



NCA

National Crime Agency

National Strategic Assessment of Serious and Organised Crime 2014

1 May 2014

Foreword from the Chair of the National Strategic Tasking and Co-ordination Group (NSTCG)

The last few years have seen continuing change in the UK's law enforcement landscape, starting with Police and Crime Commissioners elected in 2012, followed by the launch of the National Crime Agency and publication of the Government's Serious and Organised Crime Strategy in October 2013.

We are now firmly embedding these changes as business-as-usual activity for law enforcement and partners in the collective fight against serious and organised crime affecting the UK and its interests.

The Government regards serious and organised crime as one of the greatest threats to the UK's national security. Acknowledging the severity of serious and organised crime's destructive and pervading effects on the UK is the first step; we then need to identify and collectively agree the activities to target and relentlessly disrupt serious and organised criminals that impact on the UK and its interests.

Serious and organised crime is not just a threat—it is a daily reality that can affect everyone and costs the overall economy at least £24 billion each year. On a human level it can and does cause immense damage to communities, families and individuals through violence affecting intended victims and bystanders, the ill-effects and death from drug use, ongoing psychological damage to victims of child sexual exploitation and abuse, and driving legitimate business away.

As the agency with the responsibility to lead, co-ordinate and task law enforcement activity against serious and organised crime, the NCA also has responsibility for publishing an authoritative annual assessment of the impact of and threat to the UK from serious and organised crime and an authoritative assessment of threats to border security. This National Strategic Assessment (NSA) provides the single, comprehensive picture of serious and organised crime affecting the UK and is a key document in the reporting and priority-setting cycle. This approach is in line with the National Intelligence Model (NIM) used by law enforcement agencies¹.

The NSA is also aligned to the Serious and Organised Crime Strategy, which identifies four main objectives: PURSUE, PREVENT, PROTECT and PREPARE as the framework to substantially reduce the level of serious and organised crime. As acknowledged in the Strategy, the Government's immediate priority is the work set out under PURSUE to prosecute and relentlessly disrupt serious and organised criminals.

The NCA leads the UK's fight to cut serious and organised crime, but strong partnerships are at the heart of making the Serious and Organised Crime Strategy work. The NCA works with many partners in a multitude of ways across every sector both in the UK and overseas. These strong partnerships are vital for the effective delivery of the work and I acknowledge and thank each and every one for their efforts so far, not least for their contribution to this first new National Strategic Assessment of Serious and Organised Crime in the UK.

Keith Bristow QPM

Director General
National Crime Agency
Chair NSTCG

¹ The National Intelligence Model is the blueprint for intelligence-led policing in the UK. It outlines the component parts of the intelligence and tasking processes.

“Crime groups intimidate and corrupt and have a corrosive impact on some communities. Cyber crime undermines confidence in our communications technology and online economy. Organised immigration crime threatens the security of our borders. We regard human trafficking as a pernicious form of modern slavery. Financial crime can undermine the integrity and stability of our financial markets and institutions.”

Serious and Organised Crime Strategy, 2013

Contents

Foreword from the Chair of the National Strategic Tasking and Co-ordination Group (NSTCG)	1
Executive summary	4
The strategic framework	5
Section 1: Cross-cutting	7
Serious and organised criminals	7
Assessment of the scale	8
Serious and Organised Crime Overseas	9
Victims of serious and organised crime	10
Assessment of the scale	10
Cross-cutting issues	10
Cyber-enabled crime	10
Borders	11
Money laundering and criminal finance	12
Proving identity	12
Corruption	13
Section 2: The key threats	14
Child sexual exploitation and abuse	15
Criminal use of firearms	16
Cyber crime	17
Drugs	19
Economic crime	21
Organised acquisitive crime	23
Organised immigration crime and human trafficking (including modern slavery)	25
Prison and lifetime management	26

Executive summary

If there is a single cross-cutting issue that has changed the landscape for serious and organised crime and our response against it, it is the growth in scale and speed of **internet communication technologies**. The online streaming of real-time **child sexual exploitation and abuse** is a growing threat. **Cyber** techniques have proliferated and are used ever more extensively by wider serious and organised crime groups to commit ‘traditional’ crimes (see Section 1: Cross-cutting issues for cyber-enabled crime). As more government services go online, including tax collection, there is an increasing risk of online attacks and **fraud** against the public sector. Large scale attacks on public as well as private online services erode consumer confidence, which affects the UK’s social and economic wellbeing and reduces the attractiveness of the UK as a place to do business. 84% of all cases of identity fraud are delivered by the internet. The pace of development of deployable criminal tools is such that we anticipate an increase in the targeted compromise of UK networked systems, more ransomware attacks and distributed denial of service (DDOS) attacks against business-critical systems (see Section 2: Key threats for cyber-dependent crime).

Corruption is another key cross-cutting issue, the impact of which is disproportionate to the level and frequency at which it occurs, with serious ramifications in terms of confidence towards the public and private sectors and in undermining trust in government. Proceeds of corruption and **bribery** amounting to millions of pounds from some international politically exposed persons² (PEPs) have been laundered through UK financial systems including banks and investment property. The scale of the **laundering of criminal proceeds**, despite the UK’s leading role in developing international standards to tackle it, is a strategic threat to the UK’s economy and reputation. Some of the same financial transfer systems used by serious and organised criminals in the UK are also used by terrorist groups both domestically and overseas. The UK and its dependent territories are believed to have been the destination for billions of pounds of European criminal proceeds.

We assess that the supply of **heroin** from Afghanistan, **amphetamine** processing/production in the UK and the supply of **new psychoactive substances** are all likely to increase, and that the supply of **cocaine** from South America is likely to remain at a high rate. The impact of the illegal drugs trade in the countries where they are sourced and those through which they are trafficked can be significant and undermines states and government structures. In some cases it has the potential to damage UK strategic partnerships.

Human trafficking is widely recognised as a significant global problem. Work to scope the extent of criminality behind the trafficking of human beings continues in order to improve the understanding of **modern slavery**. We assess that irregular migrants³ already in the UK will continue to provide a pool of people that serious and organised criminals can exploit by selling them forged or counterfeit documents to support fraudulent applications for leave to remain in the UK. We also assess that **criminal exploitation of the legitimate supply of firearms** to the UK marketplace will increase. There is also a concern that weapons, whether from illegal or legitimate sources, might find their way into the hands of extremists.

All of the most serious crime threats are **transnational**. Commodities of all types—including, for example, trafficked people destined for modern slavery, intangibles targeted in fraud and cyber crime—either come from or transit through often unstable countries. Corruption in these countries both feeds off the proceeds of the crime and contributes in turn to **instability**. The criminal exploitation of corrupt and unstable governments or countries can directly threaten **UK national security**.

2 PEPs are defined as natural persons who are, or have been entrusted with, prominent public functions and immediate family members or persons known to be close associates of such persons. Only a minority world-wide are suspected to be engaged in criminal activity.

3 The term ‘irregular migration’ captures the wide spectrum of violation of the laws and regulations related to immigration.

The strategic framework

The National Strategic Assessment (NSA) is the objective picture of serious and organised crime affecting the UK and its interests. It presents the overarching priorities as agreed by UK law enforcement and key partners from the public, private and third sectors. The National Control Strategy, which is based on the single assessed picture presented in the NSA, drives the concerted action against serious and organised crime in line with the '4 Ps' framework as articulated in the Government's 2013 Serious and Organised Crime Strategy.

