

SOCA ANNUAL PLAN, 2006/7

SOCA
SERIOUS ORGANISED CRIME AGENCY

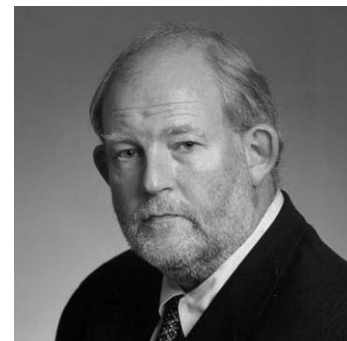




FOREWORD BY THE HOME SECRETARY

Organised crime is one of the biggest challenges faced by this country.

It affects everyone. Some people are harmed directly, with lives and communities blighted. But everyone pays – whether through higher prices in the shops to cover the cost of fraud or through their tax bill, because Government has to invest in enforcing the law or is itself defrauded.



The creation of the Serious Organised Crime Agency (SOCA) was a key commitment from the White Paper “One Step Ahead”. It laid out the Government’s determination to transform our effectiveness in tackling organised crime and to reduce the harm it causes.

SOCA will work in innovative ways to achieve this goal. It will greatly enhance the intelligence picture, drawing on the best skills and the most modern technology to support a pro-active approach to identifying and targeting criminal enterprises. Moreover, it will blend proven investigation capabilities with new ways of attacking organised criminals and their illegal profits. Taken together, SOCA’s new approaches will help to make the UK a hostile environment for organised crime.

Just as organised crime operates at many levels – on the streets and in communities, nationally, and internationally – so must our response. SOCA will work closely with and through other law enforcement agencies, locally, nationally and internationally. It will also build partnerships to mobilise effort against organised crime, not only with the police, but with all of those who have a part to play in fighting organised crime, both inside and outside Government. I believe that organised crime is a common threat to us all, and hope that others will use the opportunities SOCA will create to contribute to the response to that threat.

A handwritten signature in black ink, appearing to read 'Charles Clarke'.

Charles Clarke
HOME SECRETARY



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JOINT STATEMENT BY THE CHAIR AND DIRECTOR GENERAL

We are pleased to present the first annual plan for the Serious Organised Crime Agency, as required by Section 6 of the Serious Organised Crime and Police Act 2005 (SOCAP). This document explains how the agency will exercise its functions in its first year of operation.

Serious organised crime poses large and complex problems. Much of it starts or is orchestrated from outside the United Kingdom, and increasingly by violent criminals. It is not easy to determine the harm that it causes. Some estimates put the economic and social costs of this harm at upwards of £20bn a year – more than £300 for every person in the country, but often in practice experienced disproportionately by those in disadvantaged circumstances. These sums can, however, disguise the difficulties and distress experienced by real people, for example through the crime caused by drug users funding their habit, or the damage to women trafficked into prostitution.

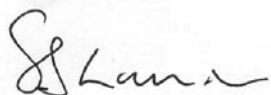
There have been some notable UK successes against organised crime in recent years. But more needs to be done to make the UK a difficult place for organised criminals to conduct their illegal businesses and to reduce the harm they cause to our citizens.

The Serious Organised Crime Agency will play its part in this by:

- building our knowledge and understanding of serious organised crime and those who are involved, so we know better when, where and how to strike to best effect;
- increasing the effort to attack criminal assets, to undermine the profit motive;
- increasing the risk to organised criminals through proven investigation capabilities and by using new investigative and other operational tools; and
- collaborating with our partners, to build up domestic and international efforts.

We will also, as required by SOCAP, provide high quality support to others in law enforcement, notably HM Revenue and Customs and UK police forces.

The work that SOCA has taken on is more like a marathon than a sprint. But following the excellent work by many people across Government and beyond to establish the new agency, all areas of the business will be operational from 1 April when we assume our statutory functions.



Sir Stephen Lander



Sir Stephen Lander,
Chair of SOCA



Bill Hughes,
Director General of SOCA



Bill Hughes

INTRODUCTION

The Serious Organised Crime Agency (SOCA) is an intelligence-led agency with law enforcement powers and harm reduction responsibilities. Harm in this context is the damage caused to people and communities by serious organised crime.

