

Lynne Owens speech at RUSI – 10 March 2016:

The UK's response to Organised Crime and National Security

Thank you for the kind invitation to speak today. I want to spend the next 20 minutes talking to you about serious and organised crime; my priorities for the National Crime Agency, the nature of the threat and how we are responding.

I have come to the National Crime Agency as a proud detective, having served in policing for the past 26 years. Over recent years I have seen the policing landscape change significantly, in particular crime patterns have altered. Law enforcement is rightly proud of its success in reducing crimes like burglary and with regular intervention in large scale drug supply. However, the rapid growth of technology has seen a shift from these more familiar crime types, to crimes against people, often perpetrated or certainly instigated through devices within the victim's own home. By their very nature those are less visible to the traditional and valued patrolling police officer.

There have been governance and scrutiny changes too with the Independent Police Complaints Commission, Her Majesty's Inspectorate of Constabularies, Police and Crime Commissioners and the College of Policing being introduced or expanded. These are all intended to play a part in the police being able to act with the consent and confidence of the public. The National Crime Agency plays a significant role as part of this framework, leveraging action across the spectrum of law enforcement, and, where we can, acting with openness and transparency. This will be fundamental to our success. The leadership challenge is for law enforcement officers to have a clear and consistent mission which they are able to keep returning to. Protection of the public and specifically the relentless pursuit of criminals has been my career mantra; this is what the National Crime Agency will deliver.

My role as Director General is, first and foremost, about protecting the public and, as I have said, doing that with a focus on relentlessly pursuing criminals. The impact of serious and organised crime costs the UK economy billions of pounds a year. But, more importantly, it harms communities, destroys families and can ruin lives. And this also has knock-on effects for our partners. For example, there is a significant impact on the NHS of providing vital support to victims of child sexual exploitation and the medical attention often required by those who misuse drugs.

It is in this context that organised crime and cyber crime are recognised as national security threats. In response to them, the Home Secretary has set our strategic priorities. These priorities inform all of our planning – our bread and butter in keeping the UK safe, and I am determined that the NCA will sit at the apex of the law enforcement response to serious and organised crime.

The NCA is now no longer a new agency. Through my predecessor, Keith Bristow, we have established ourselves and I pay tribute to the work he did in that regard. We have developed strong partnerships, both domestically and internationally, and with the public and private sectors. This collaborative approach is central to how the NCA leads the fight to cut serious and organised crime.

I am determined to build on the excellent work started by Keith, so let me explain my plan.

Firstly I, and other members of the Board, are prioritising work to further enhance and build confidence in the intelligence picture to better understand the threat to the UK from serious and organised crime. This is necessary to enable us to flex our response, with agility, and to build our national capabilities for the future. We cannot do this alone. The Intelligence Hub within the National Crime Agency works with key partners across government departments, industry, academia, law enforcement and security agencies to ensure that the risk the UK faces can be understood and addressed through a truly joined-up intelligence picture.

In doing this we will draw upon valid and relevant research produced by organisations such as RUSI and will support and enable research that builds a richer picture of the threats it combats. Such improved understanding informs and enhances the UK's capability to disrupt the serious and organised crime threats that impact on its economic prosperity and the wellbeing of its citizens. I therefore welcome the launch of the RUSI Strategic Hub on Organised Crime whose research will help us and the public develop a better understanding of the threat.

Secondly we will relentlessly pursue what we refer to as High Priority Criminals. Let's be clear, these are criminals who terrorise communities and believe themselves to be untouchable. They create a misplaced sense of power, status and position often abusing vulnerable people to undertake criminal activity on their behalf, distancing themselves whilst taking most of the profit but none of the risks. They can become negative role models to some young people in the process. We will focus absolute attention on these criminals, ensuring that their risk of prosecution and disruption, through, for example, the loss of their assets, will rapidly increase when we are on their case. Let me be clear, their fear of us should be driven through three things: absolute knowledge that we have access to the best intelligence, ethically and legally obtained, that our people are determined and focussed, highly trained and skilled, and that we will present unassailable evidence to courts, gathered and presented with absolute integrity, thorough knowledge of the law and precision in our attention to detail.

Thirdly the Agency will provide specialist capabilities to our partners. Whether it be the international reach we have as a result of our network of excellent international liaison officers, or through some of the high end covert capabilities that we have and are developing, including those with the intelligence agencies. It makes evident economic and operational sense for some work to be done once nationally and we have a key role in this regard. Identifying the responsibilities at national, regional and local force level in response to the threat from child sexual exploitation online is an impressive example - more of the results from that later. It also shows the important collaborative work between ourselves and the police, led jointly in this case by our Director Johnny Gwynne and the national policing lead for child sexual exploitation and abuse, Chief Constable Simon Bailey. We are looking to extend the model that they have developed across every threat area.