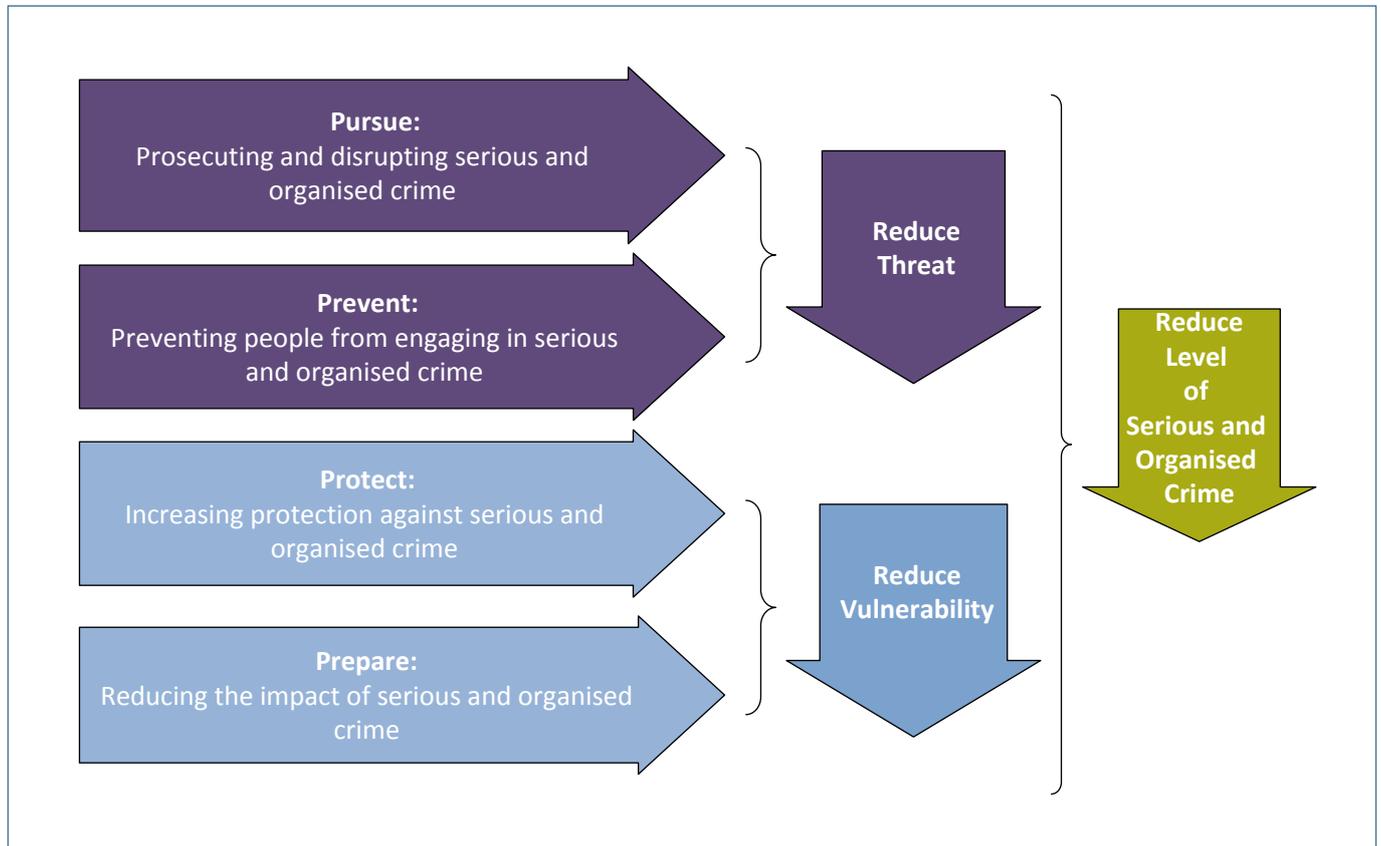
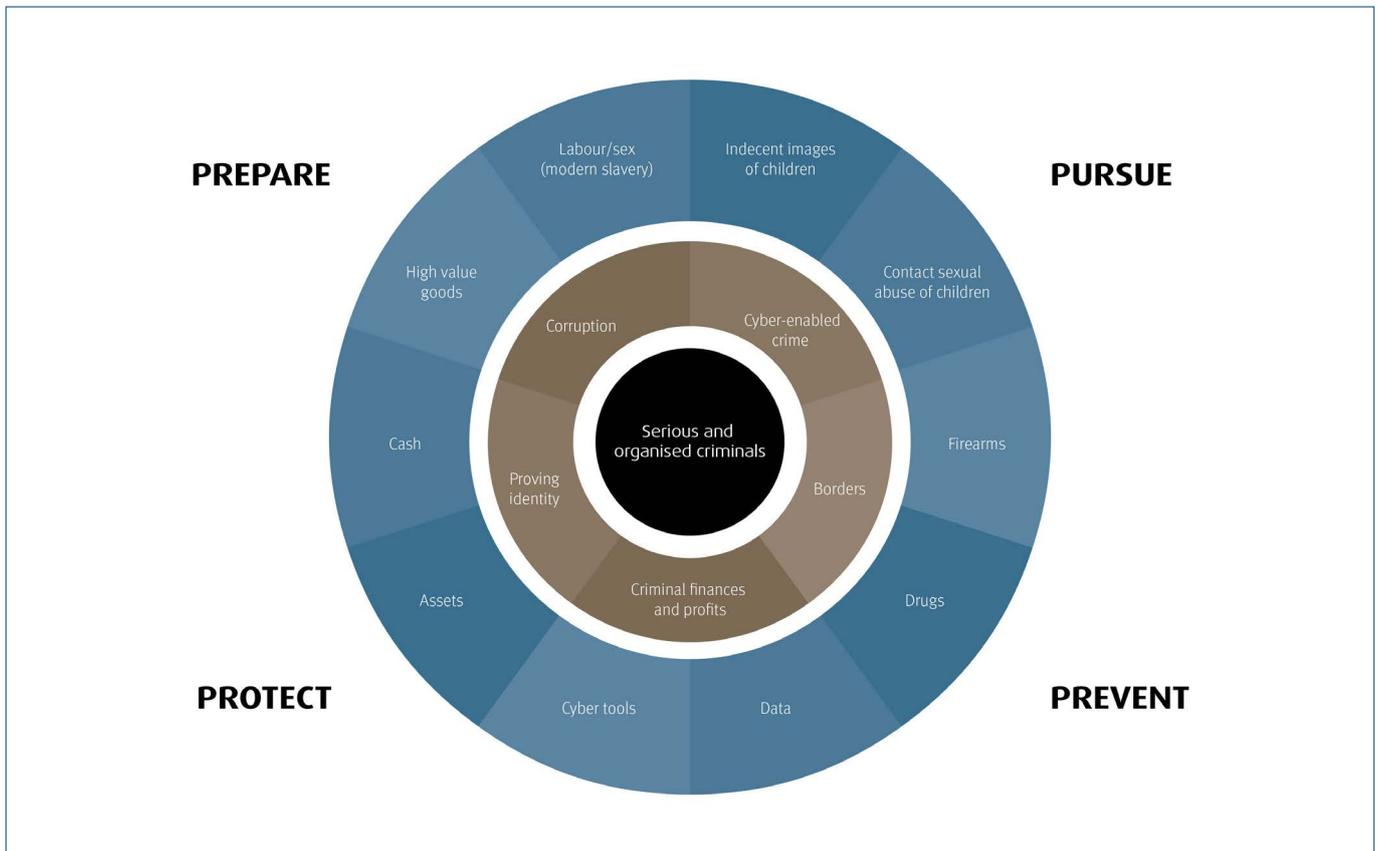


Figure 1: The '4 Ps' framework in the Serious and Organised Crime Strategy

The National Strategic Tasking and Co-ordination Group (NSTCG) oversees national tasking and co-ordination for serious and organised crime, and is supported by five multi-agency Strategic Governance Groups (SGGs) which co-ordinate the operational response across PURSUE, PREVENT, PROTECT and PREPARE.

