



Fighting economic crime: helping to shape the future direction

Dr Bernard Herdan, CEO of the National Fraud Authority

During the past couple of months there has been intensive activity within Government on the subject of how best to raise our game in the fight against economic crime and more generally all types of organised crime. The NFA has taken every opportunity to promote the cause of the UK counter-fraud community and to inject our thinking on how proposed changes can be best implemented so as to enhance outcomes in the fraud arena.

Immediately after the election, the coalition Government announced its intention to create an Economic Crime Agency (ECA) which would focus in particular on tackling city and corporate economic crime, bringing together work currently undertaken by elements of the SFO, OFT and FSA among others. HM Treasury is leading the study to assess the options for the ECA.

Clear recognition

The Solicitor General has been

keen to ensure that the organisations for which he has oversight responsibility (notably SFO, CPS and NFA) have the opportunity to feed in their views.



I and colleagues at the NFA have sought to make an important contribution to this process. We have been particularly keen to ensure there is a clear recognition of the issues faced by the counter-fraud community and that the proposals for the ECA should be grounded in the need to respond to a relevant subset of these issues. We understand that

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CSR: Treasury ring-fences funding for the NFA

Message from the Rt Hon Dominic Grieve QC, Attorney General

I am pleased to say that Her Majesty's Treasury has agreed to ring-fence funds for the NFA in order that it can continue that valuable work which it has begun in its short existence, and can contribute effectively as we plan some structural changes to the way the government as a whole will organise its response to fraud.

In my short time as Attorney General I have been struck by the skill and

commitment the NFA has applied to bring about increased co-ordination of the counter fraud landscape, improving the experience of victims of fraud and looking at the savings for the taxpayer in tackling public sector fraud.

I look forward to seeing the NFA continue to play its key role in improving Britain's future response to fraud and organised crime.



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there will be a formal consultation on emerging proposals for the ECA in the autumn.

At the end of July, the Government published a paper on the Future for Policing in the 21st Century. Included was the proposal to create a National Crime Agency (NCA) to enhance the response to the growing threats from organised crime.

With fraud being a key component of the UK organised crime threat, as well as enablers such as identity and cyber crime, it is clear to us that these should feature within the scope of the NCA. Again we have been active in putting forward our views and hope to be able to play a role supporting the Home Office as they develop the NCA proposition. Care will be needed to ensure that a strong relationship is established between the ECA and NCA if they are developed on parallel tracks.

All of this activity is being conducted within the context of the Spending Review 2010 which will set (significantly reduced) budgets for the public sector for the 2011 – 15 period.

Clearly the pressure is on for us to do more with less. This chimes well with the NFA Fraud in the Public Sector (FiPS) programme where we are seeking to facilitate very substantial savings for the Exchequer through steps to cut fraud perpetrated against public sector organisations.

We hosted a key seminar on September 24 at HM Treasury to share best practice in fraud prevention and raise awareness of our FiPS programme and the need for all Government departments and agencies to engage with us to deliver the target fraud reduction outcomes.

The event was opened by Andrew Hudson, Managing Director for Public Services and Growth at HM Treasury (see page 7). 

NFIB intelligence leads police to the doorsteps of suspected fraudsters

The NFIB has made its first strike against organised crime after helping the City of London Police (CoLP) break-up a ticketing fraud exploiting sporting and musical events.

Since becoming operational in June, the NFIB has analysed almost two million reports of fraud from the public and private sectors and individual victims of crime.

In August, detectives from CoLP the National Lead Force for fraud used this intelligence to arrest three men and one woman at addresses across London and Waltham Abbey on suspicion of fraud by false representation.

The police activity follows an investigation into a criminal gang that set up worldwidetickets.com, and later gigsport.com, to sell tickets for the Reading Festival and concerts featuring global stars such as the Black Eyed Peas and Michael Bublé.