SOCA has been formed from the amalgamation of the National Crime Squad, the National Criminal Intelligence Service, those from HM Revenue and Customs dealing with drugs trafficking and associated criminal finance, and some of those dealing with organised immigration crime in the UK Immigration Service. It is funded by and reports to the Home Secretary.

The Home Secretary may set SOCA strategic priorities and will judge the success of its efforts. Within that framework, SOCA plans its priorities, including how it will exercise the functions given to it by statute, and what performance measures it will adopt. This report sets out its plans for the financial year 2006/07.

GOVERNANCE

SOCA is an Executive Non-Departmental Public Body (NDPB). It is led by a Board with a majority of non-executive members. The Board is responsible for ensuring that SOCA discharges its statutory responsibilities and meets the priorities set by the Home Secretary.

The Board of SOCA comprises:

Sir Stephen Lander	Chair (Non-Executive)
Bill Hughes	Director General
Stephen Barrett	Director (Non-Executive)
Elizabeth France	Director (Non-Executive)
Ken Jarrold	Director (Non-Executive)
Janet Paraskeva	Director (Non-Executive)

Sir Roger Wheeler	Director (Non-Executive)
David Bolt	Director Intelligence
Malcolm Cornberg	Director Corporate Services
Paul Evans	Director Intervention
Trevor Pearce	Director Enforcement

The Chair of SOCA, appointed by the Home Secretary, is responsible for SOCA's overall approach and for its relationship with Ministers and with Government generally, for SOCA's strategy and, with the Board, for oversight of its operational performance.

The Director General is also appointed by the Home Secretary, and is responsible for everything SOCA does operationally and administratively. He is responsible for the day-to-day leadership of SOCA's management team and ultimately also for the appointment, accreditation and direction of its other staff. As Accounting Officer, he is responsible for SOCA's expenditure and accounting arrangements.

The non-executive directors bring a wealth of experience to the management and oversight of SOCA. Their backgrounds are as follows:

- Stephen Barrett is International Chair, Corporate Finance at KPMG;
- Elizabeth France is the Telecommunications Ombudsman, and was formerly the Information Commissioner;
- Ken Jarrold is former Chief Executive of County Durham and Tees Valley Strategic Health Authority and also former Chair of the Drugs Action Team for Durham;
- Janet Paraskeva is Chief Executive of the Law Society. She is also an independent member of the Consumer Council for Water and Chair of the Olympic Lottery Distributor. Her appointment as

the First Civil Service Commissioner was announced recently; and

- General Sir Roger Wheeler was Chief of the General Staff from 1997 to 2000.

FUNCTIONS

SOCA's functions are set out in SOCAP. They are to prevent and detect serious organised crime and to contribute to its reduction in other ways and the mitigation of its consequences, and to gather, store, analyse and disseminate information on crime. In addition, SOCA is tasked to provide support to law enforcement partners, notably UK police forces and HM Revenue and Customs.

THE HOME SECRETARY'S PRIORITIES

The Home Secretary has set out for SOCA his strategic priorities for its first year of operation, and explained how he will judge its success. His letter was laid before both Houses of Parliament. The main points are:

- SOCA should devote a higher proportion of its resources and activity to intelligence work than the agencies that it replaces;
- Class A drugs and organised immigration crime, in that order, should be its top priorities;
- effort should continue to be devoted also to the other organised crime threats already identified, including fraud against individuals and the private sector, hi-tech crime, counterfeiting, the use of firearms and serious robbery; and
- emphasis should be placed on recovering the proceeds of crime.

Assessment of performance will be made with reference to:

- trends in underlying harms caused by organised crime;
- evidence of dislocation of criminal markets, including evidence that criminal groups are finding the UK a less attractive market;
- growth in SOCA's own capacity to make a difference, with particular focus on the quality of our understanding of organised crime; and
- performance against asset recovery targets.

RESOURCES AND STAFFING

For the financial year 2006/07, SOCA will receive grant in aid from the Home Office set provisionally at £416m in resource funding and £41m in capital provision. It anticipates employing approximately 4,200 full time equivalent staff during the year.

ORGANISED CRIME THREATS TO THE UK

Organised crime covers a very wide range of activity and individuals involved in a number of crime sectors. The most damaging sectors to the UK are judged to be drugs trafficking, organised immigration crime and fraud, which, as the most significant, are briefly further described below. In addition, there are a wide range of other threats, including hi-tech crime, counterfeiting and forgery, the use of firearms by serious criminals, serious robbery, organised vehicle crime, cultural property crime and others.

