismantled numerous deep-rooted organised crime groups across the UK, following international partners' successful extraction of Encrochat data. The bespoke, encrypted global communication platform, assessed to be used exclusively for serious and organised crime, had around 9,000 UK users.

The data and subsequent enforcement activity provided a rich insight into the extensive collaboration between OCGs and their global reach. It enabled identification of individuals and groups that had been operating below the radar for a number of years.

The joint approach (NCA, Regional Organised Crime Units, Policing, Border Force, HMRC, CPS and others) has so far resulted in widespread disruption, including: arrest of 1,550 suspects, seizure of over £56 million in criminal cash, 115 firearms, 2,800 rounds of ammunition, 5.8 tonnes of Class A and B drugs, and successfully mitigated over 200 threats to people's lives.

This is the broadest and deepest UK operation into SOC to date and coordinated activity continues.

## May

The seizure of €600,000 in transit in Ireland led to the arrest of a haulage firm owner who bragged about being involved in organised crime for over 20 years. The criminal mastermind who lived a luxurious lifestyle was arrested at his home as intelligence indicated he was preparing to flee the country. Evidence showed that he operated a transportation network spanning Europe, moving drugs into the UK and Ireland and the profits in the other direction. He was subsequently jailed for more than 14 years after pleading guilty to charges relating to importing Class A drugs into the UK and money laundering.

Following intelligence from the Paramilitary Crime Task Force (a unit comprising NCA, PSNI and HMRC), Thames Valley Police officers executed warrants and arrested 2 individuals for firearms offences and conspiracy to murder. 5 firearms, a stun gun, samurai sword, a baton and documentation relating to bomb making were seized alongside a quantity of cash.

## June

NHS England received a bomb threat email in April 2020 demanding £10 million with a deadline for payment or an explosive package would be left at one of their hospitals. Further threatening emails, 19 in total, were sent to the NHS and the NCA. The NCA launched a high priority investigation, led by specialist cyber crime officers, in order to identify the offender and prevent any attack on the NHS during the height of the COVID-19 pandemic. In June an Italian national was arrested in Germany for attempted extortion and has now been sentenced to three years imprisonment.

A joint operation with Dutch law enforcement supported by the International Liaison Network led to 6 arrests in dawn raids with Merseyside Police on the homes of an OCG involved in an international drug trafficking conspiracy. This was part of an ongoing investigation that has netted 111kg of cocaine and heroin worth around £9 million at street level, and the seizure of a number of high value cars and watches.

## July

An NCA investigation resulted in 8 criminals being sentenced to a combined 139 years imprisonment for conspiracy to import heroin. In a series of civil investigations into dozens of close associates of those convicted, 59 properties in Birmingham and Northern Ireland worth £17 million were recovered which had been acquired using the proceeds of crime, including heroin importation and distribution, fraud and money laundering.

The NCA's National Cyber Crime Unit (NCCU) Prevent team launched a joint initiative with partners using a gamified platform, 'CyberLand', which was designed to provide online, educational resources for young people during a period of increased internet usage and COVID-19 related school closures. 'CyberLand' formed part of the NCA's wider Cyber Choices programme which aims to deter young people away from cyber crime and divert them to positive and lawful uses for their cyber skills, such as careers in technology.

## August

The largest blackmail enquiry ever conducted in the UK, involving over 15 police forces, government partners and the NCA resulted in the conviction at the Old Bailey of an individual who waged a campaign of terror against supermarkets for nearly 2 years. The individual contaminated baby food with metal shards and replaced them on the shelves at Tesco stores. He then made a blackmail demand for £1.4 million in cryptocurrencies. In October he was sentenced to 14 years imprisonment.

NCA officers arrested an online predator who targeted adults and children on a global scale, subsequently admitting to 146 sexual abuse and blackmail offences against 67 victims aged 4 to 14 years. A two year investigation established he had coerced both adults and children into providing sexual and degrading images and videos on the promise of payment. He then blackmailed them to provide increasingly degrading material including, coercing individuals to commit offending.

# 1,550

suspects arrested as part of **Operation Venetic**.[1]

# >£56 million

of criminal cash seized as part of **Operation Venetic**.[2]

## September

In a joint operation between the NCA and Police Scotland, specialist Border Force search teams located 1 tonne of high purity cocaine with an estimated street value of up to £100 million concealed within boxes of fruit destined for a Glasgow fruit market. The Class A drugs were found within a cargo of 48 pallets of bananas from Ecuador which had arrived into Dover docks on a vessel from South America. The seizure which led to the arrest of 2 members of an organised crime group in Glasgow and Essex followed the infiltration of the encrypted messaging service used by the criminals.

## October

An Unexplained Wealth Order secured by the NCA at the High Court resulted in a businessman from Leeds agreeing to hand over nearly £10 million of assets, including dozens of properties across England. NCA civil investigators, who had been investigating him for over a year, argued that his wealth had been accumulated through many years of money laundering for serious and violent organised crime groups in West Yorkshire.

## November

A proactive covert investigation led by East Midlands Special Operations Unit into the possession of illegal firearms linked to prominent organised criminals resulted in the arrest and conviction of a dangerous criminal for possession of firearms and ammunition, in addition to possessing multiple stolen vehicles taken during burglaries. The man was found guilty on all counts including possessing two CS gas canisters which he had sought to discard when he was arrested.

While investigating the illegal movement of migrants to the UK, the NCA arrested a Vietnamese national in Birmingham who was the mastermind behind a network of UK cannabis farms. In conjunction with West Midlands, Lancashire and Humberside Police, subsequent raids on a series of premises discovered around 1,000 cannabis plants, worth an estimated £1 million. The network's cannabis farms were run by individuals smuggled or trafficked into the UK illegally.

## December

After the bodies of 39 Vietnamese migrants were found in the trailer of a lorry that had been shipped from the port of Zeebrugge, Belgium, to Purfleet in Essex, NCA officers worked alongside Essex Police throughout their investigation, providing specialist support and assistance to the successful prosecution. In December 7 men received combined jail terms of more than 92 years for offences of manslaughter and their role in an international conspiracy to transport illegal migrants.

Between 2013 and 2015 Northern Powergrid plc experienced over 240 instances of theft of conductor cable from live overhead power lines across the Yorkshire and Humber, and North Lincolnshire area, leading to a significant impact on the national power supply. The Yorkshire and Humber Regional Organised Crime Unit arrested 9 OCG members for conspiracy to steal, handling stolen goods and money laundering. 8 criminals were found guilty receiving combined sentences of over 20 years.

**SOC impacting the UK is a global threat which relies on international supply chains, markets and networks to thrive**

## Overview of SOC in the UK

1. The National Strategic Assessment (NSA) sets out our understanding of the serious and organised crime (SOC) threat to the UK.

2. Serious and organised crime is a significant and established national security threat that endangers the integrity, legitimacy and sovereignty of the UK and its institutions, both at home and overseas.

3. The smuggling and distribution of drugs and guns; sexual abuse of children; cross-border trafficking and smuggling of people; exploitation of individuals; industrial-scale frauds; ransomware attacks; and the laundering of dirty money in and through the UK are causing harm to our citizens and communities on a significant scale.

4. The response of organised crime groups (OCGs) to the changing environment posed by COVID-19 and the UK's exit from the European Union (EU) has shown how determined SOC criminals are to pursue their criminality and exploit new opportunities.

### Scale

5. This year our understanding of the scale and complexity of the SOC threat has improved. In line with our commitment to present the most comprehensive understanding of the threat, we have developed our methodology and present three categories with varying confidence levels: known SOC offenders, an estimation of the hidden scale of child sexual abuse (CSA), and areas known to be under-represented that require further work.

6. Firstly, we have high confidence that a minimum of 69,281 individuals are engaged in SOC in the UK. This is based on known individuals that appear in law enforcement (LE) datasets, including analysis of data captured on NCA and national databases

**>70,000**

known SOC nominals.[3]

**550,000 – 850,000**

Estimated number of UK based individuals posing varying degrees of risk to children.[4]

**Overview of SOC in the UK**

across the priority SOC threats (excluding CSA). We assess this to be an underestimate and as the methodology is further developed, other LE datasets – for example those held regionally and not included in the national datasets – will be included to provide a more complete indication of the known SOC threat.

7. Secondly, we have used the 'Mark and Recapture' method to assess the scale of offenders with a sexual interest in children. Whilst its application in a CSA context is exploratory, it is a well-established method for estimating hidden populations (see Annex for full methodology). We have tested this approach with stakeholders including NGOs, government partners and academia.

8. This research suggests that there are likely to be 550,000 - 850,000 UK based individuals posing varying degrees of sexual risk to children (with a central estimate of 700,000). This includes a broad spectrum of child sexual offences, from downloading and sharing indecent images of children to direct contact abuse. Additionally, every offender will have varying behaviours and life factors which will intermittently increase or decrease the risk they may pose. The findings reached through this methodology are reinforced by observations and assessments from policing partners, the intelligence community and NGO colleagues. However, as it is an extrapolated estimation of the threat we have moderate confidence in the assessment.

### Summary of Threat Changes in 2020

Based on changes to SOC and related markets and activity, we assess that the SOC threat to the UK has highly likely increased compared with the 2020 NSA baseline, and has been largely resilient to the impact of COVID-19.

| | | |
|---|---|---|
| **Increase** ⬆ | **Bribery, Corruption & Sanctions Evasion** | Due to the impact of COVID-19, there are increased opportunities for insider threat, corruption in procurement contracts and changes in market behaviour. |
| | **Child Sexual Abuse** | Overall scale of the threat continues to grow, exacerbated by rising online activity. COVID-19 restrictions triggered temporary and permanent changes to the offending landscape. |
| | **Cyber Crime** | The cyber crime threat increased, with more severe and high profile attacks against UK victims. The increase in home working has increased risks to individuals and businesses. |
| | **Drugs** | Demand for illicit drugs remains high in the UK and the drugs marketplace continues to evolve and grow, despite the impact of COVID-19. |
| | **Fraud** | The cost of fraud to the UK is in the billions and is increasing. The financial risk and damage to the UK public sector from fraud is demonstrated by frauds linked to the pandemic. |
| | **Money Laundering** | Money laundering likely increased as a result of predicate crimes (such as drugs and fraud) rising. Money launderers adapted in response to new technology, regulation and the pandemic. |
| **Decrease** ⬇ | **Firearms** | COVID-19 had short-term and localised impacts on firearms activity but once restrictions eased most firearms activity returned to previous levels. |
| | **Modern Slavery & Human Trafficking** | MSHT offending has likely moderately reduced, but remains underreported. COVID-19 restrictions led some offending to be displaced between exploitation types and labour sectors. |
| | **Organised Acquisitive Crime** | There was an overall decrease in offending, almost certainly reflective of national and local COVID-19 restrictions. |
| | **Organised Immigration Crime** | Despite an increase in small boats facilitation, the overall OIC threat reduced as COVID-19 restrictions limited opportunities for air facilitation and other methods of travel. |

Threat Changes in 2020 (threats listed in alphabetical order).

9. This year's CSA scale figure cannot be directly compared with last year's (a minimum of 300,000 offenders). The 2020 estimate was based on known UK Registered Sex Offenders (RSOs) and individuals identified using the most common dark web sites for accessing and sharing CSA material. A commitment was made to identify a new methodology for 2021 that would enhance our understanding of the threat and have the potential to be replicated each year. This led to the innovative application of the Mark and Recapture method, enabling an estimate of the scale of the hidden CSA threat, including those currently unknown to law enforcement.

10. Finally, we recognise there are some areas which are under-represented in the aforementioned methodologies (for example fraud and cyber). We will work with partners to better understand the scale of the threat and number of offenders engaged in these areas over the next year.

### Overview of SOC in the UK

11. Serious and organised crime impacting the UK is a global threat which relies on international supply chains, markets and networks to thrive. OCGs increasingly operate as global enterprises reacting to changes in markets and LE activity. COVID-19 has highlighted just how integrated SOC and the most important global issues are.

12. National and global responses to COVID-19 have led OCGs operating across all crime types to adapt their methods and seek out new opportunities, including:

- exploiting changes in how the public live their lives;

- testing, embedding or scaling new ways of offending;

- targeting government measures aimed at protecting public health and the economy; and

- using public uncertainty and anxiety to their advantage.