The NFIB studied complaints from several hundred victims who are estimated to have lost a total of £40,000 on non-existent tickets, including a woman who flew from South Africa to the UK after paying £1,800 for three Wimbledon Centre Court tickets.

Action Fraud and Trading Standards sent the reports to the NFIB.

The Head of Economic Crime at the City of London Police, Detective Chief Superintendent Steve Head, said: "Without the NFIB many more people could have fallen victim to a criminal gang who we believe to

National Fraud Intelligence Bureau



have already conned hundreds of people into paying large sums of money for non-existent tickets. I now look forward to police forces across the country using NFIB intelligence to track down the fraudsters who are destroying lives, damaging businesses and costing the UK economy billions of pounds.

"That we have reached this point is a tribute to the support of the Home Office and our data providers. It is now up to all us to ensure the NFIB goes from strength to strength and becomes an integral part of the efforts to build a society more resistant to fraud."

The arrests are the first of a number of NFIB generated operations in the upcoming months. At the same time analysts are tracking 129 different organised crime groups operating in the UK with links to fraud.

The NFIB is also using intelligence to provide national and regional fraud alerts and raise public awareness of fraud hotspots around the country. Recent alerts have been about online loan frauds and small businesses being targeted to pay invoices for adverts that were never taken out. More public and private sector bodies are now being asked to sign-up to the project, share their fraud data and help the NFIB to cut crime.

For more information about the NFIB visit www.nfib.police.uk. 

Six month success

[Click here for full survey](#)

Over the past six months we have worked with the counter fraud community to take significant steps forward in the delivery of the National Fraud Strategy.

In a survey conducted in September 2010, the majority of our key partners stated that NFA is making a valuable contribution to improving effectiveness in the fight against fraud and that good results are being delivered. Over the past six months, NFA has been instrumental in:

Improving information sharing between and within public and private sectors

- Overcoming 20 specific common barriers to information sharing and sharing the solutions across the counter fraud community to great effect
- Driving focus on 8 of the most significant challenges to data access

Improving the nation's knowledge of the size and nature of the fraud problem to ensure effective prioritisation

- With partners, quantifying the link between fraud and organised crime: at least £9 billion per annum – 30% of the total fraud loss
- Contributing to the assessment of future fraud threats, especially from emerging technologies

Raising awareness and co-ordinating activity to tackle public sector fraud

- Unveiling a 15 project action plan to help combat fraud across government and save up to £6 billion over 3 years, broadly endorsed by Cabinet Office and HM Treasury
- With Cabinet Office, promoting greater transparency and reduction of fraud in public procurement
- Supporting local authority pilots to tackle single person discount and housing tenancy frauds

Improving the UK's response to ID crime

- Estimating the cost of ID fraud to the UK: £2.7 billion per annum
- Preparing a strategic threat assessment of the scale of the harm and impact of ID crime
- Developing an action plan to respond to the identified threats

Encouraging individuals and small businesses to report fraud centrally

- Establishing Action Fraud as the primary place to report fraud in the UK, as noted by the media
- Capturing 4,000 crime reports from individuals, with a total loss of £71 million. The median loss per report is £500
- Providing practical fraud prevention advice to over 109,000 individuals and small businesses since April via the call centre and website

Increasing public awareness of fraud

- Increasing the level of media coverage about fraud to drive up awareness of the importance of reporting fraud and facilitating self

- protection and fraud prevention
- Issuing fraud prevention alerts to warn individuals of specific threats and providing prevention guidance to small businesses

Providing fraud victims with improved, more comprehensive support and preventing re-victimisation

- Through Victim Support and other partners, providing access to emotional, practical and financial support services for victims contacting Action Fraud
- Training the staff and volunteers who aid and assist fraud victims
- Preventing re-victimisation: 79% of people contacting Action Fraud state they now feel better able to protect themselves against fraud as a result of the advice they have received, with an estimated fraud loss saving of £1million per annum

Helping strengthen the UK's counter fraud enforcement performance

- Developing a comprehensive assessment of the performance of the counter fraud community across the spectrum of investigation, prosecution, sentencing and recovery
- Highlighting areas of weakness and making the case for change

Information sharing progress reports

Robyn Greeves, Head of Information Sharing



One of NFA's objectives is to improve information sharing between and within the public and private sectors in order to prevent and detect more fraud. NFA Information Sharing Task

Force is working hard to identify, prioritise and resolve information sharing problems to counter fraud. This is our single most important priority.