The NSA is presented in two main sections:

- The **first** section identifies and assesses the scale and nature of serious and organised crime in the UK in terms of the criminals; their impact on victims; and five cross-cutting issues that criminals exploit to enable aspects of their criminal enterprises: cyber, borders, corruption, money laundering and criminal finance, and identity theft and fraud.
- The **second** section assesses the identified threats (child sexual exploitation and abuse, criminal use of firearms, cyber crime, drug trafficking, economic crime, human trafficking (including modern slavery) and people smuggling, organised acquisitive crime, and the threats posed by serious and organised criminals in prison and under lifetime management.



Each part identifies and defines the issue, and then assesses the scale.

Figure 2 (above) shows the interactions of serious and organised crime affecting the UK and its interests. The brown band includes common tools they need to use or obstacles they need to circumvent to commit their criminal activity. The blue band includes the commodities serious and organised criminals trade in and other types of crime they commit that affect the UK. PURSUE, PREVENT, PROTECT and PREPARE are the UK's response against all of these areas.

The NSA was prepared by the NCA's Intelligence Hub with input and review from representatives from across the combined cross-sector community fighting serious and organised crime in the UK. Contributors included Border Force, Her Majesty's Revenue and Customs (HMRC), Home Office Immigration Enforcement, Metropolitan Police Service, the National Crime Agency (NCA), the National Offender Management Service, Northern Ireland Organised Crime Task Force, Police Scotland, Police Service of Northern Ireland and the Regional Organised Crime Units (ROCU).

Section 1: Cross-cutting

Serious and organised criminals

The Government's Strategy defines serious and organised crime as 'serious crime planned, co-ordinated and conducted by people working together on a continuing basis. Their motivation is often, but not always, financial gain. ... Organised crime in this and other countries recognises neither national borders nor national interests.'

Generally, serious and organised crime in the UK operates in loose networks where individuals, pairs or small groups bring associates and contacts together to work on particular enterprises across multiple crime types. Some serious and organised crime is perpetrated by hierarchically structured groups comprising close associates and/or family members, some of whom are based overseas. Most serious and organised criminals benefit from corruption that has taken place at some stage in the criminal process in other countries or the UK, even if individual criminals operating in the UK have not personally engaged in corruption.

Regardless of how they structure their enterprise, serious and organised criminals depend on trust and reputation. Few criminals work with other criminals who have tarnished reputations and criminals do not trust new and untested associates. While relationships with other criminals—including those in gangs—may be volatile and violent, serious and organised criminals are known to develop partnerships that will benefit their criminal business. These partnerships cross boundaries both within the UK and internationally, and can cross ethnic boundaries.

The internet is a global environment within which criminals communicate, organise and trade to an extent just as ordinary people and legitimate businesses do. Technological development—both legitimate and criminal—is dynamic and criminals have long been fast to adapt to changes of technology, the law, and the actions of law enforcement, regulators and the ICT security industry. Criminals use the internet to conspire with other criminals and to trade a wide range of commodities online—e.g. drugs, firearms, indecent images of children. Criminals also trade skills, tools and techniques that enable criminal offences; this is known as the 'as-a-service' business model. In cyber crime, the proliferation of the 'as-a-service' marketplace has demonstrated collaboration between cyber criminals and groups from different countries and ethnic groups. While there is a strong international dimension to cyber crime, it is important to stress the involvement of UK-based criminals who act against domestic and global networked systems.

Motivation

Most, but not all, serious and organised criminal activity is aimed, directly or indirectly, at making money. Criminal proceeds are reinvested in further illicit enterprise, used to fund lavish lifestyles or to accumulate wealth and assets.

Usually wealth creation works in tandem with other motivators and these are not always well understood. For example, the reasons why serious and organised criminals need professionals and experts are well-known, but what is less well known is why these professionals engage in criminal activity. Some are intrinsically criminal. Others are paid, coerced with threats of violence or by the criminals exerting familial and cultural pressure. It is known that certain professional roles within the financial sector are targeted for corruption.

Members of paramilitary groups or individuals with links to paramilitary groups in Northern Ireland continue to be involved in a wide range of serious and organised criminal activity, the proceeds of which they launder and use to support terrorist activities⁴.

Local offenders can group together to form urban street gangs and then into more substantial organised crime networks or gangs. The reasons why this occurs with some individuals and groups, but not all, is not well understood; there is work underway researching criminal career paths.

Child sexual exploitation and abuse offenders are usually motivated to commit their crime from their sexual desires rather than for financial gain.

Assessment of the scale

As at December 2013, organised crime group mapping identified some 36,600 organised criminals in 5,300 groups currently operating in ways that directly affect the UK⁵.