13. Criminals have also attempted to exploit the COVID-19 vaccine roll-out, including phishing attempts to access personal data for the purposes of fraud, however, the vaccine program itself is so far largely unaffected by criminal activity. Centralised free provision of vaccines by the NHS is helping to safeguard it from criminal attempts to profit or infiltrate its supply chain. Offenders will almost certainly continue taking advantage of new opportunities as the UK and global economies begin to recover from the impacts of COVID-19.

14. The COVID-19 pandemic has also influenced the way criminals use technology and has accelerated the uptake of certain technological enablers to mask users' identities. During the UK lockdown, the routine use of cryptoassets, for example Bitcoin, and the dark web to enable SOC offending increased. Higher levels of home working have also heightened risks of online targeting by criminals.

15. In January 2021, the UK left the EU with an agreement on Trade and Cooperation. The strong international and European dimension to many of the UK's SOC threats means that UK LE will need to continue working together with EU partners to share intelligence, develop investigations and pursue high risk offenders. The security package outlined within the agreement will enable UK LE to maintain a high level of cooperation with EU LE partners.

16. OCGs will seek to protect their business models against disruption by employing different modes or routes for criminal importation. Criminals are more likely to introduce more permanent changes to their methods once the full implications of the new arrangements are better understood, over the next six to twelve months.

17. OCGs continue to use prisons to network and recruit individuals with desirable skills, enabling them to strengthen, diversify and extend their criminal enterprises.

18. Whilst there remains no indication that SOC OCGs are consciously cooperating with terrorist groups in the UK in any material or systematic way, SOC criminals could enhance terrorist capabilities by providing goods and services, for example acquiring firearms, providing cyber capabilities, facilitating travel or raising funds to support terrorist related activities.

19. Although SOC OCGs are predominantly motivated by financial gain, some Northern Ireland-based OCGs also have connections to paramilitary groups and often feature community control as a further motivation. They are involved in multiple crime types including drug related criminality and firearms offences.

**Cross-Cutting Enablers**

20. SOC threats cannot be considered in isolation and it is increasingly important to target cross-cutting enablers that enhance offenders' abilities to conduct their criminal activities. Those explored in this section include:

- Criminal use of technology

- The UK border

- Law enforcement corruption and insider threat.

21. Subsequent sections detail how SOC criminals exploit the vulnerable, dominate communities and chase profits, and undermine the UK's economy, infrastructure and institutions.

## Criminal Use of Technology

22. Exploitation of new and established technologies often allows criminals to stay ahead of the authorities, hide their activities and find new means of offending. As criminals expand their capabilities, law enforcement needs to be agile in its approach to identifying and maximising

>14%

increase in Dark Web revenue in 2020, compared with 2019.[5]

technological opportunities and threats. The following areas have been identified as emerging or growing areas of risk.

23. Criminal use of technology has been accelerated by the COVID-19 pandemic. During lockdown, criminals found it increasingly difficult to move cash, so cryptoassets such as Bitcoin have been used by many criminal groups to facilitate money laundering. Use of cryptoassets by criminals to buy and sell commodities, such as drugs, using online marketplaces found on the dark web also increased.

24. The Dark Web remains an enabler for criminals selling illegal commodities and has become more accessible via the availability of online guides to assist their navigation. Despite a decline in the number of dark web marketplaces in 2020, dark web revenue increased to $1.6 billion compared with $1.4 billion in 2019, with part of this revenue linked to the marketing of COVID-19 related items.

25. Encryption remains a key enabler for OCGs, allowing them to obscure their communications and identities using a wide range of methods including Criminally Dedicated Secure Communication (CDSC) devices. OCGs also take advantage of Secure Messaging Applications (SMA) which are relatively easy and inexpensive to use. Technological enhancements in SMAs continue at pace, for example WhatsApp and Twitter have both recently implemented automatic disappearing message functionality which allows increased privacy for all users, including criminals.

26. Decentralised messaging applications are also becoming more prolific. This form of privacy focused messaging has no central owner, and instead a distributed network of users independently manage the storage and transfer of their own messages and data. These allow users, including criminals, more control over their data than traditional messaging applications. Many also feature a cryptocurrency wallet and users of cryptocurrency involved in SOC will almost certainly exploit these decentralised systems for payment.

**Overview of SOC in the UK**

27. The threat of voice spoofing continues, whereby a range of hardware and software allows users to alter their voice whilst making and receiving phone calls, enabling voice impersonation or manipulation. Real time conversion between voices will almost certainly become widely available and another technological tool for criminals to exploit, for example for extortion or phishing attacks.
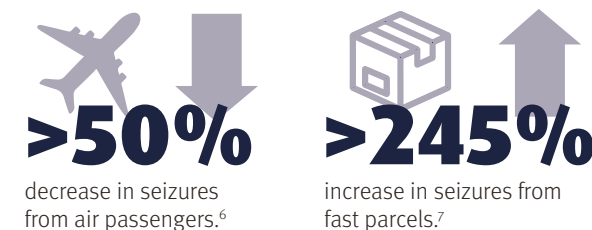
## The UK Border

28. The international nature of SOC means that the ability to exploit and circumvent the UK Border is a crucial aspect of many OCG operating models.

29. Passenger travel has been the most affected by the global COVID-19 pandemic with levels reduced to as little as 1% of usual traffic compared to 2019. This year saw the introduction of quarantine requirements upon arrival into the UK and at certain destinations for those travelling from the UK. Where travel was possible, it is highly likely that OCGs will not have adhered to these requirements and their criminality was not disrupted.

30. OCGs have shown agility and resilience in their ability to move between different forms of transport. Examples include a shift to using small boats to facilitate organised immigration crime during periods of disruption at ports rather than road networks. Some OCGs have also diversified to exploit postal services to move illicit commodities across borders, whilst others have attempted use of private air travel for criminal gain.

31. The use of Hub-to-Hub freight routes and multi-load consignments further enable OCGs to move illicit commodities. This involves the movement of multiple consignments within a single shipment, which is moved from a legitimate freight hub on the continent to one within the UK for onward distribution.

32. The automation of container movements and other technological advances at some ports present threats and opportunities for both criminals and LE. It is likely that automation reduces the opportunities available for corrupt insiders to manipulate border processes, but this is also likely to increase border vulnerability to cyber attacks.

33. As a result of the UK's exit from the EU at least ten Free Zone ports (freeports) and inland clearance hubs will be established across the UK, the first of which are expected in 2021. This will create challenges for LE, with criminals disguising the type and origin of goods, and final destination of shipments utilising these facilities.

34. It is anticipated that the UK's exit from the EU will present opportunities for LE at the border, notably in the provision of data relating to goods from the EU. The introduction of new border controls is taking place in three stages, up until 1 July 2021, giving industry extra time to make necessary arrangements. This will also enhance the intelligence picture and provide LE with better information at the border on goods entering the UK from the EU.

35. From 1 October 2021, the UK will no longer recognise European Economic Area and Swiss national identity cards, which are some of the most unsecure and exploited documents seen at the border and often used by OCGs. This will reduce the ability of OCGs to exploit vulnerabilities through the use of false or fraudulent ID cards and will help to improve the standards of identity documents required for travel to the UK.

36. The Common Travel Area (CTA) means there will continue to be a free right of movement for UK and Irish nationals between the UK and the Republic of Ireland (ROI), as well as similar free movement for UK nationals travelling to the Crown Dependencies. This route into the UK will

Shifts in Modes of Transport for Cocaine Seized at the UK Border 2019 to 2020.

**>50%**
decrease in seizures from air passengers.[6]

**>245%**
increase in seizures from fast parcels.[7]

likely become increasingly attractive for criminal exploitation.

37. Several new direct ferry and container services have opened between the ROI and mainland Europe since EU-Transition. Since January 2021 these routes have proven popular amongst passengers concerned by reports of delays and increased bureaucracy at UK ports. These services could provide new opportunities for smuggling through ROI and into the UK.

## Law Enforcement Corruption

## and Insider Threat

38. OCGs utilise insiders at the UK Border to reduce the likelihood of LE interception, and the number of detections. Insiders at the border can either be law enforcement officials or private sector employees with privileged access to UK border functions. Insiders assist OCGs by circumventing or manipulating inspections, moving commodities on their person, or disclosing valuable information. Financial reward is the primary motivation for insiders involved in facilitating commodity movements.

39. Allegations of infiltration into LE and of LE officers engaging directly in SOC remain low. However, OCGs do remain a risk in this threat area, with disclosure of information and inappropriate association remaining the most frequent types of allegation. It is likely that most corrupt LE employees act primarily on the basis of personal values, motivations and vulnerabilities, and secondarily for material or financial gain, rather than being under duress. When officials engage in corruption on behalf of criminals it is likely to be underpinned by a prior familial, social or romantic association.

40. As a result of the impact of COVID-19, OCG efforts to establish new insider contacts to facilitate illicit activity at the border are likely to increase.

# Exploitation of
# the Vulnerable

41. This section covers the activities of individuals and groups who exploit the vulnerable. The three main threats in this area are:

- Child Sexual Abuse

- Modern Slavery and Human Trafficking

- Organised Immigration Crime

42. These types of exploitation can overlap, including those targeted for one form of exploitation becoming victims of another. For example, victims of modern slavery may be forced to commit crimes such as becoming 'runners' in County Lines drug supply or working in cannabis farms.

43. Similarly, there are often shared drivers among these crime types. Reduced financial circumstances resulting from the COVID-19 pandemic has created a pool of vulnerable people (at home and abroad) who may be exploited.

44. While fraud is addressed later in this report, it is important to note that certain types of high harm frauds, such as romance, courier and computer software service fraud, often target those who may be more vulnerable to becoming victims, by virtue of age, technological knowledge or emotional state.

**Child Sexual Abuse**

**Exploitation is likely to have continued during lockdowns for the most vulnerable young people**

## Child Sexual Abuse

45. Child Sexual Abuse (CSA) covers a range of offence types, occurring either online, offline or moving between the two. Exploitation of the online environment is known to enable offline offending, as seen with the grooming of children online for physical sexual abuse, known as 'contact abuse'. It remains highly likely that despite significant operational and policy responses, the CSA threat continues to grow, exacerbated by rising online activity.

46. During the past year we have used an innovative and exploratory methodology to improve our understanding of the scale of this threat. This suggests that there are between 550,000 and 850,000 UK based individuals posing varying degrees of sexual risk to children (with a central estimate of 700,000). This figure does not include offenders outside the UK targeting UK victims or some peer-on-peer offenders. Gaps in our understanding of contact abuse remain due to detection challenges and a reliance on victim reporting, which remains limited (see Annex for full methodology).

47. Approximately two thirds of contact abuse takes place within the family environment. During COVID-19 restrictions some offenders living with victims are likely to have had greater opportunity to offend, whereas other offenders will have seen their access to children reduce. However, exploitation is likely to have continued for the most vulnerable young people. Given the time taken to re-establish contact between children, professionals and other confidants following lockdown, it is likely some offences will go unreported or reporting will be delayed.

48. It is highly likely that some individuals who began or increased their online offending or networking during lockdown, will continue these behaviours after COVID-19 restrictions end. The Lucy Faithfull Foundation saw an 11% increase in people contacting their Stop It Now! helpline from 2019 to 2020, alongside a 42% increase in views of its Get Help user introduction page. Whilst each view is potentially linked to an offender, these figures are a positive reflection of an increasing

**550,000 - 850,000**

Estimated number of UK based individuals posing varying degrees of risk to children.[8]

**77%**

global increase in the number of reports that included self-generated indecent imagery (SGII).[9]

**Child Sexual Abuse**

number of individuals proactively seeking help.

49. Similarly, some children who increased their online footprint during lockdown are highly likely to remain active online, increasing the potential victim base. The National Society for the Prevention of Cruelty to Children recorded a 60% average monthly increase in contacts made about children experiencing online CSA during/post the first national lockdown compared to pre-lockdown figures. The Internet Watch Foundation recently reported a 77% global increase in the number of reports that included self-generated indecent imagery (SGII), including material consensually shared between peers or offender elicited.

50. Platforms allowing children to interact with strangers increase the risk of technology assisted grooming, which can result in both online and contact offending. While some offenders build trust with children, others elicit SGII or other sexual abuse following minimal interaction, using methods including manipulation, threats and sextortion. The ability for children to be groomed online, even within the safety of their own homes, means vigilance is required from those able to intervene.

51. Safety by design concerns across multiple platform types, alongside existing or planned introduction of end-to-end encryption and without accompanying moderation and safeguarding considerations, will highly likely increase the risk of CSA offending and challenges for LE in the identification and prevention of CSA offences.