Whether you are a victim of crime in a community from Lands End to John O'Groats or a multi national business you should know who will be protecting you from fraud or cyber crime; both areas that are more opaque and confusing in co-ordinated response than they should reasonably be. The work being done to introduce more consistency at regional level through the Regional Organised Crime Units will be crucial in this regard. Of course the picture for each threat area may be different, with a far greater involvement for private sector partners in the area of economic crime than in organised immigration crime, for example, where our partners in HMRC, Border Force and Immigration Enforcement have significant roles to play.

This clarity will aid my role as I chair the National Strategic Tasking and Coordination Group process – a group which sits twice a year. This is a top level, multi-agency body which collectively reviews the threat and risk, considers what resources are available, and agrees how we will respond. Of course I have a power, in law, to task others but would hope that this early negotiation of roles and responsibilities will provide clarity and enhance our ability to protect the public.

So as the threat changes we need to respond dynamically. There has been progress: in November last year a GCHQ/NCA Joint Operational Cell was launched to tackle the most technically advanced serious and organised criminals, with an initial focus on online child sexual exploitation. Using £10 million funding announced at the 2014 WePROTECT summit, the NCA has strengthened victim identification and created additional intelligence and child protection advisor capabilities. This has included opening a second child sexual exploitation hub in the North West and developing eight new specialist teams to target the most serious child sexual exploitation offenders.

This enhanced capability and improved response is delivering effect. For example, within the last year, proactive coordinated activity undertaken by the NCA and police forces resulted in over 1250 children being safeguarded and over 900 suspects being arrested. All 900 were suspected of making, distributing or possessing indecent images of children.

I truly believe that the United Kingdom's law enforcement agencies are more joined up than ever before – and increasingly demonstrating a more powerful response across a range of threats. These include CSE as I have just mentioned, cyber crime, organised immigration crime and firearms. Another example of this is the successful conviction of three members of a drug-smuggling crime group who flew millions of pounds worth of cocaine into the UK being given prison sentences totally 66 years. This operation included invaluable help from our colleagues in the Metropolitan Police, North Yorkshire Police, Border Force and the authorities in Germany. With their outstanding contribution we have dismantled a significant criminal enterprise and stopped them from bringing large quantities of cocaine into the communities of North Yorkshire. But in addition to securing prison sentences, the NCA Border Investigators generated a clear insight into the risks posed by general aviation, and provided a solid basis for multi-agency activity to address this vulnerability.

This collaborative approach also means that high-end specialist capabilities do not have to be retained by each individual UK police force. In the NCA we

provide some top end capabilities needed to investigate the highest-risk criminals and criminal activity. This can involve complex cyber crime investigations, money laundering or the pursuit of child sexual exploitation offenders overseas. However the National Crime Agency does not retain the operational lead in every investigation. It is often the case that the lead remains with another agency or police force who has requested specialist support from us. So we need absolutely clarity on what we, the NCA, does, what we do with others and what we expect from others.

I would now like to take the opportunity to talk about the other threats that we face from serious and organised crime to illustrate how the law enforcement response has had to change. I have already spoken about child sexual exploitation and the sheer volume that we are dealing with – 2015/16 has seen significant increases in reporting relating to both the sharing of indecent images of children and on contact child sexual abuse. For example in 2010 we received approximately 400 referrals a month from industry in respect of indecent images of children, this has risen to around 1800 referrals a month. And I have also spoken about cyber crime which, for the criminals, is currently relatively low-risk but high-reward activity. For law enforcement our priority – and a major challenge - is to identify how cyber enables the criminal market place for CSE, drugs, firearms and other criminal activity.

The threat we are facing from Organised Immigration Crime is also plainly visible. This threat area spans multiple countries, nationalities and criminal methodologies. It is exceptionally complex and we are working with Government to tackle the organised crime groups who facilitate the travel from source countries to Europe and the United Kingdom. International partners are required to make a significant contribution and, in our role as lead of the United Kingdom Organised Immigration Crime Taskforce, we have deployed officers to European and African countries.