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More than 100,000 people contact Action Fraud

Action Fraud has been operating nationally since July, providing victims of fraud and the more vulnerable members of society with advice, guidance and a central means of reporting fraud online and by telephone. The numbers of people contacting Action Fraud is growing, due to extensive media coverage which is also boosting public awareness of fraud and recognition of Action Fraud as the place to report it and gain support. Customer satisfaction with the service remains consistently high at 90%.

In the past 6 months, 109,000 people have contacted either the Action Fraud call centre or website to report fraud or obtain fraud prevention advice. Action Fraud has taken more than 4,000 confirmed crime reports with total fraud losses of almost £71 million and passed them to the National Fraud Intelligence Bureau (NFIB) during this time.

Although the number of Action Fraud reports are a small percentage of the total data NFIB is analysing, it is significant. Action Fraud is capturing data and intelligence that was not previously reported. This contributes to the national pattern of fraud, providing a more detailed picture of how it is committed and linking previously unconnected crimes, victims and suspects and uncovering significant losses that help build compelling evidence for intelligence packages and investigative activities. A number of cases are being investigated by City of London Police and regional forces. 

Diary dates

18-24 October:
National Identity Fraud
Prevention Week

16-20 November:
Get Safe Online Week

Raising awareness

Because Action Fraud is capturing so much intelligence about types of frauds and where they are occurring we can move fast to alert the media and public to particular prevalent types of fraud, at both a national or local level.

We send out regular alerts about preventative measures that both the public and businesses can take to protect themselves. Recent alerts have included loan repayment fraud and identity theft.

This summer we launched an e-bulletin for people who've contacted the Action Fraud service. It's a short quarterly email that includes information on general protection advice and our alerts to help prevent re-victimisation. It also shows how the reports into Action Fraud have been used by the police. You can see the current issue online at <http://www.actionfraud.org.uk/update>.

At the end of September, we developed an Action Fraud health check quiz to help people see how simple changes could help protect them from fraud. This ran on our

Action Fraud website as well as in the *Daily Mirror* to allow readers to take the test. We've also continued to provide spokespeople for TV and radio interviews including:

- ITV's *Fiddlers, cheats and scams*: a look at romance fraud to be broadcast in late October
- Working closely with the HMRC on a *BBC Breakfast* interview looking at opportunities fraudsters may exploit from the HMRC under/over payment situation
- *BBC Radio 5 Live* phone in on romance fraud

We are also spreading fraud prevention messages amongst industries affected by serious frauds. In August we targeted the mortgage industry and wrote articles for the *Mortgage Finance Gazette* and *Mortgage Solutions*. 

Action Fraud on facebook

With increasing visits to its website and online fraud receiving the largest numbers of reports for any reporting category, Action Fraud responded by launching profiles on facebook and twitter at the beginning of August.

We are using social networking to reach a wider audience online with messages about Action Fraud and warnings about emerging frauds and scams. Capturing people on less formal websites where they are spending their 'social time' can be a more effective way for some people to absorb messages, and Action Fraud is now there to highlight fraud threats and provide advice.

In just one month, Action Fraud's facebook page gained 182 fans and the twitter page had 309 followers. These facebook and twitter profiles have also resulted in 710 clicks to the Action Fraud website during this time.

Over the coming months we aim to grow the communities we're building on facebook and twitter even further. By continuing to deliver relevant and timely messages as we have been, Action Fraud will continue to embed itself as a trustworthy source of information about fraud online.