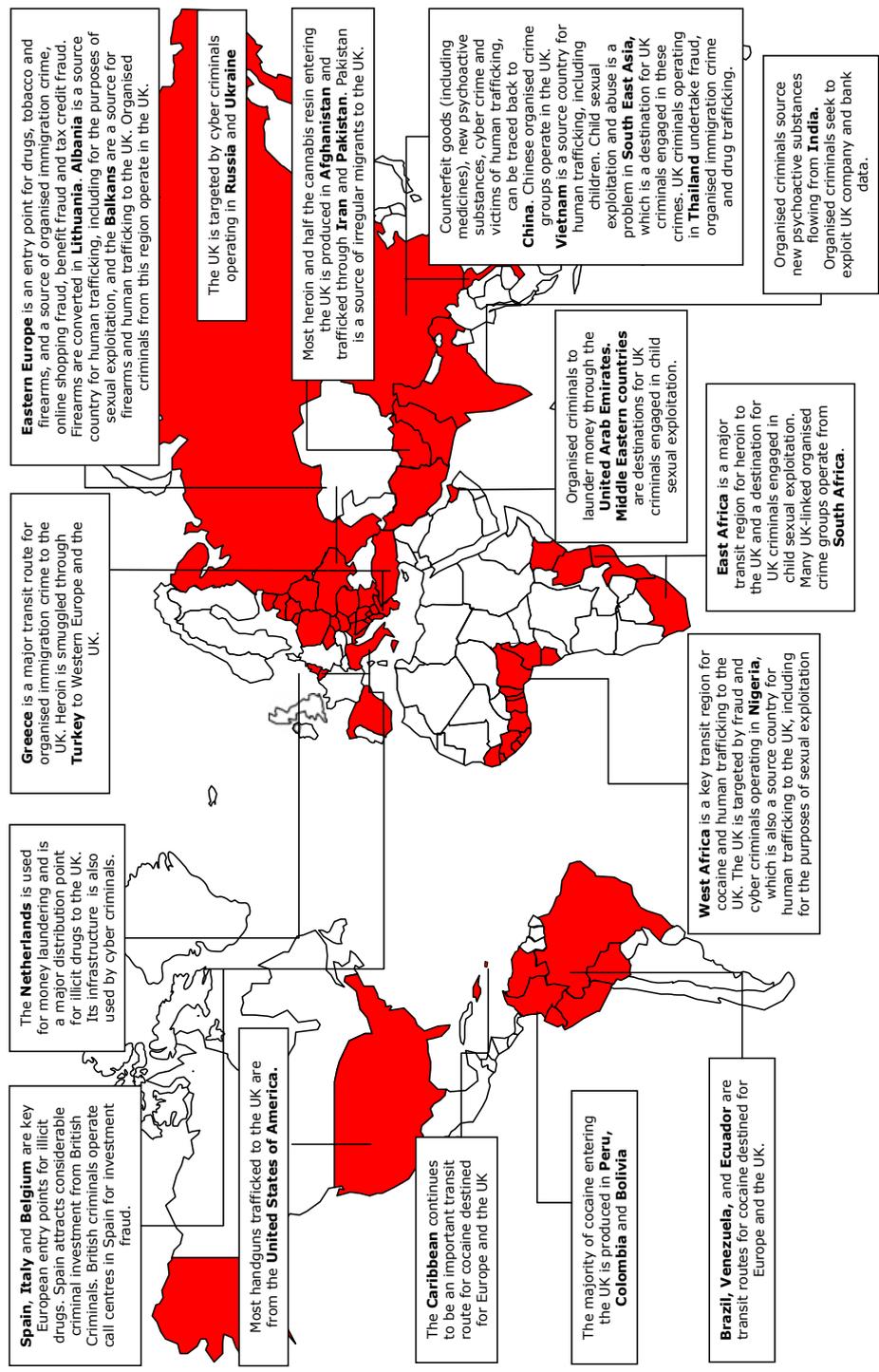
4 Northern Ireland Organised Crime Task Force Organised Crime Strategy January 2012 to March 2014 www.octf.gov.uk

5 Mapping is a process where UK law enforcement agencies collate and share information in a systematic way to aggregate an overall picture of serious and organised crime affecting the UK.

Serious and organised crime overseas

The UK works with the authorities in most of the countries identified in the map to cut the impact of serious and organised crime active both in those countries as well as the UK. Recent successes have included joint working with Turkey, the Netherlands, Spain, Romania and the USA.

Serious and Organised Crime Overseas



Victims of serious and organised crime

Victims affected by serious and organised crime are defined as:

- Those who are physically injured, subjected to psychological trauma, or killed as a direct and intended consequence of a criminal action (e.g. sexual abuse of children and adults, distribution of indecent images of children, shootings targeting rival gangs or individuals, torture of a suspected informant of a drug trafficking group, addicting people to drugs to drive demand).
- Those who are physically injured, subject to psychological trauma or killed as a usually unintended consequence of a criminal action (e.g. drug use, people shot in cross fire, human trafficking for labour and sexual exploitation, kidnap, robbery, stress caused by fraud).
- Those who suffer loss of money or other assets including reputation but whose physical well-being is not directly affected even though unintended consequences can include anxiety and stress at a personal level. The category includes individuals, organisations across the charity, private and public sectors, and government infrastructure, against which the caused damage is substantial, even potentially catastrophic to the economy or national security.

Each time serious and organised crime manifests against individuals or businesses there are nearly always ramifications for communities and society generally in terms of reduced quality of life, social cohesion and increased crime levels. These affect local community safety, viability of local economies, among other factors.

Assessment of the scale

A high proportion of victims do not, for a variety of reasons, report crime committed against them. These include victims of certain fraud types, cyber crime, child sexual exploitation and abuse, human trafficking offences and modern slavery. In some cases those affected do not identify themselves as victims of serious and organised crime. In other cases, which often include cross-sector organisations and business, particularly where corruption is an enabler, the risk of damaging their reputation can preclude reporting crime. Consequently there are gaps in our knowledge about the scale and nature of serious and organised crime.

Cross-cutting issues

Serious and organised crime depends on creating, identifying and exploiting multiple vulnerabilities in particular parts of the national infrastructure to operate. These include the internet and communications (cyber), borders, financial systems and processes to prove identity. Serious and organised crime uses corruption to attack multiple points where the criminals need to manage the risks to their activities. Corruption in general, and successful criminal attacks on cyber, borders, financial systems and processes to prove identity, also damages the UK's reputation as a place to do business and can increase the vulnerability to other attackers.

Cyber-enabled crime

Over the last two decades, the internet and digital communications technology have steadily increased their penetration into all sectors of UK society and business. More and more government and public services are going online and it is likely that attempted cyber attacks against government services will increase. In much the same way as criminals—including serious and organised criminals—have in the offline world, they identify and exploit any advantage they can to perpetrate their crimes. Some of these crimes are cyber-dependent and are new offences (see Section 2: The key threats) and others are old offences that in a cyber-enabled world have become a more substantial threat as criminals using technology mature and adapt.

Assessment of the scale

Cyber techniques have proliferated down to the wider and more traditional criminal community (e.g. urban gang members buying compromised data online, criminals using secure communications technology in smart phone apps, and in one case a known group of drug traffickers using hackers to manipulate records of containers from port IT systems). 'Hidden web' marketplace sites have revealed how the internet is used to trade and sell drugs and firearms. Awareness of how far cyber-enabled crime has permeated into local and regional serious and organised criminal groups is currently uneven.

Criminals chase higher returns and seek to exploit less mature security measures, which makes cyber the leading channel for committing multiple types of economic crime. Due to improvements in online authentication methods, such as the use of two-factor (e.g. a physical credit or debit card and known PIN), malware campaigns are increasingly paired with social engineering tactics, commonly through voice or email (vishing and phishing). Cyber-enabled economic crime is a particularly dynamic area as criminals respond to new technology and responses by law enforcement and industry.

Cyber continues to be an important enabler for child sexual exploitation and abuse. Indecent images of children—both in circulation for some time or new—continue to proliferate across the internet. Higher status offenders who encourage the production of new images with resulting contact abuse have tended to use the 'hidden web' as their territory.

Borders

Serious and organised criminals seek to identify and exploit enablers to cross the borders into and out of the UK to conduct most of their business.

Assessment of the scale

The sheer volume of passenger and vehicle traffic from mainland Europe and air passenger traffic from around the world, as well as containerised cargo, presents serious and organised crime with opportunities to smuggle illicit goods—e.g. alcohol, cash, cigarettes, drugs, metals, stolen smart phones, stolen vehicles—into and out of the UK. Fast parcel and postal services are used by various criminals to smuggle drugs, tobacco and firearms, parts and ammunition. Fast parcels and postal services are used frequently for 'little and often' trafficking ventures.