## What You Can Do

52. All concerns about CSA can be reported to your local police force, by calling 101. If you believe that a child is at immediate risk of harm, call 999. Online CSA can be reported to Child Protection Advisers at www.ceop.police.uk and CSA material at www.iwf.org.uk.

53. Professionals can support children and young people in a number of ways by registering with Thinkuknow at www.thinkuknow.co.uk/professionals.

54. Parents and Carers can access information, advice and activities for children at home, by visiting www.thinkuknow.co.uk/parents or www.parentsprotect.co.uk.

55. Those with concerns about their own or others' behaviour towards children can access confidential help and support at www.stopitnow.org.uk.

### Case Study

In August 2020, prolific online offender David Wilson was charged with 96 sexual offences committed against 51 boys aged 4 to 14. Evidence identified Wilson approaching more than 5,000 children globally. In February 2021 he was sentenced to 25 years in prison.

Wilson created and used fake identities on Facebook and other social media, posing as teenage girls to manipulate victims into sending him videos and images of themselves. Wilson also blackmailed victims, using threats of sharing material already obtained to incite more extreme abuse including the abuse of younger siblings and friends.

Information from Facebook and evidential material containing over 250,000 messages was crucial to Wilson facing justice. However, plans for end-to-end encryption will prevent access to message content and likely mean other offenders like Wilson will go undetected.

## Technology Assisted Grooming

**Devices used to communicate**

Laptop
Smartphone
Games Console
Desktop
Tablet

**Communication methods**

| Catfish / Bait Video | Using videos/images of individuals considered attractive to entice victims (these can be gained through capping) |
|---|---|
| Own Profile | Offender will contact victims without attempting to disguise themselves |
| Push to Private | Attempting to move victim onto a different, more private platform |
| Varied Personas | The utilisation of anonymisation techniques, false identities or the targeting of vulnerable children |
| Gifting | The promise or giving of gifts, including in-app currency or likes |

**Methods used to find a victim**

Offender

| Scatter Gun | Multiple approaches to a number of children |
|---|---|
| Specific Target | Offenders pick out a specific victim |

The time taken to exploit the victim can be very quick and does not necessarily take place over an extended period of time.

**Exploitation of victim**

| Capping | The covert capture of self-generated indecent images (SGII), with victims performing sexual acts at an offender's instruction |
|---|---|
| Blackmail & Sextortion | The obtaining of SGII, which is then used against the victim for further content, sexual favours or financial gain |
| Arrange a Meet | Convincing the victim to meet, where they will attempt to sexually abuse the victim |

**Modern Slavery and Human Trafficking**

## Modern Slavery and Human Trafficking

The most commonly reported form of exploitation in the UK is coerced criminality

56. The term 'modern slavery' refers to human trafficking, slavery, servitude, and forced or compulsory labour. The most commonly reported form of exploitation in the UK is coerced criminality, where victims are forced to commit criminal offences, with UK nationals as the most commonly identified victim group. Labour exploitation, sexual exploitation and domestic servitude are also commonly identified, but underreported. The overall threat is assessed to have moderately decreased due to COVID-19 restrictions. Despite underreporting, 10,613 potential victims were identified through the National Referral Mechanism in 2020, similar to 2019 (10,616).

57. It is likely that at least 6,000-8,000 offenders are involved in the exploitation of people in the UK. This figure is indicative of the complexity involved in recruiting, moving, controlling, and successfully monetising the services of victims of Modern Slavery and Human Trafficking (MSHT).

58. COVID-19 restrictions led some offending to be displaced between exploitation types and labour sectors, to maintain profitability. Where offending still remained viable, offenders likely increased debt bondage where profits were impacted.

Offenders likely use victims' details to submit fraudulent claims for state benefits and COVID-19 relief packages to maintain profits.

59. COVID-19 trading restrictions likely caused a proportion of labour exploitation to be displaced from service sectors, such as car washes, nail bars and restaurants, into sectors with consistent or rising demand, such as the food supply chains and warehousing. In these sectors, offenders are almost certain to have used a 'non-employer model', placing victims in legitimate employment and stealing wages as rent or travel fees.

60. Lockdowns likely contributed to a continued rise in cases relating to County Lines offending, with potential victims more visible. At least 14.5% of

**>6,000**

offenders likely involved in MSHT exploitation of people in the UK.[10]

**10,613**

potential victims were identified through the National Referral Mechanism in 2020.[11]

referrals were flagged as County Lines in 2020 compared to around 11% in 2019.

61. Albanian nationals are increasingly reported as being exploited in cannabis cultivation in England and Wales, primarily influenced by changes in the control of marketplaces. However, Vietnamese victims continue to be the most commonly reported within Scottish cannabis cultivations.

62. Despite reports of labour exploitation in the garment manufacturing sector, it is highly likely the industry only contains a small number of MSHT victims. However, complex subcontracting chains and weak corporate governance lead the sector to provide a permissive environment for noncompliance and labour abuses, such as National Minimum Wage breaches, health and safety issues or illegal working.

63. Throughout 2021, regulated sectors are likely to see an increase in noncompliance as a result of significant worker shortages, increasing the risk of MSHT and labour abuse.

64. Demand across the sexual services market highly likely reduced during the COVID-19 pandemic, although sexual exploitation remained profitable. It is highly likely that brothels were primarily in private residences, as access to hotels, short-term lets and massage parlours reduced.
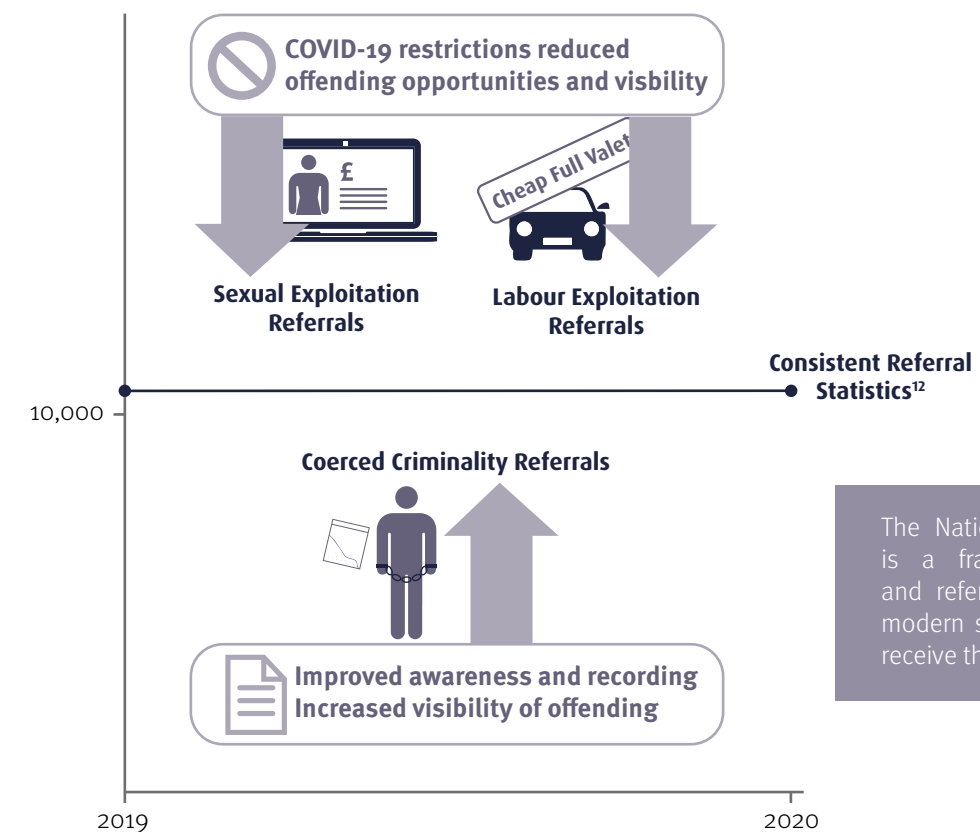
### What You Can Do

65. Modern slavery indicators may be visible to the public and employers. Look out for these signs and remember - victims can be any gender, age or nationality.

   • A victim's appearance may indicate physical or psychological abuse; they may look malnourished, withdrawn or consistently wear the same clothes.

   • Victims may be housed in unsanitary accommodation, or may be forced to travel to work in offenders' vehicles.

   • Documents or bank cards may be retained by offenders, and victims may have few personal possessions.

   • Victims may be unwilling to seek help and fear LE due to threats from perpetrators.

66. If you suspect someone to be a victim, contact the Modern Slavery Helpline on 0800 0121 700 or www.modernslaveryhelpline.org/report for advice or to submit a report. You can contact Crimestoppers on 0800 555 111 or www. crimestoppers-uk.org. In an emergency, contact 999.

**Case Study**

Four people were sentenced for offences under the Gangmasters (Licensing) Act 2004, and conspiracy to commit fraud by abuse of position, following an investigation which uncovered a sophisticated example of exploitation through the non-employer model, as demonstrated below.

Alexander Goran recruited victims from Romania with the promise of work and accommodation in the UK. Goran registered victims with an employment agency that placed them in legitimate food processing businesses. At work the victims were treated similarly to other employees. However, Goran and his wife would steal the victim's wages, deducting money for arranging work, transport, and rent in cramped, substandard housing. Victims' ID and bank cards were retained to prevent them leaving. The victims were given fake IDs allowing them to work two separate shifts, maximising offenders' profits. To avoid suspicion, the OCG infiltrated the employment agency to ensure that any modern slavery indicators went unreported.

## Modern Slavery and Human Trafficking

### Consistent Referral Statistics Despite Changes



COVID-19 restrictions reduced offending opportunities and visbility

Cheap Full Valet

**Sexual Exploitation Referrals**

**Labour Exploitation Referrals**

**Consistent Referral Statistics[12]**

10,000

**Coerced Criminality Referrals**

Improved awareness and recording Increased visibility of offending

The National Referral Mechanism is a framework for identifying and referring potential victims of modern slavery and ensuring they receive the appropriate support.

2019                    2020

## Organised Immigration Crime

67. Organised Immigration Crime (OIC) involves moving a person across borders without legal permission or documentation with the assistance of an OCG. It can also involve individuals illegally remaining in a country.

68. The COVID-19 travel and border restrictions reduced opportunities for OCGs to transport migrants hidden in vehicles aboard Channel ferries or via air passenger flights. Despite the overall reduction, the number of migrants transported using these methods in the final weeks of 2020 returned to levels comparable to pre-lockdown.

69. The movement of migrants across the Channel using small boats steeply increased in 2020, however, there was still an overall decrease in OIC detections. The increase in small boats use is almost certainly a result of COVID-19 travel restrictions affecting freight and air transport, in addition to enhanced security around the UK-operated border controls at Calais, Coquelles, and Dunkirk. It is highly likely OCGs and migrants are attracted to the high success rate and low cost-high profit nature of small boats compared to heavy goods vehicle (HGV) facilitation.

70. OCGs have attempted to transport migrants into the UK using larger vessels landing at small ports away from the Dover Strait. Migrants transported via this method have a higher chance of being exploited by UK based criminals than those detected by law enforcement arriving by small boat.

71. The number of passengers with inadequate immigration documents reaching or attempting to reach UK airports was significantly lower than in 2019 due to travel restrictions. Since the first UK lockdown ended, inadequately documented arrivals at UK airports increased as a proportion of total passenger numbers. It is highly likely this relative increase reflects OCGs assisting a backlog of migrants.

**COVID-19 travel and border restrictions reduced opportunities for OCGs to transport migrants via ferries or by air**

CLOSED
DUE TO
COVID-19

## Organised Immigration Crime

Number of passengers with inadequate immigration documents reaching or attempting to reach UK airports was significantly lower than in 2019 due to travel restrictions.[13]

The movement of migrants across the Channel using small boats rose steeply in 2020.[14]

72. False and fraudulently obtained identity documents continue to enable OIC. A small number of passports with functioning counterfeit biometric chips were identified at the UK border in 2020. There have been cases in the UK and abroad of false 'COVID-19 negative' certificates, enabling travel or entry across borders.

73. Migrants from Afghanistan, Eritrea, Iran, Iraq and Sudan remain the most commonly detected migrants attempting to enter the UK by avoiding detection from authorities. OCGs assist in the movement of these nationalities across the Mediterranean into Europe. Prior to the introduction of COVID-19 travel restrictions, most migrants used the Eastern route via Turkey, or the Western route from Morocco into Spain. However, from April to September 2020, over half of all detections were on the Central route, from Libya or Tunisia into Italy.