Become a fan of Action Fraud on

facebook

twitter

Get Safe Online Week



Get Safe Online www.getsafeonline.org, the UK's national internet security awareness initiative is a joint initiative between the Government, the Serious Organised Crime Agency (SOCA), and public and private sector sponsors – including the National Fraud Authority and Action Fraud.

Its mission is to help individuals and smaller businesses in the UK to use the internet confidently and safely. It will be hosting its sixth annual Summit in central London on 15 November to mark the start of its annual awareness week.

Get Safe Online Week encourages web users to take time out of their week to learn more about internet safety and to make sure that their computer is properly protected. It reaches out to consumers and small businesses through competitions, events and PR activity.

“Our core message is simple,” says Tony Neate, managing director of GetSafeOnline.org. “The risks are

serious but prevention is easy. A few hours are all you need – it’s a small price to pay compared to the huge hassle of dealing with viruses, identity theft and online fraud.”

The Summit brings together organisations and businesses that want to champion safe and confident use of the internet for their customers and audiences. This year’s Summit will:

- Provide an update on the Get Safe Online initiative
- Offer insight into the key online security and fraud threats facing the UK
- Launch the results of new research commissioned by GetSafeOnline.org



Tony Neate,
MD of GetSafe
Online.org

- Feature speakers from government, law enforcement and industry
- Provide opportunity to put questions to its expert panel

To register interest in attending the Summit, please email your details to summit@getsafeonline.org.

Identity crime costs UK £2.7 billion every year

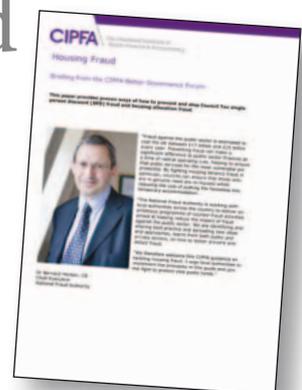
This week the NFA released figures announcing its estimate that every year, in the UK, ID crime costs more than £2.7 billion and affects over 1.8 million people. At least £1.9 billion of this is the amount gained by the fraudster. That means that on average, fraudsters gain over £1000 from every stolen identity.

Stolen identities are used by fraudsters to obtain a wide variety of goods, services and benefits in the victims’ name; to fraudulently open bank accounts and to commit other frauds. Criminals also use false or stolen identities to help them commit a wide range of crimes, from evading detection by law enforcement to enabling people trafficking and terrorism. Read the full press release here www.attorneygeneral.gov.uk/nfa/ .

The new figures come from a wide ranging assessment of the scale of harm and impact of ID crime on the UK, prepared by the NFA and the National Fraud Intelligence Bureau. NFA is now working with partners on an action plan to respond to the identified threats and improve the UK’s response to identity related crime.

Housing fraud

The Chartered Institute of Public Finance & Accountancy (CIPFA) Better Governance Forum has published a paper on how to prevent and stop Council Tax single person discount fraud and housing allocation fraud. You can read it here www.attorneygeneral.gov.uk/nfa/



Partner profiles – credit reference agencies

The Department for Work and Pensions recently announced that it would be using credit reference agencies to target benefit fraud. Three credit reference agencies currently sit on the Information Sharing Taskforce and are working to encourage the sharing of data across the public and private sector. Callcredit, Equifax and Experian tell us about the contribution that they are making.

CALLCREDIT: WWW.CALLCREDIT.CO.UK

Callcredit Information Group specialises in UK and international consumer information management.

It combines innovative technology and industry expertise to provide business with in-depth insight that helps them identify, assess, engage and convert more new business whilst optimising existing customer profitability and protecting themselves from fraud.



Callcredit's verification

and fraud prevention products and services include age verification, employee screening, tenant vetting, fund checking, deceased checks and ID verification in over 150 countries worldwide.