Irregular migrants continue to use impersonation methods and false travel documents while attempting to embark on flights to the UK.

Transnational child sex offenders cross borders to sexually exploit and abuse children both in the UK and overseas. These offenders may exploit weaknesses in other countries to facilitate this crime and may visit countries or establish themselves as resident overseas.

Serious and organised criminals engaged in Missing Trader Intra-Community (MTIC) fraud trade in tangible goods that pass through UK borders. The movement of tangible commodities can be used to fund or offset trade in intangible goods, which then can generate considerable VAT losses.

Serious and organised criminals use non-commercial, non-military flights (e.g. light aircraft, executive flights) and non-commercial shipping (e.g. yachts, small motor boats) to enter and leave the UK covertly. They also use international airports and ferry ports. Seizures and detections in the last three years indicate cocaine is smuggled through all those transport modes.

Money laundering and criminal finance

Most, but not all, serious and organised criminal activity is aimed, directly or indirectly, at making money. Criminal proceeds are reinvested in further illicit enterprise, used to fund lavish lifestyles or to accumulate wealth and assets.

Assessment of the scale

Many hundreds of billions of pounds of international criminal money is almost certainly laundered through UK banks, including their subsidiaries, each year. The high transaction volume (estimated at trillions of pounds a day), language, developed financial services industry, and political stability of the UK make our financial system particularly attractive to money laundering despite the measures to identify and stop it.

Most proceeds of UK serious and organised crime are laundered through UK banks, wire transfer companies and other regulated businesses including Money Service Businesses (MSBs) and cash-rich businesses. A large proportion is sent abroad where profits are often ultimately invested in real estate. Importantly, a proportion is re-invested into criminal activity in various stages of any serious and organised criminal venture.

Money laundering techniques often involve offshore transfers and investment to disguise the criminal origins and asset ownership. Many criminals rely on professional enablers such as businesses that register and run 'shell' companies and trusts in numerous 'off shore' areas.

Illicit profits are often laundered through cash rich businesses. Complicit, negligent or unwitting professionals in financial, legal and accountancy professionals in the UK facilitate money laundering. Specialist money launderers, some overseas, manage laundering for multiple criminal enterprises.

Virtual banks and virtual currencies are being used by some criminals, particularly those engaged in particular types of crime such as trading online fraud tools. We assess that the criminal use of these at present largely unregulated financial services is likely to increase, but most money laundering will still take place through banks and other regulated businesses.

Proving identity

Proving identity is an important part of modern life, particularly in terms of online transactions. For serious and organised crime, identity is both a commodity to be traded and used in further crime such as certain fraud offences, and necessary to disguise their true identity (e.g. by using false, genuine-but-stolen, forged and abused genuine documents).

The use of false identities is an important enabler of serious and organised crime. They help those engaged in illegal activities to travel anonymously—notably in the case of fugitives crossing borders to evade justice—and can also be used to acquire assets and obtain financial and public services. Some criminals seek to use stolen or lost passports in these ways by doctoring the image and other elements. Fraudulently obtained genuine passports are produced by a country's official passport issuer based on falsified information submitted in the application. This means they are not altered in any way after being issued, and therefore they are less likely than stolen passports to arouse suspicion when checked by travel, banking or other officials—this makes them particularly desirable to serious and organised criminals.

Assessment of the scale

Personal identification data is stolen from a wide variety of online sources and traded by criminals to use in various types of fraud offences worldwide. The thefts are not always detected at the time because a copy of the data is taken, but are detected once the data is being used. The internet is the delivery channel accounting for 84% of all identity fraud cases reported to Credit Industry Fraud Avoidance System (CIFAS) in 2013, an organisation that allows participating members to share details on suspected fraud⁶.

Corruption

Corruption is a critical serious and organised crime enabler and is defined as the ability of an individual or a group (organised criminality) to pervert a process or function of an organisation to achieve a criminal goal. Corruption provides a means of managing the risk of a complex criminal process and corruption events tend to occur most frequently where the risk to the activities of the criminal/s is at its greatest. Serious and organised crime would not be able to operate to the extent and on the scale it does without the aid of corruption.

Assessment of the scale

The impact of corruption is disproportionate to the level and frequency at which it occurs and often has serious ramifications in terms of public confidence across the public and private sectors.

Corruption compromises the effective controls of commodities and people at and beyond the UK border, which includes identity. It also compromises the criminal justice system, specifically those institutions, authorities and private sector organisations that collectively deliver the law enforcement and criminal justice services in the UK, the corruption of which allows criminals to avoid detection and prosecution (albeit in different ways depending on the context). Compromise of fraud and money laundering controls imposed and enforced through regulatory bodies, and implemented across the financial sector by those in regulated professions—e.g. lawyers and accountants—allows serious and organised crime to realise the profits from their activities. These all have ramifications for confidence and trust in these structures world-wide.

Private investigators continue to work as the proxies of serious and organised crime groups and there is a continued threat from them to law enforcement operations, information and assets, particularly from those who have knowledge and experience of law enforcement or relevant military covert tactics and techniques who are prepared to exploit these for criminal ends.

A more cohesive and consistent intelligence picture from the public and private sector is required to assess the full extent of corruption and help direct effective organisational control measures.

6 Fraudscape: Depicting the UK's fraud landscape, CIFAS (2013 Edition) www.cifas.org.uk/fraudscape_twentythirteen

Section 2: The key threats

The threats are presented here in alphabetical order and do not imply prioritisation between each category. They are:

- Child sexual exploitation and abuse
- Criminal use of firearms
- Cyber crime
- Drugs
- Economic crime
- Organised acquisitive crime
- Organised immigration crime and human trafficking (including modern slavery)
- Serious and organised criminals in prison and under lifetime management

Child sexual exploitation and abuse

Threat	Forecast		
The production, distribution and possession of indecent images of children	<->	Live streaming of child abuse for payment is an emerging trend; increased use of 'hidden web' leading to wider use of indecent images of children	▲
Online child sexual exploitation and abuse	<->	Live video streaming of real-time contact abuse is a growing threat, with countries in the developing world at particular risk from exposure to this abuse and the involvement of organised criminals.	▲
Contact sexual abuse of children in the UK by lone (non-familial) offenders, groups or gangs	<->	Changes to reporting prevalence may affect the number of cases	?
Contact sexual abuse of children by UK nationals overseas	<->	Unlikely to be a reduction in the next year	<->

The table above lists the prioritised threats and how that threat is likely to develop for the next year to three years. The arrows indicate the broad direction of travel in the year to April 2014 and then the predicted development for that threat in so far as we can make a judgement. For example, we assessed that the scale of the production, distribution and possession of indecent images of children has remained generally stable (<->), but that during the next year to three years there is a likelihood that two particular elements of that threat (live streaming and use of the 'hidden web') will increase (▲).

Both online and offline child sexual exploitation and abuse remain crimes mostly perpetrated by lone offenders, albeit often exacerbated by the effects of group dynamics.

New technologies and techniques are always being explored and exploited by those wishing to acquire and propagate indecent images of children covertly including using the 'hidden web'. Others continue to use 'open' internet tools like live-streaming and peer-2-peer networking to trade in indecent images of children and to target children to abuse and exploit. Some offenders use 'blackmail'⁷ in their exploitation of children online, which increases the potential for self harm or suicide by the victims. Some of these offenders have many victims concurrently all over the world.