This Taskforce has already seen some success. In December last year, it played a key role in a Europe-wide day of action that resulted in the arrest of 23 members of an Organised Immigration Crime group, including arresting the head of the Organised Crime Group here in the UK. Using the unique reach and access of the National Crime Agency's international network and the strength of our relationships with key partners such as Europol, the Taskforce was able to add a real sense of momentum to a joint Hellenic Police / NCA investigation and ultimately dismantle a sprawling and effective criminal network. This group had been controlled and directed from the UK since 2014 and was facilitating irregular migrants - predominantly Syrian nationals - from Greece and onwards into the wider EU using the Western Balkan route.

Similarly we were all appalled by the terrorist attacks in Paris last year – this further highlighted the seriousness of the firearms threat to the UK. In August 2015 the National Crime Agency, with outstanding support from Kent Police, arrested eight people suspected of involvement in the largest ever haul of automatic weapons in the UK mainland. Three of those arrested have pleaded guilty to firearms importation offences. The trial against the other suspects started on 24th February. NCA officers, with support from Slovakian law enforcement partners, conducted further enquiries into a number of commercial companies, based in Slovakia, legitimately selling converted military firearms.

These weapons were identified as identical to those seized in Kent last year. The Slovakian authorities' investigation continues. This serves to highlight the importance of working closely with our international partners.

I know that colleagues in the security service and counter terrorism policing see the relatively low availability of firearms in the UK as a major advantage compared to many other countries. However, new challenges such as the dark web could put this advantage at risk, and therefore one of our key operational priorities in the NCA is to keep the availability of firearms in the UK low, working with force gang units and counter terrorism colleagues.

The vast majority of serious and organised crime is committed for financial gain so we regard action to deny criminals the benefits of their crime as a key component of our overall response. We seek to do this by disrupting the individuals and systems that facilitate money laundering, and by targeting the proceeds of crime directly, through asset restraint and confiscation; civil recovery; compensation to victims; cash seizure; and taxation.

The most recent National Strategic Assessment identifies high end money laundering as a priority threat in its own right. This is simply defined as non-cash money laundering, carried out through electronic transfers, corporate structures and layers of trust and company ownership, which depends on access to the financial system and to professional skills to be effective. Identifying and proactively investigating corrupt professional enablers is a top priority for the NCA. The vast majority of lawyers, accountants, trust and company service providers and estate agents are honest, law abiding professionals. But a few are not. They have made a choice to facilitate serious and organised crime; so the NCA will use its capabilities to identify, investigate and bring them to justice.

We estimate that hundreds of millions of pounds are laundered via UK banks and their subsidiaries every year; including the profits of international corruption, major organised crime and serious financial crime. This does not make the UK financial services the villains but more often the unwitting victims whose services are abused by criminals. So the NCA, as the lead law enforcement agency, has pledged to change the dynamic of our relationship with the financial industry, building trust and confidence and actively working together to cut crime and protect the public.

As part of our response to tackling the proceeds of international corruption - an issue which will be brought into sharp focus by the Prime Minister's Global Anti-Corruption Summit in May - the NCA's International Corruption Unit was established in February 2015. This is developing into a world class unit leading the UK's fight against serious bribery and corruption. The International Corruption Unit enjoys full access to all of the NCA's capabilities - including its international reach, covert intelligence tools and civil recovery and tax powers. The NCA is using these capabilities to investigate corrupt officials who steal their countries' wealth and deprive their citizens of food, shelter and education.

The NCA seeks to bring to justice these corrupt official and return the wealth to its rightful owners. For example, our Civil Recovery and Tax team recently returned £29 million to Macau - the first time that the UK has repatriated proceeds of crime under the United Nations Convention against Corruption.

And last month a specialist money launderer who attempted to receive and wash the proceeds of a German bank fraud committed nearly 15 years ago, has been ordered by the court to hand over more than £4.7 million.

But it goes without saying that these are challenging times for all of law enforcement. As traditional face to face crime decreases, criminality in the cyber sphere is on the rise. It is used to communicate, launder money, arrange illegal shipments and blackmail children from anywhere in the world.

It has also opened up new crimes, such as distributed denial of service attacks and sharing of indecent images of children, plus the dark web, all of which never existed 20 years ago. The financial cost to UK businesses as a result of cyber crime continues to increase – we currently assess the financial cost of cybercrime to be well over a billion pounds a year.

Increasingly, cyber crime is layered in anonymity and encryption, which further complicates the need to develop the proportionate capabilities and legislation required to ensure serious and organised criminals do not have easy hiding places from law enforcement.

Although the devices and applications are legitimate, their adoption by organised crime groups can help them to evade detection. As law enforcement, we must therefore ensure our own technical capabilities are constantly evolving and adapting as crime changes and that our officers are skilled to tackle crime in a digital environment.