74. COVID-19 restrictions not only impacted on the ability of migrants to travel, but also caused the closure of UK registration centres and visa application centres overseas. This caused detections of migrants abusing some of the most common legitimate routes to fall considerably.
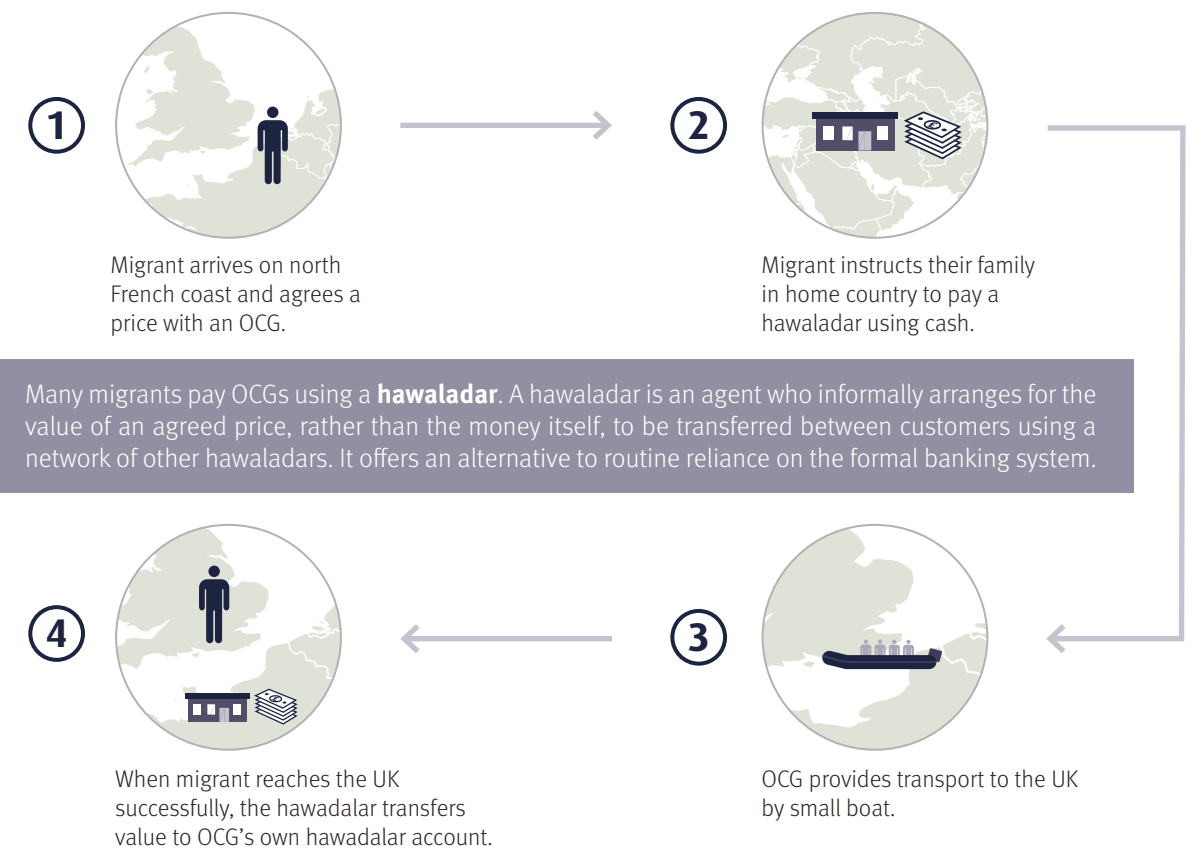
### What You Can Do

75. The public may hold information of value to law enforcement. Significant investigations into OIC offences have benefited from the receipt of information from members of the public.

76. A range of signs of OIC may be visible, including:

- Activity at isolated coastal locations or at unusual times of day, including attempts to guide vessels offshore to unusual landfall, or crew showing signs of nervousness.

- Strange patterns of payment being made, such as the receipt of frequent cash payments from multiple sources through bank accounts.

77. In an emergency, call the 999. To report OIC anonymously, go to www.gov.uk/report-immigration-crime, call the Immigration Enforcement hotline on 0300 123 7000, or contact the independent charity Crimestoppers on 0800 555 111 or www.crimestoppers-uk.org.

### Case Study

In July 2020, the Joint Intelligence Cell/Unité de Recherches Opérationnelles (JIC/URO) was established to tackle OIC in northern France. The unit, equipped to use covert law enforcement techniques, includes officers from the French Police Nationale, UK Immigration Enforcement and the NCA. The formation of the JIC/URO enables officers to easily share information to accelerate progress in joint operations.

The collaboration has contributed to 182 arrests by French law enforcement, mostly related to small boats. JIC/URO intelligence has led to or assisted over 17 disruptions involving 270 migrants preparing or attempting to leave the French coast. Two judicial investigations have been also opened as a result of JIC/URO intelligence development.

### Small Boats Finances

① Migrant arrives on north French coast and agrees a price with an OCG.

② Migrant instructs their family in home country to pay a hawaladar using cash.

Many migrants pay OCGs using a **hawaladar**. A hawaladar is an agent who informally arranges for the value of an agreed price, rather than the money itself, to be transferred between customers using a network of other hawaladars. It offers an alternative to routine reliance on the formal banking system.

④ When migrant reaches the UK successfully, the hawadalar transfers value to OCG's own hawadalar account.

③ OCG provides transport to the UK by small boat.

# Impact of SOC
# on Communities

78. This section covers the operations of those who, in the international trafficking and UK supply of illicit commodities, dominate communities and chase profits, using violence and criminal reputations. The three main threats in this area are:

- Drugs

- Firearms

- Organised Acquisitive Crime

79. These threats can overlap. There remains a strong connection between drugs supply and the use of firearms, with firearms regularly found at drugs incidents. Similarly, organised acquisitive crime is linked to other criminality, whether perpetrated by the same group or as a precursor to or funder of other crimes.

80. Communities continue to fear and feel the impact of SOC-related violence, including physical harm and criminal damage.

81. As COVID-19 lockdown restrictions came into force, illicit supply chains were directly affected, both locally in the UK, and upstream throughout the rest of the world. Disruption of logistics at UK and international borders is highly likely to have forced OCGs to consider alternative routes for their illicit commodities, such as via east coast ports, or direct from the EU to Ireland and abusing the Common Travel Area to smuggle illicit goods to the UK.

**Drugs**

**The vast majority of UK heroin originates from Afghanistan**
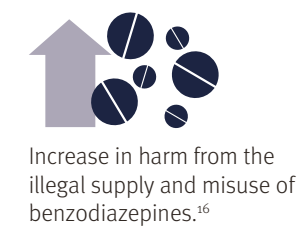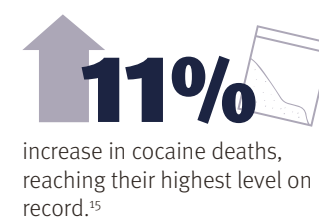
## Drugs

82. Demand for illicit drugs remains high in the UK, and overall trends for drug misuse in England and Wales have largely been increasing. Combined annual costs to society, ranging from tackling supply to providing treatment, total over £19 billion. In 2019 (the latest official figures available), drug related deaths (DRDs) through misuse were relatively stable at 2,883 in England and Wales, of which three quarters involved opiates. Cocaine deaths have risen again, by 11%, reaching their highest level on record. In Scotland, there were 1,264 drug-related deaths in 2019, 6% more than in 2018 and the most ever recorded. While demand for certain commodities, such as Class A drugs, remained high during lockdown, supply and distribution methodologies became subject to variable factors including border disruption.

83. The harm from illegal supply and misuse of benzodiazepines ('Street Valium') has increased and was linked to 64% (814) of DRDs in Scotland, more than in any previous year. Public Health England indicates that dependant opioid users, teenagers, and young adults are also increasingly using illicit benzodiazepines. Unknown pharmacology and potency are highly likely to pose significant risks through potential overdose and multi drug use.

84. The vast majority of UK heroin originates from Afghanistan, which is responsible for 82% of global opium cultivation, following a five year upward trend. The Dame Carol Black review estimates that 38 tonnes of opiates are consumed in England and Wales. The majority of heroin is trafficked to Europe along the Balkan land route, however, trafficking via the Caucasus region is increasing.

85. Global cocaine production, largely in Colombia, is estimated at 1,723 tonnes. Central America is a growing nexus for cocaine trafficking towards

**11%**
increase in cocaine deaths, reaching their highest level on record.[15]

Increase in harm from the illegal supply and misuse of benzodiazepines.[16]

**>5.8 tonnes**
of Class A and B drugs seized as a result of Op Venetic, which disrupted drugs supply into and across the UK.[17]

Europe, with some crime groups exploiting Costa Rica, Honduras and Panama by re-establishing previous land and maritime routes. Cocaine consumption in Great Britain is estimated to be 117 tonnes.

86. Belgium and the Netherlands remain important locations for the consolidation and distribution of drugs. Large consignments of cocaine and heroin are smuggled into the ports of Antwerp and Rotterdam in containerised traffic. Whilst such shipments are also intercepted at UK ports, roll-on/roll-off ferry traffic from near Europe poses a constant threat.

87. The single biggest UK drug market is cannabis. An estimated 2.6 million people used cannabis last year in England and Wales where annual consumption was approximately 240 tonnes, valued at £2.4 billion. Domestic UK cultivation of cannabis continues to be linked to labour exploitation.

88. Despite substantial production and use in near Europe, amphetamine use continues its long term UK decline. MDMA use in England and Wales has remained stable. Methamphetamine demand remains limited to confined UK user demographic. However, methamphetamine

production has rapidly increased in Afghanistan, which poses a potential threat to the UK through using established heroin trafficking routes.

89. Street level networks including County Lines have demonstrated their continued ability to adapt to the environment in which they operate. There has been an increase in awareness and understanding of the threat alongside enhanced law enforcement attention.

## What You Can Do

90. Organised crime groups attempt to exploit border vulnerabilities and smuggle criminal commodities into the UK. They actively seek any weaknesses in our ports, airports and transportation services as well as corrupt workers at ports and airports, who play a key role in facilitating smuggling and illegal migration.

91. You can help secure our borders by reporting any information or suspicions about individuals abusing their positions at a port or airport to your local police or the independent charity Crimestoppers on 0800 555 111 or www.crimestoppers-uk.org.

**Case Study**

In September 2020, one of the largest seizures of heroin took place at the port of Felixstowe. After an international operation led by the NCA, over one tonne of heroin and morphine derivatives, worth £120 million at street level, were recovered.
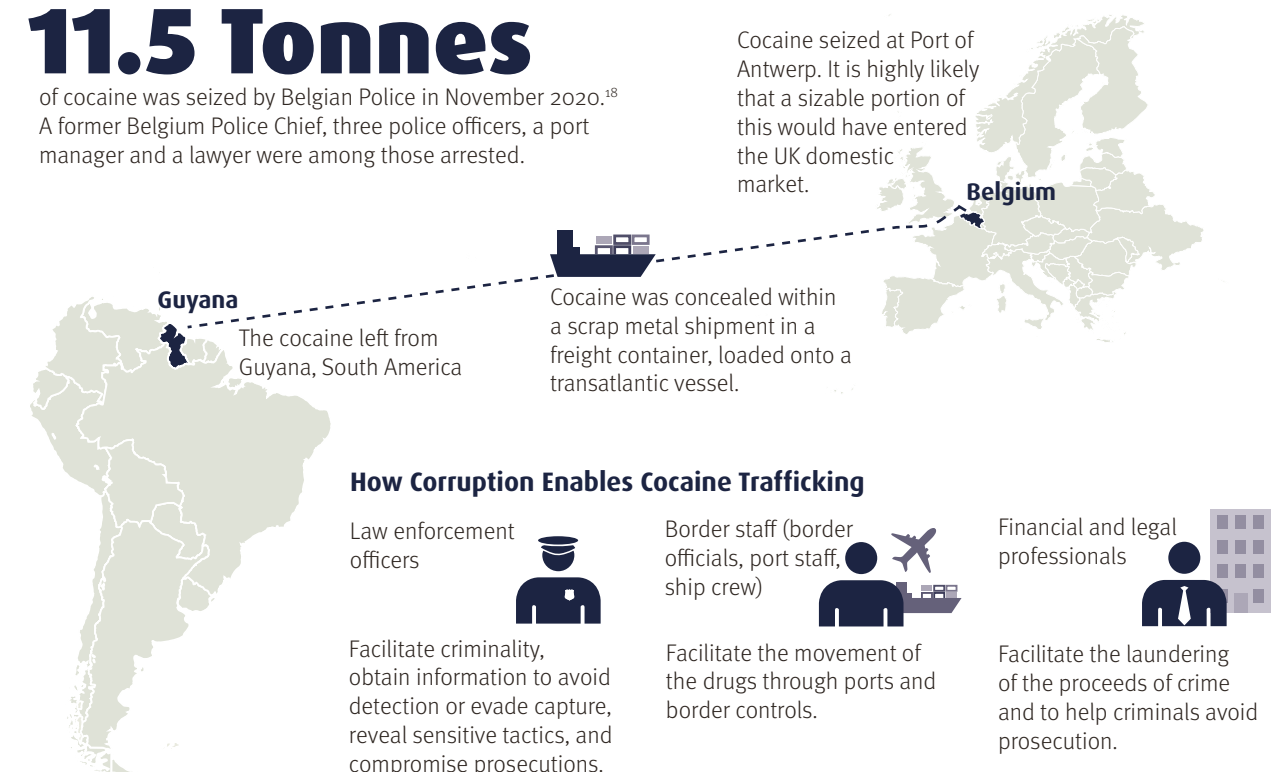
With the support of Dutch and Belgian law enforcement, officers arrested three individuals in the Netherlands and a suspect in the UK in connection with this seizure. Although the container ship was destined for Antwerp, it is highly likely that a large part of its illicit cargo was destined for UK streets. This seizure, together with other law enforcement activity, prevented large quantities of addictive and destructive drugs entering the UK, which would have ruined lives and devastated communities.