These services enable firms to instantly meet regulatory requirements, improve customer experience, reduce operational costs and detect fraud. It uses award-winning online ID verification, anti-money laundering and fraud prevention solutions to quickly verify customers. It can confirm who and where they are and prove beyond doubt that the payment card or bank account presented as part of



an application or payment transaction is owned by them. This identifies fraudulent applications.

“These solutions can be integrated seamlessly into current operating systems to limit disruption to staff, as well as providing instant responses so as not to impact upon the customer experience”, says Callcredit's John Cannon. 

EQUIFAX: WWW.EQUIFAX.CO.UK

EQUIFAX®

According to Neil Munroe, External Affairs Director at Equifax, an individual or business's identity is probably more valuable to them than cash. Providing the protection for that asset is at the heart of the Equifax services. Neil explains that “personal and business identity has become the big opportunity for fraudsters, and that's why we place so much focus on helping people and businesses protect their identity.

“Equifax was the first credit reference agency to make it possible for an individual to access their own credit information instantly online to check that there hadn't been any fraudulent use of their financial accounts. That was back in 2004 and we have continually innovated since then to give consumers and businesses the tools to protect themselves.

“We offer a range of online monitoring tools to consumers which provide alerts whenever anything changes on their credit file, which could potentially be a sign of unauthorised use of their identity. We also provide monitoring

tools for businesses to ensure that their corporate identity isn't stolen by fraudsters”.

As well as providing a range of tools that can be accessed easily online, Equifax also provides vital alerts and preventative measures. It works with stakeholders in the identity fraud arena, identifying new fraud trends that must be tackled, as well as raising awareness of the preventative measures consumers and businesses can take to protect themselves. 



EXPERIAN: WWW.EXPERIAN.CO.UK

Experian provides data and analytical tools to clients in more than 65 countries. It was awarded Specified Anti-Fraud Organisations (SAFO) status by the Home Office in 2008.



"We help over 300 clients in both the private and public sector manage identity and fraud risk, combat crime,

reduce error and protect against identity theft," says Experian's Nick Mothershaw.

Experian delivers products and services that authenticate identity, prevent and manage application, payment and open account fraud and reduce errors across the customer relationship. Clients can compare data with a diverse range of sources to find anomalies and flag potential concerns. The data is combined with insight from sophisticated analytics, management tools and advanced technological platforms so that organisations can be confident they are building trusted relationships with genuine customers.

Experian has worked with over 100 local authorities to prevent fraudulent claims for Single Personal Discount.



So far Experian has saved over £30 million for local authorities – money which can be ploughed straight back into frontline services.

Experian's Housing Benefit and Council Tax Benefit fraud detection service has proved so effective that the DWP is rolling it out to all 380 local authorities in the UK. It is estimated to save local authorities around £17 million a year. 

Fraud in the Public Sector

Further to the last update on our work tackling Fraud in the Public Sector the NFA and HM Treasury held an event on 24 September 2010 to raise awareness of the importance of combating fraud in the public sector. The event was attended by more than 90 representatives from across government.

Andrew Hudson, Managing Director of Public Services & Growth at HM Treasury opened the event and set out the challenge facing departments. He highlighted the significant benefits that fraud prevention can bring to safeguarding public money and reducing expenditure.

Delegates heard about the growing importance of developing data analytics, increasing cooperation across Government on information sharing and working with the private sector like credit reference agencies to improve data matching.

Senior level speakers including Steve Lamey, Commissioner and Director General HMRC, John Oliver, Benefit Performance Director, DWP, Amyas Morse of NAO and

Jon Thompson, Director General of Finance at the MOD shared their experience in combating fraud and urged counter fraud practitioners to challenge the established wisdom 'that policy says no'.

£6 billion could be saved

Mike Haley, Director of Interventions at the NFA, presented the NFA's public sector fraud action plan. This highlighted the 15 different initiatives that the NFA is undertaking to help departments cut key fraud risks in central and local government. The NFA estimates up to £6 billion could be saved across Government over the next three years.