Lone offenders continue to be the main perpetrators of contact sexual abuse of children in the UK although this is not the case in all regions. Some recent and historic cases have attracted widespread media coverage during the last year. Group offenders have also been identified, and abuse associated with street-gang culture.

Transnational child sex offenders continue to travel primarily to countries where particular characteristics, such as poverty and under-developed education systems, result in the perception that access to abuse children is easier. Offenders are using the increasing availability of the internet in developing countries to live-stream the abuse of children to paying customers elsewhere in the world.

Assessment of the scale

A comprehensive assessment of the overall scale of all areas of child sexual exploitation and abuse is not yet possible to quantify with any confidence. Victims are often unwilling to report abuse, victims and offenders are often difficult to trace online, and reporting standards in the UK and overseas vary considerably.

⁷ 'Blackmail' here refers to when an offender uses threats of revelations to the victim's friends, family or the public of information/images in an attempt to enable further abuse. It does not refer to the strict legal definition of the term as covered in the Theft Act 1968.

Criminal use of firearms

Threat	Forecast		
Domestic supply (including use and possession)	<->	Will remain steady	<->
Exploitation of legitimate supply	<->	Appears to be an increase	▲
International supply	<->	Joint work with international partners should prevent an increase	<->
Emerging trends and advancing technology	<->	'Hidden web' used more by criminals	<->

The table above lists the prioritised threats and how that threat is likely to develop for the next year to three years. The arrows indicate the broad direction of travel in the year to April 2014 and then the predicted development for that threat in so far as we can make a judgement.

The criminal market in firearms in the UK remains supply-driven: even when criminals may desire certain types of firearms their choice is likely to be limited.

Firearms, parts and ammunition used by criminals are primarily sourced via the internet (and delivered in post parcels from the USA, various European countries and China) and from burglaries (including of residential premises and registered firearms dealers). We judge it almost certain that the major firearms threat to the UK border will continue to involve original lethal purpose firearms, readily convertible blank firing guns and realistic imitation firearms during 2013-14. We also judge that the scale of this threat will remain high. The use of the 'hidden web' is likely to grow for firearms trading.

Non-original lethal purpose firearms including improvised home-made firearms, stun guns, noxious sprays and reactivated or converted blank firing weapons are also used in crime.

Public concern around 3D-printing of plastic firearms has not been substantiated by law enforcement investigations and 3D-printed metal firearms are prohibitively expensive and are not assessed to pose an increased threat to the UK in the short to medium term.

Assessment of the scale

The latest Home Office crime figures show that firearms are reported to have been used in 11,227 recorded crimes in 2010/11 in England and Wales, the seventh consecutive annual fall and a 13% decrease on 2009/10⁸.

Most criminally used firearms are discharged in London, Merseyside, Manchester, West Midlands and West Yorkshire. The majority of shooting incidents in the UK are perpetrated by members of urban street gangs.

⁸ Home Office Statistical Bulletin: Homicides, Firearm Offences and Intimate Violence 2010/11 www.gov.uk (published 19/01/2012)

Cyber crime

Threat	Forecast		
The large scale harvesting of personal and business data to commit fraud offences against UK individuals and organisations	<->	Likely to remain a constant threat; note it is a dynamic area. Bespoke variants of malware and criminal tools targeting mobile tech will increase	<->
The targeted compromise of UK networked systems to modify, delete or steal data to gain competitive advantage, undermine user confidence, inflict reputational damage, or to gain control of infrastructure	▲	Likely to increase – development of deployable criminal tools occurs at a fast pace	▲
The targeted disruption of access to UK networked systems and services	▲	Increases in DDOS protocols capable of launching powerful attacks against business critical systems; ransomware attack increasing & moving from individuals to organisations	▲
The increasing volume of cyber-dependent criminality, due to ‘traditional’ crime groups utilising the ‘as-a-service’ nature of the cyber crime marketplace and UK law enforcement’s limited capacity and capability to respond	▲	Increasing	▲
The support services (cyber enablers) critical to cyber-dependent crime success are increasingly being used by other crime actors extending the gap between law enforcement and criminal capacity and capability	▲	Increasing	▲

The table above lists the prioritised threats and how that threat is likely to develop for the next year to three years. The arrows indicate the broad direction of travel in the year to April 2014 and then the predicted development for that threat in so far as we can make a judgement.

Please also see Section 1: Cross-cutting issues for cyber-enabled crime.

Specialist service providers and bespoke toolkits are opening opportunities for those criminals who have limited technical competence. Different organised crime groups who share the use of key criminal technical and other infrastructures is a growing threat. Criminal online forums provide a market place for the trading of such services.

Distributed Denial of Service (DDOS) protocols capable of launching powerful attacks against business critical systems are increasing in numbers. These tools, coupled with better understanding of the financial and reputational damage they can cause, are increasing the industry’s perception of DDOS as a significant threat.

Assessment of the scale

There is no definitive measure of either the scale of the cyber crime threat in totality or the specific costs of the criminality to UK interests. The 2011 UK Cyber Security Strategy⁹ recognised the challenges in this area and noted ‘a truly robust estimate will probably never be established, but it is clear that costs are high and rising’. Based on the limited research available at present, the costs of cyber crime could reasonably be assessed to be several billion pounds per year.

As an indicator of the size of the problem, Symantec¹⁰ recently assessed the UK as the top target in Europe for financial Trojans. The UK is a developed country with a large population and comparatively wealthy residents, but limited in choice to a relatively small number of financial institutions; a combination of conditions generally conducive to such criminal targeting.

9 Home Office Research Report 73: Understanding organised crime: estimating the scale and the social and economic costs (published October 2013)

10 Symantec Corporation The world of financial Trojans www.symantec.com (published 2013)

Drugs

Threat	Forecast		
Supply of heroin to the UK market	<->	Afghan production and supply via Turkey increasing	▲
Supply of cocaine to the UK market	<->	Likely to remain high	<->
Production and supply of synthetic drugs to the UK market	<->	Indications of increasing amphetamine processing/production in the UK	▲
Supply of new psychoactive substances	▲	Dynamic nature of the chemistry suggests this will continue to grow	▲
Cultivation and supply of cannabis for the UK market	<->	Likely continued involvement by serious organised crime	<->

The table above lists the prioritised threats and how that threat is likely to develop for the next year to three years. The arrows indicate the broad direction of travel in the year to April 2014 and then the predicted development for that threat in so far as we can make a judgement.

Although most of the opiates consumed in the UK originate in Afghanistan, heroin continues to be imported from Pakistan but it appears that Turkish-controlled trafficking is increasing. The Turkish National Police reported seizures of heroin in Turkey that are almost back to pre-2009 figures, which correlates with a dip and then an increase in poppy production in Afghanistan¹¹. Heroin trafficked via Pakistan to the UK is most often sent directly by parcel, air courier, air passenger or maritime container and the traffickers often have family links to Bradford, the West Midlands and south Manchester.

Cocaine consumed in the UK comes from Peru, Colombia and Bolivia. Cocaine continues to be imported to the UK from the Caribbean across all modes of transport and West African countries are a major hub for moving cocaine to Europe. West African crime groups are organising cocaine supply from South America to Africa for European and UK markets. Nigerian nationals in particular have increased their involvement in the cocaine trade to the extent that they are now on an equal footing with Latin Americans in their ability to source, finance and transport both bulk and ‘little and often’ quantities of cocaine to Africa, Europe and elsewhere.