**Drugs**

## Role of Corruption in Large Scale Cocaine Trafficking

# 11.5 Tonnes

of cocaine was seized by Belgian Police in November 2020.[18] A former Belgium Police Chief, three police officers, a port manager and a lawyer were among those arrested.

Cocaine seized at Port of Antwerp. It is highly likely that a sizable portion of this would have entered the UK domestic market.

**Belgium**

**Guyana**
The cocaine left from Guyana, South America

Cocaine was concealed within a scrap metal shipment in a freight container, loaded onto a transatlantic vessel.

### How Corruption Enables Cocaine Trafficking

Law enforcement officers

Facilitate criminality, obtain information to avoid detection or evade capture, reveal sensitive tactics, and compromise prosecutions.

Border staff (border officials, port staff, ship crew)

Facilitate the movement of the drugs through ports and border controls.

Financial and legal professionals

Facilitate the laundering of the proceeds of crime and to help criminals avoid prosecution.

Firearms

## High demand for firearms in the criminal market continues

## Firearms

92. Firearms activity has remained broadly stable in comparison to previous years, with discharges decreasing slightly (5%) compared to 2019. COVID-19 restrictions on movement and gatherings caused significant short-term declines in firearms criminality during lockdown periods, however, it quickly returned to previous levels once restrictions eased.

93. High demand for firearms in the criminal market continues. Several investigations in 2020 led to the recovery of a wide range of weapons, including automatic firearms, which disrupted supply networks linked to OCGs.

94. The highest levels of firearms activity in the UK continue to take place in London, West Midlands, Greater Manchester, South Yorkshire and Merseyside. Many crime groups and street gangs in these areas are involved in drug supply, often featuring firearms-enabled serious violence.

95. Discharges against people and resultant injuries reflect the willingness of criminals to use firearms for debt collection, territorial feuds and recriminations. Whilst most firearms violence is disorganised, it can be exacerbated by OCGs, often involved in drugs supply, carrying out serious violence against rivals.

96. Handguns remain the most common firearm used by criminals. Most shootings are from original lethal purpose firearms, closely followed by discharges from converted, modified and reactivated handguns. Converted models and firearms from lesser known manufacturers with fake premium brand markings have also been increasingly recovered.

97. The use and recovery of automatic firearms increased in 2020, albeit still accounting for very few discharges. In a recent trend, self-loading pistols have been converted to fully-automatic pistols and recoveries of aftermarket parts that enable their conversion have increased, as have recoveries of automatics that are converted from blank-fire pistols. These are likely to be preferred to automatic (assault) rifles due to their smaller size, concealability and portability.

**115**

firearms seized as a result of Op Venetic, which increased understanding of the strong link between the drug trade, money laundering, firearms and serious violence.[19]

**10%**

increase in firearms discharges resulting in injury compared to 2019.[20]

98. Overall shotgun discharges remained stable, although they spiked in three urban areas. Whilst shotguns are most commonly used against property, it is a realistic possibility that local gang tensions contributed to an increase in discharges against people.

99. Diversion and theft of legally-held firearms continue to be sources of weapons for criminals, albeit volumes declined significantly in 2020, largely due to COVID-19 restrictions. While thefts may be targeted, most are the result of opportunistic burglary.

100. The use of antique firearms, including pinfires, continues although at lower levels than in previous years. Revised legislation in relation to antique and obsolete calibre firearms is being introduced to address this threat, however, it is too early to assess its impact. Additionally, the seizure of home-made firearms and improvised explosive devices made using online instruction manuals highlights the risk of domestic supply.

101. The main mode of firearms importation into the UK continues to be trafficking via ferries. It remains a considerable vulnerability for firearms entering the criminal market despite COVID-19 restrictions on movement leading to a reduction in incidents. However, there is some displacement to post and parcel importations, primarily of blank-firers and realistic imitation firearms.

### What You Can Do

102. The NCA has launched a firearms safety campaign urging the public to "know the gun, know the law and know the consequences" of the illegal possession of firearms in the UK.

- This campaign aims to address the risks to individuals and communities by the importation of prohibited weapons and the possession and supply of unlawful firearms in the UK. It also addresses the risks of lawfully-held weapons being stolen from firearm and shotgun certificate holders.

- Target audiences include young people expressing an interest in firearms; those with access to guns through farming; hunting communities or shooting clubs; offenders involved in SOC; vulnerable groups who might be used to store weapons for criminals; and visitors to the UK who do not understand UK firearms legislation.

103. Anyone who has information about illegally held firearms or ammunition should contact the police. Alternatively, if you wish to remain anonymous, call Crimestoppers on 0800 555 111 or visit www.crimestoppers-uk.org.

**Case Study**

Operation Venetic led to the arrest of 1,550 people across the UK, and the seizure of 115 firearms following international partners' successful extraction of data from an encrypted communications platform. It has increased our understanding of the strong link between the drug trade, money laundering, firearms and serious violence, and enabled targeting of criminals which severely disrupts their activities.

In addition to organising drug supply, criminals used the platform to buy and sell illegal firearms and coordinate threats to people's lives and other serious violence. The majority of the firearms recovered were handguns, including original lethal purpose pistols, converted blank firers and modified ammunition, however the platform was also used to source sub-machine guns and assault rifles.

## Firearms

### The Journey of a Firearm

**4 Firearms in the UK**
Once in the UK the firearms are typically sold on by the OCG to young criminals and gang members in metropolitan areas such as London, Birmingham and Manchester
The weapons are most likely to be used in the UK in disputes among OCGs and urban street gangs, risking members of the public being caught in cross-fire.
In addition, firearms and ammunition are converted/modified in the UK.

**1 Weapons Legally Procured in Eastern Europe and Enter Criminal Market**
Readily convertible blank-firing weapons and deactivated/modified weapons can be purchased in countries where they are legal and unrestricted.
The weapons may then be purchased by a European OCG, likely using false identification, who would convert, modify or reactivate them and sell them on in the criminal market.

**3 Collection of Weapons**
The UK OCG that purchased the weapons would arrange for them to be smuggled to the UK.
Means of importation include fast parcels, private maritime vessels, concealments in private vehicles, multi-occupancy vehicles, or in heavy goods vehicles hidden within legitimate loads.

**2 Firearms for Sale**
Once converted, modified or reactivated the weapons may then be transported to transit hubs before heading to the UK.
The European OCG may negotiate the sale of the weapons to a UK buyer.

**Organised**
**Acquisitive Crime**

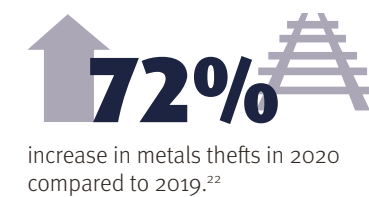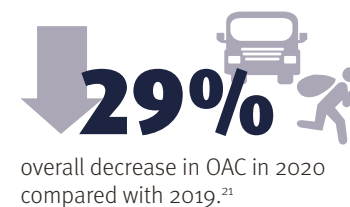Due to the increased number of deliveries during COVID-19 restrictions, delivery vehicles became a vulnerable target

### Organised Acquisitive Crime

104. Organised Acquisitive Crime (OAC) focusses on the high harm and cross border strands of vehicle crime, robbery, burglary, and heritage and cultural property crime amongst other crime types. 2020 saw an overall decrease in OAC by 29% compared with 2019. This trend is reflective of the national and local restrictions that have occurred as a result of the COVID-19 pandemic.

105. There was a 27% decrease in vehicle thefts recorded in 2020 (110,756) compared to 2019 (150,743). The most frequently stolen vehicle remained the Ford Transit van, which is often used to commit further acquisitive crimes. Alongside traditional car key burglaries, electronic compromise offences continued to spread across the UK. The use of equipment (such as relay devices) as well as the transfer of vehicles to chop shops and exportation demonstrates a high degree of organisation by offenders in this crime area.

106. There were 4,481 freight crimes submitted to the National Vehicle Crime Intelligence Service during 2020, with estimated total losses of over £90m and an average loss per offence of over £20,000. These offences remained relatively consistent with 2019 and will likely continue in 2021.[19]

107. Due to the increased number of deliveries during COVID-19 restrictions, delivery vehicles became a vulnerable target. A large courier company reported a 32% increase in stolen parcels/ vehicles from 2019 to 2020, with a 126% increase over the last three months of the year.

108. Metal thefts increased by 72% from 20,898 in 2019 to 36,015 in 2020, partly fuelled by an increase in commodity prices. Commodity prices are forecast to continue rising, which is likely to contribute to an increase in criminal activity.

109. The increasing value of Rhodium (148%) and Palladium (19%) throughout 2020 is almost certainly driving an increase in catalytic converter thefts. There were 28,849 offences recorded during 2020, an increase of 64% compared with

**29%**
overall decrease in OAC in 2020 compared with 2019.[21]

**72%**
increase in metals thefts in 2020 compared to 2019.[22]

**27%**
decrease in vehicle thefts in 2020 compared with 2019.[23]

2019 (17,602). Most offences targeted hybrid vehicles due to their higher concentration of precious metals. Offences were commonly committed in public car parks with low security measures making detection difficult.

110. 2020 saw a 42% reduction in ATM attacks reported to Safercash in comparison to 2019. It is likely that attacks were heavily impacted by travel restrictions in 2020 making it more difficult to execute an attack unnoticed. Technological evolution and adaptability led to new variations in 'black box' electronic attacks, in which the ATM is connected to an external electronic device.

111. In 2020 there was a 21% reduction in residential burglaries compared to 2019. 2020 saw many people moving to working from home and the presence of a capable guardian is likely to have been a contributing factor for the reduction in offending. Jewellery remained a key item that was targeted in these offences. This is likely to be due to the consistent value of gold and silver, the easily concealable nature of jewellery and the relative ease at which it can be disposed.

112. There was a 27% decrease in burglaries and community offences from 2019 to 2020. Cash and cigarettes were the most targeted items in commercial burglary offences reported to Opal (the national unit for serious organised acquisitive crime) in 2020.

113. Metal thefts from church roofs declined by 58% in 2020 (103) compared to 2019 (244). This was highly likely due to the arrest of OCG members

responsible for several cross-border thefts, as well as travel restrictions. Such offences pose a significant threat in terms of financial losses.

114. Organised, sophisticated burglaries at museums and galleries have been seen in the UK and abroad, with the targeting of priceless cultural objects and some offenders abseiling from roofs to avoid security.

## What You Can Do

115. In order for police forces to identify trends and prevent OAC, it is important that offences are reported and correctly recorded. Most forces now offer online self-reporting options.

116. For advice on increasing the safety of your home and vehicle, and safety in public spaces, visit www.police.uk, the independent charity Crimestoppers at www.crimestoppers-uk.org, or the website of your local police force. These include advice on safety tools, such as property marking systems and the use of Faraday bags to protect keyless entry keys.