Workshop sessions included one sharing best practice in combating procurement fraud. The Cabinet

Office's Efficiency and Reform Group highlighted the government's transparency agenda as a means for disrupting and preventing fraud in procurement as well as the need to follow government procurement guidance which contains fraud prevention measures.

The Chair of the Construction Sector Transparency (CoST) initiative then presented the outcome of a UK pilot to bring greater transparency to public service construction projects. The Environment Agency, which had piloted CoST on a number of projects, presented the positive outcomes on their procurement process.

Further information

More information about the event, best practice examples of fraud prevention in Government and the NFA's Fraud in the Public Sector work streams can be viewed at: www.attorneygeneral.gov.uk/nfa



The Fraud Advisory Panel

Fraud Advisory Panel

In the last issue of *Fraud Focus* we told you of our plans to highlight the work of some of our key partners in the fight against fraud. The NFA is a member of the Fraud Advisory Panel (FAP), an organisation chaired by Rosalind Wright CB QC to raise awareness of fraud and financial crime. Here Mia Campbell (pictured below), Senior Manager, explains more.

What is the Fraud Advisory Panel?

The Panel is a registered charity and membership organisation which works to raise awareness of fraud and financial crime. It was established in 1998 and now has over 300 members, corporate and individual, drawn from the public, private and third sectors and across a variety of professions. This expertise enables us to offer a multi-disciplinary and independent perspective on fraud.

We work to ensure that fraud remains at the forefront of the minds of policy-makers as well as business, the professions and the general public by acting as an educator, advisor, convener, enabler and supporter of counter fraud initiatives.

What are your main areas of work?

The Panel regularly publishes guidance on a broad range of subjects which can be downloaded free from our website (insert link: www.fraudadvisorypanel.org). Recent topics include fraud risk management, wireless safety, and recovering art assets.

We also run a continuous programme of educational events aimed at keeping counter-fraud practitioners informed of current fraud trends and anti-fraud initiatives; criminal justice

practice, policy and reform; and best practice principles.

In addition, our working groups act as a conduit for members to share information, experiences and best practice.

The Panel regularly undertakes and/or commissions research into the nature, extent and causes of fraud to help build a more accurate picture of the problem. This has previously included groundbreaking research into the nature and extent of fraud in the charity sector; the results of which informed the development of the NFA's annual fraud indicator for the sector. Most recently this has included an examination of current obligations on listed companies to report the occurrence of fraud (both internally and to 'official' third parties).

Who can join?

We welcome the involvement of individuals and organisations with an interest in the prevention, detection, investigation and prosecution of fraud and financial crime.

www.fraudadvisorypanel.org



Op1 Information sharing progress reports

In August 2010 we published a report called 'Information Sharing Report – Progress Update' which addressed some common information sharing issues encountered by the counter fraud community and highlighted numerous websites that provide possible solutions to a wide variety of information sharing issues encountered in counter fraud community.

The Report also provides an outline of some of the information sharing problems that the Task Force is currently working on, such as access to DVLA data for identity verification purposes, and has a section setting out the role of the Information Commissioner's Office, highlighting good practice notes and framework codes available on its website.

The data sharing 'gateway' in section 68 of the Serious Crime Act 2007 enables public authorities to disclose information to the private sector for the purposes of preventing fraud under arrangements made with the six specified anti-fraud organisations (SAFOs): CIFAS, Experian, Telecommunications UK Fraud Forum, Insurance Fraud Investigators Group, Insurance Fraud Bureau and National Hunter.

In July we completed an informal survey of the SAFOs, HMRC, DWP and the Home Office. It found that while there has been a slow start to data sharing under the provision, there is good evidence of ongoing discussions and work on product development that should produce results both for the public sector and private sector in their fraud prevention capabilities.

Both reports are available at the NFA website: www.attorneygeneral.gov.uk/nfa/