New Psychoactive Substances (NPS) continue to be a problem and China poses a continuing threat in their production and supply.

The Netherlands and Belgium continue to be the primary source for amphetamine and MDMA used in the UK, but there are indications of an increase in amphetamine processing in the UK.

The Netherlands and Spain continue to play strategically important roles in the receipt and onward movement of drugs to the UK. The Balkans also play a key role in trafficking heroin and cocaine towards Western Europe and the UK.

Despite increasing rates of skunk cannabis being grown in the UK large amounts of cannabis resin are still imported from Afghanistan and Morocco.

¹¹ Turkish National Police 2012 National Turkish Drug Report to the European Monitoring Centre for Drugs and Drugs Addiction (EMCDDA) emcdda.europa.eu

Assessment of the scale

Although heroin and crack use is falling, almost half of the active organised crime groups, affecting the UK, are involved in some way in the drugs trade. We estimate that between 18 tonnes and 23 tonnes of heroin and 25 tonnes and 30 tonnes of cocaine are imported annually into the UK. We assess that the supply of heroin from Afghanistan, amphetamine processing/production in the UK and the supply of new psychoactive substances are all likely to increase, and that the supply of cocaine from South America is likely to remain at a high rate.

The UK's illegal drugs market led to over 2,000 drug-related deaths in 2012. The social and economic costs of organised illegal drugs supply in the UK are estimated to be £10.7 billion per year¹².

Cannabis is still the most widely used illegal drug in the UK and is a large lucrative market for organised criminals.

Serious and organised criminals use both containerised and un-containerised sea freight in the trafficking of cocaine from South America and heroin from south west Asia towards Europe. Secondary importation to the UK from key nexus regions such as the Caribbean, Africa, the Balkans, Spain and the Netherlands using a variety of modes of transport continues to be a threat to our borders. Some serious and organised criminals using containers still use the 'rip-on, rip-off' method (where illicit commodities are placed in cargo and taken from cargo in a way so as to avoid controls); levels of security and corruption at ports of embarkation and destination pose vulnerabilities. A large proportion of drugs are imported to the UK in 'little and often' amounts using fast parcels and the postal system. Serious and organised criminals employ couriers ('mules') using both air and maritime routes predominantly to smuggle Class A drugs.

¹² Home Office Research Report 73: Understanding organised crime: estimating the scale and the social and economic costs (published October 2013)

Economic crime

Threat	Forecast		
Fraud against the individual, the private and third sectors	<->	Unable to judge	?
Fraud against the public sector (including fiscal fraud)	<->	As more services go online risk of cyber-enabled attack grows	▲
Bribery, corruption and sanctions evasion	<->	Unable to judge	?
Market abuse/insider dealing	<->	Unable to judge	?
Money laundering and criminal finance	<->	Unlikely to be a reduction	<->
IPC/counterfeit currency/cyber-enabled/ identity crime	▲	Unlikely to be a reduction but changes are tied to changes in technology	<->

The table above lists the prioritised threats and how that threat is likely to develop for the next year to three years. The arrows indicate the broad direction of travel in the year to April 2014 and then the predicted development for that threat in so far as we can make a judgement.

Economic crime covers a wide range of activity including market abuse/insider dealing; bribery, corruption and sanctions evasion; counterfeit currency; money laundering and criminal finance; fraud against the individual, the public, private and third sectors; and intellectual property crime.

The key threats posed to state revenue are those attacking tax regimes (tobacco, alcohol and hydrocarbon oils); VAT and other tax repayment; and tax credit/child benefit abuse.

Assessment of the scale

In terms of market abuse¹³—primarily insider dealing and market manipulation—recent market cleanliness statistics indicate that suspicious activity prior to merger and acquisition announcements has dropped by half between 2009 and 2012 (30% to 15%)¹⁴. However, this does not necessarily mean that market abuse is falling and suggests that those involved may be changing their tactics.

The cost to the UK from organised criminal attacks on the tax regimes administered by HMRC was estimated at £4.7 billion in 2011-12¹⁵. These losses affect the Government’s ability to fund the UK’s public services, and to help families and individuals with targeted financial support. Serious and organised crime also affects legitimate business, disrupting markets and affecting competition. Criminals use sophisticated financial techniques, employ complex ‘business models’ and are based across the globe.

Reported fraud against the individual, private and charity sectors is increasing and now affects a large proportion of the UK population, with an overall cost to the UK of approximately £30 billion annually¹⁶. Small and medium-sized enterprises are less able than larger businesses to absorb the impact of fraud against them and can cease trading.

¹³ Section 118 of the Financial Services and Markets Act 2000

¹⁴ Market cleanliness is assessed by the Financial Services Authority (FSA)/Financial Conduct Authority (FCA) by looking at abnormal pre-announcement movements in stocks, although these are not a precise measure of suspected insider dealing. FSA Annual Report 2012/13 Section 3 – Delivering Market Confidence www.fca.org.uk/static/documents/annual-report/fsa-annual-report-12-13-section-3.pdf

¹⁵ HMRC Measuring Tax Gaps 2012 <http://www.hmrc.gov.uk/stats/mtg-2012.pdf>

¹⁶ The National Fraud Authority Annual Fraud Indicator 2013

Overall the number of reported fraud offences has increased, possibly because of efforts to raise awareness of the threat and improved avenues for reporting by both the private sector and Government. The National Fraud Authority Annual Fraud Indicator 2013 estimates the loss from fraud per annum is:

- £21.2 billion from the UK private sector (including financial and insurance activities);
- £20.6 billion from the UK public sector (2011/12 figures estimate £1.9 billion is lost to benefit and tax credit fraud with £1.2 billion due to fraud against the benefit system, which is 0.7% of benefit expenditure);
- £9.1 billion from individuals (based on estimates of the scale of mass-marketing fraud, identity fraud, online ticket fraud, private rental property fraud, and electricity prepayment meter scams), and
- £147.3 million from the charity sector.

Intellectual Property Crime (IPC) has grown exponentially over recent years as the expansion and development of the internet has made it easier to infringe design rights/patents, evade enforcement and reach a large potential consumer base. Most originates from China and is imported by container-loads or in airfreight. Counterfeit goods are often seen as a 'soft crime' by traders and the wider public, but counterfeit vehicle parts and counterfeit medicines carry with them the risk of considerable harm.

Counterfeit currency results in a financial impact to the public, the currency issuers and wider industry, as well as carrying a risk to public confidence in the currency, which would have a major negative impact on the UK economy. Organised criminals involved in currency counterfeiting in the UK produce a variety of banknote types, including Bank of England, Northern Irish and Scottish sterling, and Euro notes.

Bribery and corruption, along with other areas of economic crime, are currently more difficult to quantify. However, it is known that millions of pounds from the proceeds of corruption and bribery offences committed by some international politically exposed persons (PEPs) have been laundered through UK financial systems and property investments.