117. If you suspect that an offence is taking place, it is vital that you do not put yourself at risk, but instead call the police.

118. If you suspect someone of being involved in organised acquisitive crime, please contact the police, or Crimestoppers on 0800 555 111 or www.crimestoppers-uk.org.

**Case Study**

In January 2021, four members of an Eastern European OCG were sentenced to 22 years and seven months imprisonment for removing a significant amount of lead from 36 church roofs between May 2018 and March 2020. These cross-border thefts occurred across ten police forces. The churches that were targeted were a combination of Grade I and Grade II listed buildings and the cost to replace the roofs totalled approximately £2.1 million. There is a considerable financial impact to these churches, yet also a loss to communities as well as damage to a heritage that is hundreds of years old.

**Organised Acquisitive Crime**

### Increase in Metal Theft Driven by Metal Price Rises

Number of Metal Thefts Recorded in 2019 and 2020.[25]
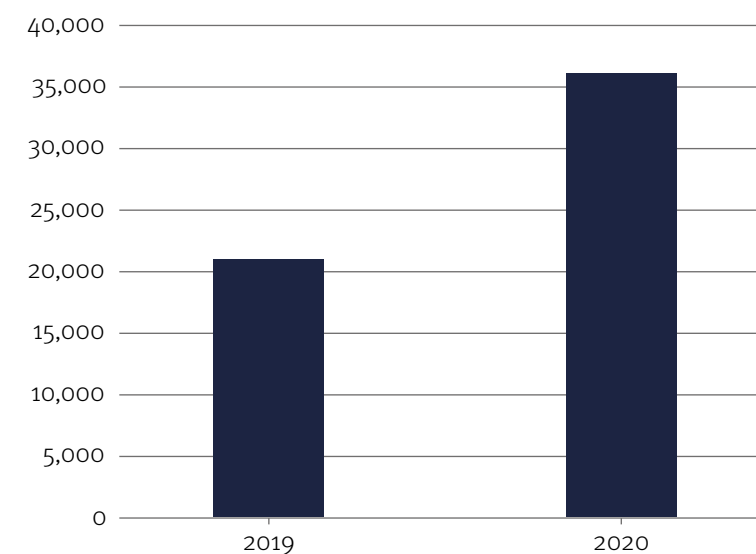
The annually increasing value of precious metals found in catalytic converters is almost certainly driving an increase in catalytic converter thefts.

**64%** increase in catalytic converter thefts recorded in calendar year 2020, compared to 2019.[24]

**Precious Metals**

Annually increasing value of precious metals Rhodium (148%) and Palladium (19%).[26]

# Harm to the UK's Economy and Institutions

119. This section covers the operations of those who undermine the UK's economy, integrity, infrastructure and institutions through their criminality. Threats in this area include:

- Cyber Crime

- Fraud

- Money Laundering

- Bribery, Corruption and Sanctions Evasion

120. In contrast to many other threats covered previously, the targets of these crimes can be private or public sector institutions in addition to individuals.

121. Throughout the COVID-19 pandemic many SOC criminals demonstrated resilient and adaptable operating models to maintain or expand their criminal profits. This has been evident in cyber and economic crime, whereby offenders continue to use COVID-19 related themes to lure victims into making payments or providing personal details.

122. Cyber crime can be categorised as cyber dependent, which can only be committed using computer technology, or cyber enabled, which can be conducted offline, but if carried out online may take place at an unprecedented scale and speed. The cyber crime chapter in this section focuses on the former whilst some economic threats include the latter, for example cyber-enabled fraud and use of cryptoassets for money laundering.

**Cyber Crime**

**Ransomware continues to dominate law enforcement and media attention**

123. The cyber crime threat to the UK increased during 2020 with more severe and high profile attacks against UK victims, including against UK local authorities. However, UK victim reporting was consistent with previous years, with 29,094 reports to Action Fraud and 1.7 million estimated computer misuse offences in the year ending September 2020.

124. The estimated cost, both direct and indirect, to UK victims ranges from the several hundreds of millions to billions of pounds per year. Despite an obligation to report data breaches to the Information Commissioner's Office, underreporting and inaccurate estimates continue to impact our ability to understand the true scale and cost of cyber crime to the UK. This is partly because of low rates of awareness, monitoring and understanding of the costs associated with cyber breaches. In some cases victims are reluctant to report because of potential reputational damage or uncertainty over what needs reporting and to which agencies.

125. Ransomware continues to dominate law enforcement and media attention due to the financial, data and service losses incurred by victims. This year has been notable for the increasing use of an accompanying threat to publish stolen data by ransomware operators. Industry partners estimate that over 50% of all ransomware activity includes this additional threat.

126. The increasing severity of ransomware is further reflected in business impact, including inaccessible public services and business closures, and rising ransom demands. Action Fraud received reports of demands in the millions of pounds, whilst open source reports feature much larger ransoms. This is likely driven in-part by the ease of which attacks can be scaled from targeting small-to-medium sized businesses to much larger organisations without changing methodology and cost.

The cyber crime threat to the UK increased during 2020, with more severe and high profile attacks against UK victims.

**>50%**

of all ransomware activities incude an accompanying threat to publish stolen data.[27]

**Cyber Crime**

127. The wider cyber crime landscape has seen continued use and development of established tools and techniques rather than the emergence of new ones. Less sophisticated cyber tools, such as those designed to extract database content or disrupt a website are increasingly becoming available to a wider range of cyber criminals. Consequently even criminals with only a basic cyber capability can cause serious harm to UK businesses and individuals. Where there is development it is often to improve existing methods, such as supply chain attacks, which are used to access larger target companies by first attacking a less secure part of the intended target's supply chain.

128. Many of these attacks are enabled by the maturing cyber crime marketplace for tools and data. There has been a sharp increase in marketplace trading of leaked credentials, notably Remote Desktop Protocol credentials that allow criminals to remotely connect with victim devices. These are increasingly available due to remote working and are coveted for access to corporate networks. Criminals use tools such as botnets to enable mass automated login attempts, to upscale attacks and exploit victim data.

129. Cyber criminals will exploit current events to maximise the impact of their activity. This is most commonly reflected in spam and phishing email headings with key events, such as the COVID-19 pandemic and the end of the financial year.

### What You Can Do

130. There are a number of actions that you can take to protect yourself and your information online. These include:

- Keeping security software up-to-date and installing a firewall. Setting your browser to the highest level of security, and turning on two-factor authentication where possible.

- Using strong, unique passwords to prevent email and password combinations being used to access other accounts.

- Backing up important data to an external hard drive or to cloud based storage.

- If you are unsure that an unsolicited email, call or text is genuine, contact the company using a known and trusted email or phone number. Forward any emails you are concerned about to the Suspicious Email Reporting Service: report@phishing.gov.uk

131. For further advice, consult the National Cyber Security Centre's website: www.ncsc.gov.uk. To report cyber crime, contact Action Fraud at www.actionfraud.police.uk or on 0300 123 2040. Alternatively, contact the police, or Crimestoppers on 0800 555 111 or www.crimestoppers-uk.org.

**Case Study**

In early 2020, Redcar and Cleveland UK local authority suffered a ransomware attack that took many of its services offline and restricted the use of telephone and email systems. The attack briefly increased the risk to the delivery of local frontline services, including business functions involving vulnerable children and adult care. Data relating to school admissions was also encrypted; this caused potential delays to the school placement process for ten schools, and affected the process for neighbouring councils due to cross-boundary applications.

The NCA's National Cyber Crime Unit, the National Cyber Security Centre, law enforcement partners and local authorities worked together to quickly mitigate the risk to the council's critical business functions.

### Stages of Ransomware Infection

**How infection starts:**
- Clicking on a link or attachment in an infected unsolicited email.
- Visiting a malicious website.
- Not securing your computer/network.

(1)

**What you can do to prevent this:**
- Only open emails from a known sender.
- Don't visit suspicous websites.
- Use malware protection software.

(2) Computer/network explored by criminals and **data may be stolen**.

**Ransom requested:** The criminal will demand payment by cryptocurrency to decrypt the data. A **further ransom** can be demanded not to publish the stolen data, even if the first ransom is paid.

(4)

**What you should do:**
- Law enforcement do not encourage, endorse, or condone the payment of ransom demands.
- You can report it to Action Fraud at www.actionfraud.police.uk.

(3) **Ransomware deployed:** Victim data is encrypted and cannot be accessed.

**What you can do to protect your data:**
- It is best practice to back up your data regularly and keep it offline.
- You can then restore data from the backup, however, this won't return stolen data.

**Fraud**

## Fraudsters quickly adapted their messaging during the COVID-19 pandamic

132. The economic and social consequences of fraud affect the whole of UK society, from the public and private sectors to the individual. The cost of fraud to the UK is in the billions, and is assessed to be increasing. Between January 2020 and December 2020, Action Fraud reported £3 billion in losses impacting individuals and organisations. However, providing an accurate figure is constrained by significant underreporting, with much fraud remaining undetected or hidden.

133. Fraud remains England and Wales' most common crime type and accounted for over a third of estimated crime in the year ending September 2020, with 4.4 million offences against adult individuals, affecting 3.5 million victims. In the same year, fraud only accounted for 13% of all police recorded crime, showing the difference between the victim's experiences and levels of reporting into law enforcement.

134. Fraudsters quickly adapted their messaging during the COVID-19 pandemic. They exploited the UK public's need for Personal Protective Equipment and testing kits through the sale of counterfeit, unregulated or substandard products. This trend is almost certain to continue as further narratives are developed to exploit victims, such as with the vaccination programme.

135. The financial risk and potential reputational damage to the UK public sector from fraud is demonstrated by the speed, scale and diversity of frauds linked to the pandemic. This is highlighted by exploitation of the Coronavirus Job Retention Scheme, for which HMRC estimates up to £3.5 billion will be lost due to fraud and error, and of the Bounce Back Loan Scheme, for which the National Audit Office estimates £15-26 billion will be lost to fraud and defaulting payments.

Fraud remains England and Wales' most common crime type and accounted for over a third of estimated crime in the year ending September 2020.[28]

## £3 billion
of fraud losses impacting individuals and businesses were reported to Action Fraud in 2020.[29]

136. The UK public's increasing reliance on online services during the pandemic encouraged cyber-enabled fraud, for example online shopping and auction fraud, with those lacking knowledge or skills to operate securely online being particularly vulnerable. However, due to increased sophistication of phishing campaigns, even those who consider themselves fraud-aware are at risk of being a victim of cyber-enabled fraud.

137. Online advertising has become a gateway for fraud. Criminals are increasingly using social media and online servicing platforms to advertise fraudulent investment schemes and facilitate online shopping frauds.

138. It is highly likely loneliness and isolation during the lockdown restrictions has contributed to an increase in romance fraud. Investment fraud reporting is also increasing, with fraudsters taking advantage of the current economic conditions as individuals looking for higher returns while low-interest rates persist.

139. The UK's departure from the European Union provides opportunities for fraudsters, including misinformation campaigns via malicious emails and taking advantage of uncertainty around new regulations.

## What You Can Do

140. National campaigns including 'Take Five To Stop Fraud' and 'ScamSmart' provide information on how to avoid falling victim to fraud. The following simple steps can help you to protect yourself:

- Many frauds start with a phishing email. Never click on links or download attachments in unexpected emails or text messages. Other key indicators of malicious emails include misspelling of a domain name, poorly written emails and suspicious attachments.

- Don't be rushed or panicked into making a decision. If you receive a suspicious call or message from an organisation, contact the company directly.

- Be wary of investment opportunities offering unrealistically high returns. Always check the company offering the investment is registered by the Financial Conduct Authority before investing.

141. If you receive an e-mail you are unsure of, forward it to the Suspicious Emails Reporting Service: report@phishing.gov.uk.