There is an ongoing and important debate around how to balance both privacy and public protection. I absolutely understand the concerns about privacy, much and rightly valued. Equally though, my role necessitates that I protect the public. The draft Investigatory Powers Bill seeks to balance these two responsibilities, while streamlining and updating the legislation for Law Enforcement powers in the areas of communications data, equipment interference and lawful intercept, reinforcing transparency and oversight.

The Bill will help to bridge the gap between the capabilities of law enforcement and criminals. Whilst criminal groups are able to take advantage of sophisticated developments in technology, law enforcement is currently unable to keep pace, match their capabilities and deliver the same criminal justice outcomes against those operating online as we are able to do in the real world.

And that is why there is a proposition that internet connection records should be kept by telecoms providers. Internet connection records are about updating law enforcement's use of communications data for the internet age. Communications data is mission-critical to law enforcement, routinely used to tackle crime or find missing people. It provides crucial intelligence and information about, for example, with whom a suspect or victim has been in contact, where and when the communication took place and by what means. However – to be very clear – it does not provide the content of the communication. Communications data is used in 95% of serious and organised crime prosecution cases handled by the Crown Prosecution Service. Indeed, some of the earlier successes I mentioned demonstrate that, without access to

the right information to support of investigative work, our ability to protect people in the UK from harm will be seriously undermined.

I believe it is really important that the public understand why we need to use different techniques. I passionately believe in policing by consent and that means explaining, where possible, what we do and why. That is why we and our partners have contributed to this process, setting out the operational implications of the different options being considered. Having made our contribution however, we must recognise that not every investigative technique can or will be discussed publicly. To do so would hand an advantage to criminals. I therefore believe that public confidence in this area needs to come from the transparency of the authorisation of warrants, the creation of a new judicial oversight body and the accountability process. As a law enforcement leader it is my responsibility to speak with candour about the changing nature of the threat to the people of the UK; our communities, our businesses and our children. It is for Parliament to decide the balance of any powers and the oversight arrangements that should be put in place.

So whilst I've been talking about the changing threat, you may have been thinking to yourself that NCA operational results which receive the most publicity remain in the area of large drugs seizures? For example, the recent conviction of 8 drug traffickers who attempted to bring 1.3 tonnes of cocaine into Europe or the 2.4 tonnes of cocaine seized last December a few miles off the UK's south coast. Drugs still remain a high volume, high frequency serious and organised crime threat with both national and local impact. It commonly cuts across other threats such as organised immigration crime, human trafficking and modern slavery and money laundering. And a significant amount of drug traffickers are involved in violent crime including the deadly use of firearms. Drugs also sit at the core of UK urban street gang culture and exploitation of the young and vulnerable. For these reasons it is therefore important to maintain a priority stance to drug trafficking.

So, the NCA will carry on chasing the kilos – not because it is easy or what we have always done – but because the links and connections with the priority threat areas and the risks to the public are there.

When I arrived at the NCA, it was clear that it was delivering some truly outstanding operational results, and had an enormous reach, working with international partners to bring the most serious criminals to justice. It also undertook highly sophisticated intelligence work to assist the national picture of the threats faced by the UK.

In order to be able to provide the most effective response to the threats as they change, I believe that the agency needs three things:

- The first is a credible and developed intelligence picture, which both we and our partners have confidence in. This will allow us to task activity with confidence, towards the greatest threat.
- The second is to provide clarity, both within the agency and amongst our partners over who contributes what. Our focus will be on the so-called untouchables, those who have sought to build industries of organised

crime. We will ensure that none of them are beyond our reach, no matter how sophisticated their offending: put simply, there will be no hiding places.

- Third is to develop and deliver specialist capabilities, hosted on behalf of law enforcement which maximise our collective impact on the organised crime threat.

None of this can be delivered without investment in our staff - undoubtedly our greatest asset. I am privileged that every day I am able to meet and speak with high calibre NCA officers with a range of specialist skills. Organised crime is becoming increasingly complex and unless we recruit and retain the best, we will not keep pace. This must therefore be at the forefront of our mission.

I hope I have given you some insight into the challenges we face from serious and organised crime and shared how the Agency will work with partners to respond. Of course, in some areas, we are not there yet and within the Agency I have many forthright and thoughtful officers who are willing to talk to me about what more we need to do to deliver all I have proposed today. My pledge to you is that I will lead that change in my organisation, and you should reflect on the contribution from your organisation too. Protecting communities from serious and organised crime is a worthy mission and, as that great civil rights campaigner Martin Luther King once said "Our lives begin to end the day we stay silent about things that matter."