Organised acquisitive crime

Threat	Forecast		
Commercial robbery (ATM, Cash Centre, cash and valuables in transit, jewellery shops)	<->	Remain unchanged	<->
Organised vehicle crime	<->	Remain unchanged	<->
Commodity-based criminality (gold, rhino horn)	<->	Unable to judge; emerging threats are dynamic	?
Metal theft	?	Remain unchanged	?
Wildlife crime	?	Unable to judge	?

The table above lists the prioritised threats and how that threat is likely to develop for the next year to three years. The arrows indicate the broad direction of travel in the year to April 2014 and then the predicted development for that threat in so far as we can make a judgement.

Commercial robbery

Commercial robbery includes the movement and housing of cash, ATM attacks and attacks focusing on high end products against jewellery retailers and employers.

During 2013 serious and organised criminals committing commercial robbery offences have used disproportionate levels of violence, e.g. petrol bombing vehicles in the street as a distraction. The last decade has seen a general trend away from armed robberies at banks and building societies towards criminals targeting cash and valuables in transit vehicles, residential and ‘street’ robberies. This may be due to the ‘target hardening’ of banks and building societies.

High value watches and Asian gold remain the most sought after items.

Motorcycle/sledgehammer smash-and-grab robberies across the eastern and south eastern regions have been linked to gangs originating in London.

Robberies targeting jewellery sales representatives continue with offences across the country.

Organised vehicle crime

Vehicles stolen by organised crime in the UK continue to be shipped overseas.

Commodity-based criminality

An emerging trend has been identified in that serious and organised crime groups will adapt and move into other commodities either as a consequence of UK law enforcement or due to the world economics. For example, some crime groups previously involved in distraction burglary are now moving into theft of gold.

Theft of smart phones remains a problem (hundreds of smart phones are stolen per day in the London metropolitan area alone) and is increasingly linked to organised crime. Eastern European and Algerian organised crime groups continue to be heavily involved, focusing activity on areas assessed to be vulnerable including music festivals. There are two main markets: internal to the UK and overseas.

Metal theft

Metal theft has decreased due to the regulations regarding scrap metals dealers brought in during 2012¹⁷. However, the National Metal Theft Fusion Unit has identified an increase in the theft of catalytic converters made valuable by the precious metals they contain.

Wildlife crime

Wildlife crime in the UK involves the illegal import, export and internal trade in endangered species as well as the illegal taking, killing and injuring of protected UK species. The two main current threats relate to illegal import, export and internal trade in certain species and persecution of wild birds of prey across the UK. Wildlife is sought globally for illegal trade because of the high demand for products, and those most valued are covered by CITES¹⁸ legislation. The EU is a large market for endangered species, both in terms of commercial and private trade. Rhino horn, elephant ivory, reptiles and birds of prey are of particular concern. Rhino horn, both modern and antique now retails at nearly twice the price of gold at £60,000 per kilogram, which is twice the amount that it retailed for in 2009.

Assessment of the scale

Generally, the volume of opportunistic acquisitive crime has been falling and continues to fall.

¹⁷ The Legal Aid, Sentencing and Punishment of Offenders Act 2012 has banned cash transactions for the purchase of scrap metal.

¹⁸ The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) is an international agreement between governments. Its aim is to ensure that international trade in specimens of wild animals and plants does not threaten their survival. It accords varying degrees of protection to more than 30,000 species of animals and plants, whether they are traded as live specimens, fur coats or dried herbs.

Organised immigration crime and human trafficking (including modern slavery)

Threat	Forecast		
The trafficking of human beings into, out of or within the UK	<->	Increased resources devoted to target modern slavery should increase understanding of the problem	<->
The involvement of organised crime in illegal immigration to the UK by air, land or sea (excluding the near continent)	▲	Ongoing conflict in Syria, projected increase in instability in Afghanistan, re-opened route via Libya to Italy/Malta, and Schengen visa liberalisation all mean numbers of clandestine migrants will remain high	<->
Organised crime involved in clandestine people smuggling through priority nexus points to the UK border	<->		<->
The production and/or supply of false travel or supporting documents to support organised immigration crime	▲		<->
Organised crime involved in organised immigration crime, including marriage abuse or other legitimate means to remain in the UK	▲	Migrants already in the UK unable to extend their leave legally will provide a pool of people organised crime can exploit by selling them forged or counterfeit documents to support fraudulent applications for leave to remain	▲

The table above lists the prioritised threats and how that threat is likely to develop for the next year to three years. The arrows indicate the broad direction of travel in the year to April 2014 and then the predicted development for that threat in so far as we can make a judgement.

Organised immigration crime covers two main types of activity: people smuggling where the irregular migrants are essentially willing participants and where the criminals profit mainly from facilitating their migration; and human trafficking where the intention behind the facilitation is the exploitation of the irregular migrants. Modern slavery is often related to human trafficking but does not require the victim to have been an irregular migrant. There is no agreed international definition of slavery but for the purposes of this assessment it is taken to include forced labour, servitude and human trafficking.

Assessment of the scale

Illegal immigration involves both illegal entry and the abuse of legal channels to enter or remain. Although the true scale is difficult to quantify we assess that it continues to cause significant harm to the UK and the majority of irregular migrants will employ the services of serious and organised criminals at some point in their journey to or during their time in the UK. While factors such as political instability, economic pressures and environmental issues in source countries affect a migrant's decision to come to and remain in the UK, the perceived and experienced benefits of life in the UK are also an important pull factor.

Serious and organised criminals facilitating migrants to the UK continue to abuse visa routes, most commonly through document abuse. The overall threat to the visa process and air routes have fallen over the last few years, likely due to tightening of the visa process, arrests of targeted offenders, and displacement to clandestine entry.

There have been increases in sham marriages in the UK (between 4,000 and 7,500 marriage applications are made annually on the basis of a sham marriage).

We judge it highly likely that in 2013-14 Nigeria will remain a key source country for victims of trafficking and the UK will continue to be both a transit and destination country for Nigerian females, primarily for sexual exploitation.

The ongoing conflict in Syria continues to displace Syrians, mostly to neighbouring countries. According to the United Nations High Commissioner for Refugees (UNHCR), Sweden and Germany are the most popular destinations for Syrian asylum seekers in Europe with the UK fourth overall amongst EU countries. Syrian irregular migrants are using similar routes to Iranian irregular migrants and there is the suggestion they may be using some of the same facilitation networks.

Overall, the number of potential victims referred to the National Referral Mechanism (NRM) continues to increase. From 1 January to 31 December 2013 there were 1,746 referrals, an increase of 47% on the previous year's total. The NCA's UK Human Trafficking Centre (UKHTC) assesses this as being a positive development reflecting an increased awareness of the NRM, its benefits and obligations.

Understanding the true scale of the problem is complicated by the fact that it is not always possible to identify the traffickers linked to every victim.

Prison and lifetime management

Convicted serious and organised criminals are held in prisons across both the public and private estate. There are incidents where serious and organised criminals have been able to continue with their on-going criminality from within prison. The scale and threat posed by this ongoing criminality is being assessed.

Assessment of the scale

Over 3,000 organised crime groups have at least one member in a prison in England and Wales. Nearly 7,000 organised criminals are imprisoned, which forms 8% of the total prison population.

ISBN: X-XXXXX-XXX-X

Published by the National Crime Agency © Crown Copyright 2014



When you have finished with
this publication please recycle it