### Case Study

Text messages imitating the NHS have been sent out by fraudsters in a scam targeting the UK's vaccination programme. The fake message is designed to capture personal and financial details, which will then be used to commit future frauds. The messages state a victim is "eligible to apply for their COVID-19 vaccine" with a link to a fake NHS website, which requests personal information and bank details for the purposes of verification. The website uses the NHS logo and style to trick the victim into believing it is legitimate.
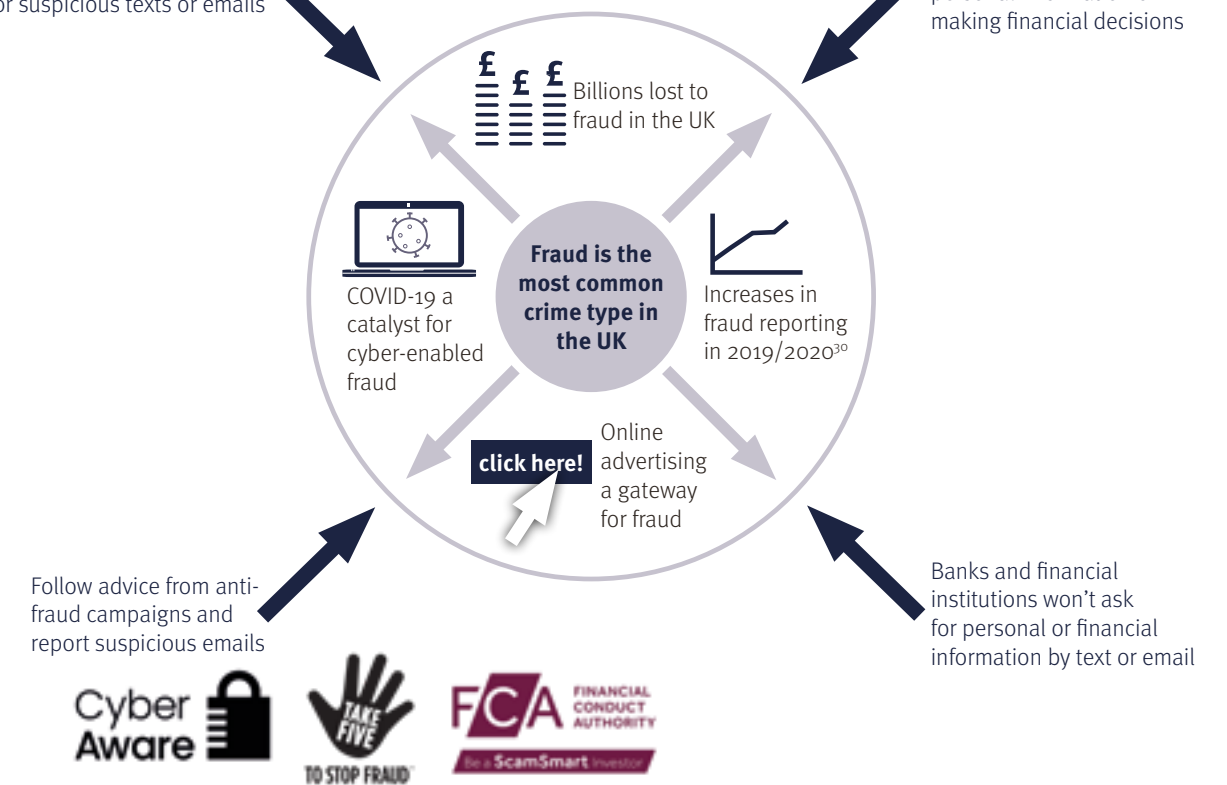
The scam preys on the elderly and vulnerable who are expecting to receive notification about receiving their vaccine, although it is likely some targeting will pass to younger age groups as the vaccination programme progresses.

## Fraud

## Taking Action to Prevent Fraud

You are more likely to fall victim to fraud than any other crime type. You can help prevent this by following the advice outlined.

Never click on links or download attachments in unexpected or suspicious texts or emails

Don't be rushed or pressured into disclosing personal information or making financial decisions

£ £ £ Billions lost to fraud in the UK

**Fraud is the most common crime type in the UK**

COVID-19 a catalyst for cyber-enabled fraud

Increases in fraud reporting in 2019/2020[30]

click here! Online advertising a gateway for fraud

Follow advice from anti-fraud campaigns and report suspicious emails

Banks and financial institutions won't ask for personal or financial information by text or email

Cyber Aware

TAKE FIVE TO STOP FRAUD

FCA FINANCIAL CONDUCT AUTHORITY
Be a ScamSmart Investor

**Money Laundering**

## The use of cryptoassets to launder money has increased across several crime types

## Money Laundering

142. This year has seen money launderers adapt in response to the COVID-19 pandemic and resultant restrictions on physical movement, new technology and regulation. Measures were adopted to bring cryptoassets into the scope of UK Money Laundering Regulations to mitigate the risk of their criminal exploitation.

143. It is highly likely that over £12 billion of criminal cash is generated annually in the UK, and a realistic possibility that the scale of money laundering impacting on the UK (including through UK corporate structures or financial institutions) is in the hundreds of billions of pounds annually. It remains difficult to quantify the scale of money laundering due to the variety of methods used to launder criminal proceeds generated from inside and outside the UK. The amount laundered in the UK is likely to have increased as a result of predicate crime increases, however, COVID-19 restrictions have made it harder to launder cash, accelerating the criminal use of other methods such as cryptoassets.

144. The pandemic has seen more use of over the counter methods to introduce illicit cash into the financial sector, such as via the Post Office. Criminal proceeds continue to be moved through Money Service Businesses, and Cash and Valuables in Transit operators. Some are criminally complicit, whilst others are legitimate providers unwittingly exploited by criminals.

145. Money mule activity increased, particularly among younger age groups, despite the pandemic affecting recruitment of international students (a common target group for muling). Fintech banks appear popular with mule herders, who use social media to recruit and run mule networks. The economic downturn and increased social media use when working from home almost certainly increased this threat during the pandemic.

146. The continued use of UK companies to move criminal funds was highlighted in a leak of files from the US Treasury in 2020. UK companies

## >£12 billion

criminal cash is estimated to be generated annually in the UK.[31]

## £172 million

denied to suspected criminals as a result of defence against money laundering requests between April 2019 and March 2020.[32]

**Money Laundering**

are also used to launder the proceeds of fraud, including in abuse of the Bounce Back Loan Scheme. Overseas generated illicit funds are used to purchase UK property with complex business structures to obscure ownership.

147. Professional enablers continue to be used to conceal and move criminal proceeds. Family Offices that provide wealth and property management services and privacy for ultra-high-net-worth individuals and their families are increasingly exploited.

148. Criminals are highly likely to adapt to cross-border agreements with the EU, including planned UK Freeports. It is a realistic possibility criminals may exploit those using new unfamiliar clients as a result of some business supply chains being impacted by the pandemic, as well as essential UK businesses permitted to remain open, to move illicit funds.

149. Criminal use of technology is increasing, and the use of cryptoassets to launder money has increased across several crime types. Cryptoasset providers operating in the UK must now have applied for registration with the Financial Conduct Authority or risk criminal or civil enforcement activity. Broader adoption of cryptoasset technology by mainstream financial services will potentially provide a larger market for criminal

exploitation and movement of criminal funds. However, anti-money laundering measures are likely to mitigate this risk at scale.

### What You Can Do

150. Criminals recruit members of the public to become money mules and adapt their methods to avoid detection and target the most vulnerable. New areas to be vigilant of include:

- Criminals exploit fear and financial vulnerability arising from the pandemic, and money muling recruitment techniques include advertising benefits of making money without having to leave the house.

- Care is required around adverts on social media and popular apps for 'Get Rich Quick' schemes and unusual requests to receive or transfer money. Criminals will compromise accounts with the aim of deceiving the account holder's friends into providing their bank or PayPal details.
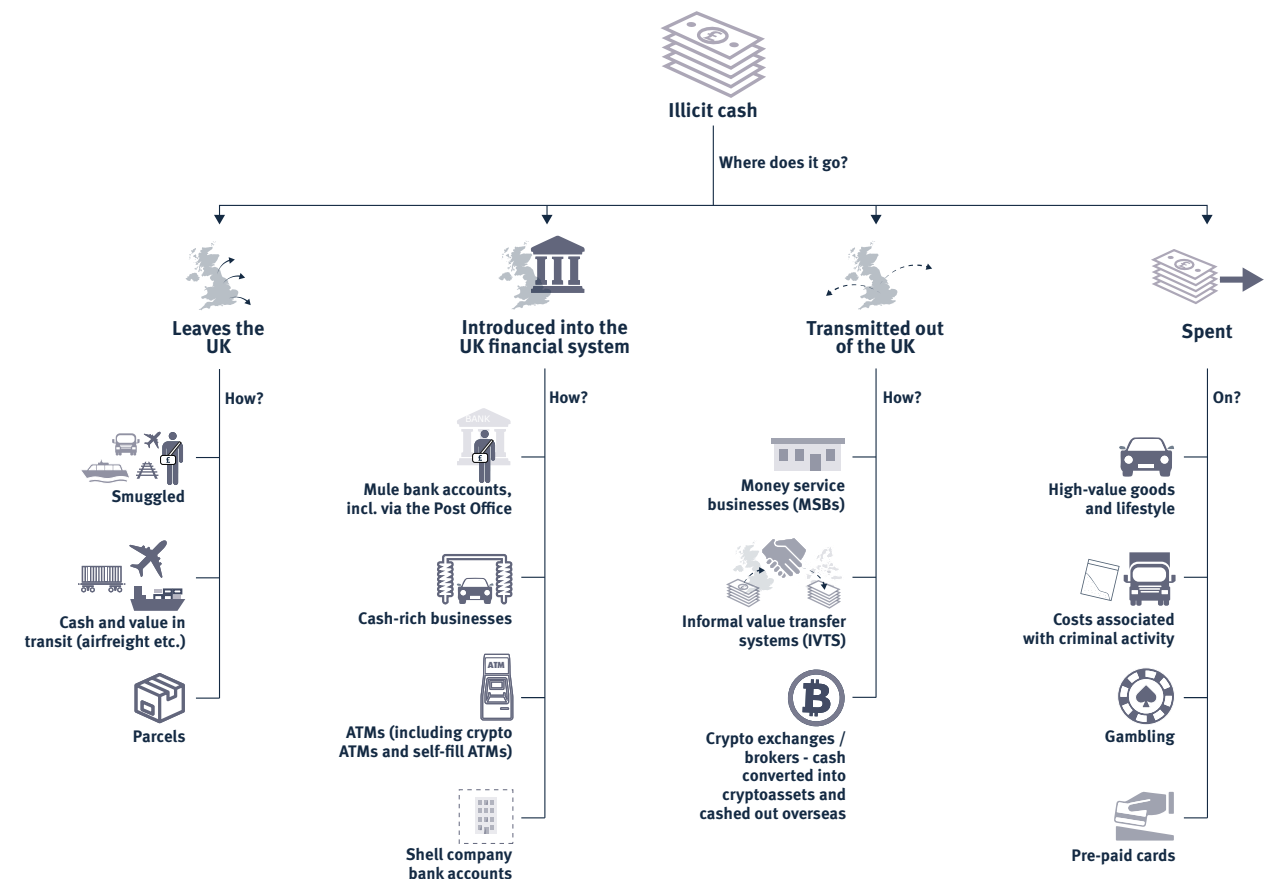
151. If you suspect someone you know is a victim of money muling you should contact the police on 101, Crimestoppers on 0800 555 111, or visit www.crimestoppers-uk.org.

**Case Study**

Two men were sentenced in January 2021 to a combined 10 years in prison for laundering millions on behalf of organised criminals. The men, both Turkish nationals living in Kent, were arrested in March 2020 by officers from the Organised Crime Partnership - a joint NCA and Metropolitan Police Service unit.

Both men were charged in relation to multiple seizures of criminal cash totalling £850,000, which was transported out of the UK by lorry drivers between September 2019 and March 2020. Investigators also linked them to a further £5.6 million in transfers between June 2019 and February 2020.

### Where Does Illicit Cash Generated in the UK Go?



Illicit cash

Where does it go?

**Leaves the UK** — How? — Smuggled; Cash and value in transit (airfreight etc.); Parcels

**Introduced into the UK financial system** — How? — Mule bank accounts, incl. via the Post Office; Cash-rich businesses; ATMs (including crypto ATMs and self-fill ATMs); Shell company bank accounts

**Transmitted out of the UK** — How? — Money service businesses (MSBs); Informal value transfer systems (IVTS); Crypto exchanges / brokers - cash converted into cryptoassets and cashed out overseas

**Spent** — On? — High-value goods and lifestyle; Costs associated with criminal activity; Gambling; Pre-paid cards

**COVID-19 has highly likely heightened the insider threat to businesses**

## Bribery, Corruption and Sanctions Evasion

### Bribery and Corruption

152. COVID-19 has highly likely heightened the insider threat to businesses, including recent examples in the financial sector whereby staff facilitated the approval of fraudulent loan applications. There is a realistic possibility that increased home working has reduced the ability to monitor staff and identify unusual behaviour, and that employees struggling financially or disgruntled with threats of redundancy will be more tempted to engage in bribery and corruption, increasing the risk of insider threat.

153. Procurement contracts, both in general and specifically relating to COVID-19, have been vulnerable to bribery and corruption. A November 2020 National Audit Office report identified vulnerabilities in COVID-19 related procurement contracts, and a government report published in June 2020 highlighted the corruption and fraud risk in local government procurement processes, estimated to cost at least £275 million per year in England alone. A number of initiatives are in place to prevent, detect and respond to corruption,

including increased partnership working between local authorities and LE bodies.

154. It is a realistic possibility the risk from international bribery and corruption involving UK businesses and individuals will increase as the UK recovers from the impact of the COVID-19 pandemic, and following the UK's exit from the EU. To stay profitable, UK entities are more likely to consider trade opportunities in alternative jurisdictions. Some of these will be at higher risk, particularly in industries such as those involved in oil and mineral extraction, overseas real estate, aerospace and defence, and pharmaceuticals.

155. Variations in market behaviour away from what was previously considered the norm have presented challenges to financial institutions' abilities to recognise suspected bribery and

**>£275 million**

Estimated cost per year in England of fraud and corruption in local government procurement processes.[33]

**£982 million**

of potential financial sanctions breaches were received year ending March 2020, an increase on the previous year.[34]

corruption payments. These include difficulty in differentiating between genuine payments of increased market rates for goods, and bribery and corruption payments being presented as such. It is a realistic possibility that these risks will continue throughout the pandemic, with offenders taking advantage of unstable pricing to disguise bribery and corruption payments.

**Sanctions Evasion**

156. The UK's Sanctions Evasion risk is currently under review, after establishing a sanctions policy independent from the EU. This enables the UK to designate targeted financial sanctions based on domestic discretion, rather than through EU multilateral decision making. The UK's Office for Financial Sanctions Implementation (OFSI) received 140 reports of potential financial sanctions breaches totalling £982 million between April 2019 and March 2020, an increase from £262 million in 2018/2019.

157. Anonymity is essential for individuals to successfully evade sanctions. Enhanced understanding this year has highlighted that this anonymity can be found within the global art auction industry, use of cryptoassets and digital banking.

### What You Can Do

158. Bribery and Corruption - anyone can be exposed to corruption. If you suspect a bribery or corruption offence has taken place, report it to the police in the first instance. Further guidance on bribery and corruption can be found at www.gov.uk/government/collections/anti-corruption.

- If you wish to raise corruption concerns confidentially, please visit www.gov.uk/whistleblowing to identify the most appropriate prescribed body to report into.

159. Sanctions Evasion - the Office of Financial Sanctions Implementation expects all businesses who engage in activities, where financial sanctions apply, to stay up to date with the sanctions regimes in force, to consider the likely exposure of their business to sanctions and take appropriate steps to mitigate those risks.

- Lists of sanctioned entities and guidance on conforming with the Sanctions and Anti-Money Laundering Act 2018 SAMLA can be found at www.gov.uk/government/publications/uk-financial-sanctions-guidance
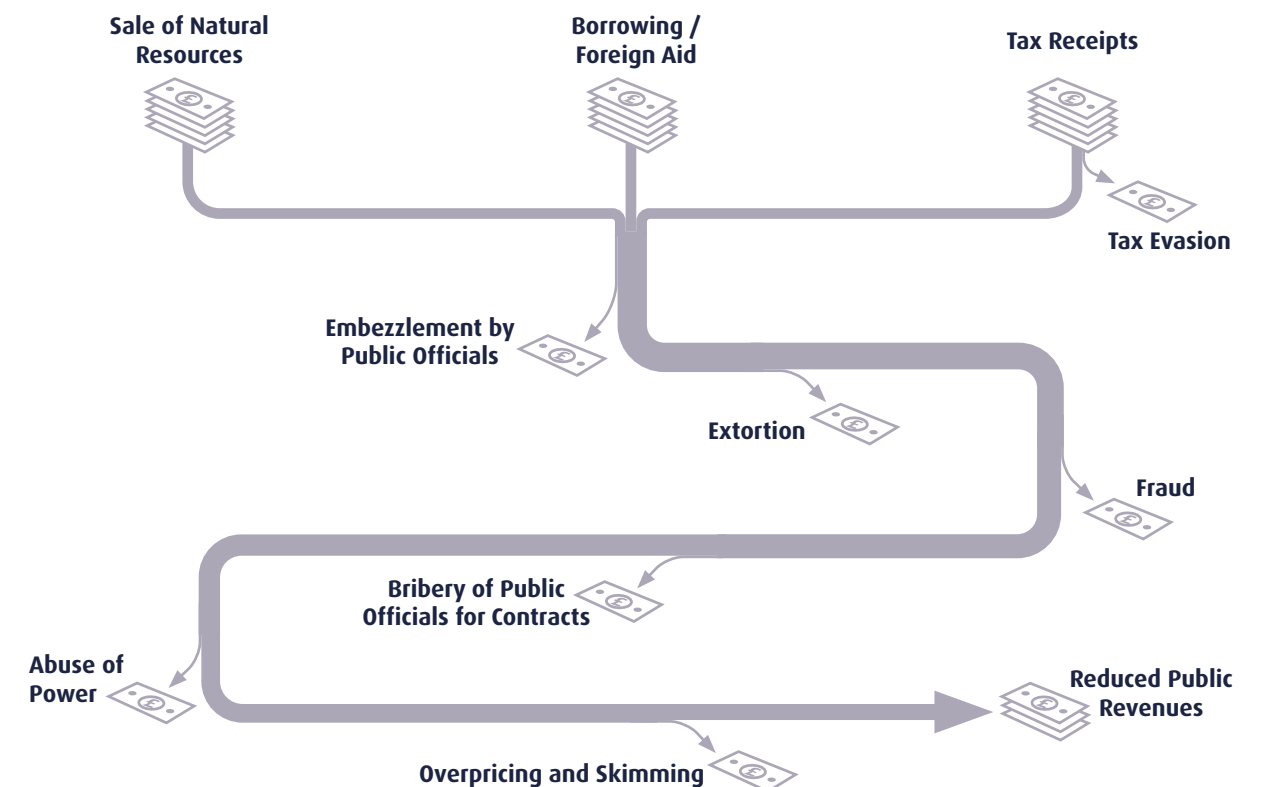
**Case Study**

In July 2016, the Serious Fraud Office (SFO) opened an investigation into allegations of fraud, bribery and corruption in the Airbus Group, after the company reported itself. The offences related to Airbus failing to disclose the use of external consultants when buying civilian and military aircrafts in Africa and Asia between 2011 - 2015.

Four years later in January 2020, the SFO entered into a record-breaking Deferred Prosecution Agreement, a type of corporate plea bargain, with Airbus SE (Airbus Group's parent company). Airbus SE agreed to pay a fine, profits and costs amounting to €991 million to HM Treasury, and in total, €3.6 billion to global authorities.

The SFO investigation remains active, whilst Airbus has undertaken a reform in corporate management, and has agreed to full cooperation with law enforcement in any future investigations and prosecutions.

## Bribery, Corruption and Sanctions Evasion

### Corruption and the Leakage of Public Money



Sale of Natural Resources

Borrowing / Foreign Aid

Tax Receipts

Tax Evasion

Embezzlement by Public Officials

Extortion

Fraud

Abuse of Power

Bribery of Public Officials for Contracts

Reduced Public Revenues

Overpricing and Skimming

# Annex - CSA Scale

# Methodology

The NCA's National Assessment Centre is working alongside internal and external stakeholders, including industry, government partners and academia, to employ an academically validated method for assessing the scale of CSA offenders. This is known as the 'Mark and Recapture Method'. This method allows for statistical inference and caveated intelligence assessment to be made regarding this population.

The approach comprises of the identification of a proportion of the population who are 'captured, marked and released'. In this case, the first sample (**Dataset 1 - D1**) consists of child sex offenders who were active Registered Sex Offenders (RSOs) as of 31st March 2020.

A second sample (**Dataset 2 - D2**) comprises of individuals identified offending online via proactive online investigations between 01 April and 30 September 2020. This sample is unbiased by monitoring or targeted investigations of RSOs.

Under the assumption that the proportion of RSOs in the second sample is the same as their proportion in the whole population, an estimate of the total population size can be obtained by dividing the total number of active RSOs by their proportion in the second sample.

## Formula

Marked Offenders (D1): **74,656**
Captured Offenders (D2): **10.9%**

$$\frac{74{,}656}{10.9} \times 100 = 684{,}917$$

Rounding of the final figure: **700,000**

Application of the methodological calculation suggests it is likely there are between 550,000 and 850,000 UK based offenders posing varying degrees of risk to children (with a central estimate of 700,000).

| | Exact | Rounded |
|---|---|---|
| **Population Estimate** | 684,917 | 680,000 |
| **Lower Confidence Value** | 549,019 | 550,000 |
| **Upper Confidence Value** | 850,184 | 850,000 |

The use of a **95%** statistical confidence interval provides a range of **550,000 – 850,000** offenders, from which the central estimate is derived. We have attached a moderate confidence level to this, based upon academic rigour, academic research, available intelligence and subject matter expertise on the threat.

The population the final figure relates to has been defined as: 'UK based offenders who pose varying degrees of risk to children'. Reasoning behind this specific wording relates to the datasets used:

- **D1** - Individuals who have committed CSA offences and are currently active on the UK Sex Offenders Register. Length of time spent on the active register is dependent on offence committed and sentence imposed, so includes a range of offender types at different stages of management. This does not include any offenders added to the register as a result of investigations in 2020 and is therefore independent of dataset 2. These individuals are classed as offenders.

- **D2** - Individuals who have been identified committing CSA offences via proactive online investigations in 2020. These individuals are therefore also classed as offenders.

Archived RSOs have not been included in either of the datasets. These are nominals who cease to be active under Multi-Agency Public Protection Arrangements (MAPPA) when their period of registration expires.

Number of archived RSOs excluded from D1: **63,679**

Percentage of archived RSOs excluded from D2: **3.2%**

While both datasets relate to offenders, who have committed offences, the extrapolated number also includes those who have not yet been identified by law enforcement. As we cannot ascertain to what degree each offender poses a current or future risk to children, the risk is said to be varying. Risk will vary by a number of protective and/or risk factors including behavioural, socio-economic and offending opportunities presented, which will be unique to each individual. Offending includes the full spectrum of child sexual offences.

Additionally, **11.7% (8,740)** of offenders from dataset 1 were under the care of Her Majesty's Prison Service, as of 14 December 2020, almost certainly preventing them from posing an active risk to children until their release.

## Strengths

This methodology is used where it is impractical to count each member of a population and is grounded in academic literature. It has successfully been used in the estimation of the victim population for modern slavery and human trafficking in the UK and has been academically peer reviewed.

The application of the methodology used in a similar context can be reviewed in 'Silverman B (2014), Modern Slavery: an application of Multiple Systems Estimation'. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/386841/Modern_Slavery_an_application_of_MSE_revised.pdf

Additionally, this methodology is replicable and enables continued development for future iterations of the National Strategic Assessment. Specifically, the identification and inclusion of additional unbiased datasets, allowing for refinement in the figures and increased confidence in the assessment.

## Limitations

The final figure does not include non-UK offenders targeting UK victims, or peer-on-peer offenders (who have been sanctioned via alternative procedures). It is also only representative of offenders who have been detected by law enforcement. Therefore, it is highly likely that the number of offenders targeting or able to target children in the UK is higher than estimated.

While the first dataset includes both online and physical offenders, the second dataset focusses on online offenders, who may or may not be involved in physical offending. The final figure is therefore skewed towards online offending. Additionally, we are unable to calculate the proportion of online and/or physical offenders, however, use of additional datasets in future iterations will be explored in order to address this limitation.

We are unable to calculate the different levels of risk posed by offenders, as the figure is an extrapolation based upon current offenders who themselves range in risk. While we could explore the risk levels of identified offenders from the samples used, these will not be reflective of the extrapolated numbers. Additionally, every offender will have varying behaviours and life factors which will intermittently increase or decrease their risk.

## References

Information in this report is based on intelligence assessment and analysis over 2020, gathered from a number of sources. The references included here cover material where information originates from partner agencies, or is already available in greater detail in the public domain. The original figures, information on methodologies and caveats are covered in the original source material. All figures in this report are rounded to the nearest whole number.

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