DRUGS TRAFFICKING

Drugs trafficking, particularly of Class A drugs such as heroin, cocaine and synthetics, poses the greatest single criminal threat to the UK in terms of the scale of serious organised criminal involvement, the illegal proceeds made and the overall harm caused. Home

Office estimates put the social and economic harm caused by Class A drugs at around £13bn a year. This largely arises from acquisitive crimes addicts commit to fund their habit, and the damage caused to family life and communities, as well as health service costs.

ORGANISED IMMIGRATION CRIME

Organised immigration crime covers both the organised facilitation of immigrants to the UK (“people smuggling”) and the trafficking of people for criminal exploitation, for example as prostitutes or forced labour (“human trafficking”). Organised illegal immigration causes harm to the people who are trafficked, who often face violence and other personal risks. But it also creates problems for the UK through the economic costs and the potential impact on social cohesion associated with large scale illegal immigration.

FRAUD

Fraud involves the obtaining of other people's money or assets by deception. A lot of fraud is committed directly against the Government – against the tax and the benefits systems. HM Revenue and Customs and the Department of Work and Pensions lead the work to counter these threats, although SOCA will support them. Fraud is also committed against individuals and companies, in a wide variety of ways, and often by organised gangs. It is here that SOCA will concentrate its efforts. Some examples of such frauds include:

- fraud against banks, often involving false or stolen identities;
- investment and advance fee frauds, in which individuals are enticed to pay over money against false promises; and
- forms of e-fraud exploiting the use of the internet by banks and commerce.

Much fraud goes unreported, and despite the fact that frauds can cause companies and individuals significant damage, it is sometimes, mistakenly, seen as victimless. As well as generating money that can be used for future crimes, fraud means that everyone pays more for goods and services. In addition, it can cause significant personal difficulties and distress.

EXERCISE OF FUNCTIONS

Taking into account the strategic priorities set by the Home Secretary, the Board of SOCA has:

- determined a structure and organisation for SOCA;
- set generic priorities that will guide the work of the organisation as a whole, and planned the business accordingly;
- planned a broad division of effort, crime sector by sector; and
- considered the exercise of SOCA's functions in Scotland and Northern Ireland.

STRUCTURE AND ORGANISATION

SOCA is divided into four directorates, specialising in particular aspects of the work. In practice, staff from the different directorates will often come together in multi-disciplinary teams to tackle particular threats. The directorates are:

- intelligence, which gathers and assesses information and uses it to produce the best understanding of organised crime. The directorate ensures that all activity is knowledge-led and directed towards agreed priorities, and that SOCA builds strong working relationships with other agencies, including other law enforcement partners;

- enforcement, which provides a flexible operational response to threats, building high quality criminal cases against key targets and organised crime groups;
- intervention, which aims to make life harder for serious organised criminals, with a particular focus on attacking criminal assets and working with the private sector. Intervention also houses the international arm of SOCA; and
- corporate services, which supports, facilitates and develops SOCA's capabilities. The staff of SOCA will operate from almost fifty sites in the UK, as well as overseas.

GENERIC PRIORITIES

The Board has determined five overarching and linked priorities to guide SOCA's business, as follows.

PRIORITY	ACTION
1. To build knowledge and understanding of serious organised crime, the harm it causes, and of the effectiveness of different responses.	<p>Actions to deliver this will include:</p> <ul style="list-style-type: none"> • increased effort over that in predecessor agencies; • investment to expand covert collection capabilities; • contribution to knowledge from all parts of the business, working to consistent rules, and a tasking regime to ensure all activity contributes to the knowledge picture; • embedded officers in other agencies in UK and overseas; and • use of new legal gateways to increase the flow of information to and from SOCA.
2. To increase the amount of criminal assets recovered and increase the proportion of cases in which the proceeds of crime are pursued.	<p>Actions to deliver this will include:</p> <ul style="list-style-type: none"> • increased numbers of Financial Investigators and other staff working on proceeds of crime; • ensuring financial investigation is integral to every SOCA operation, with a Financial Investigator on every team; • an improved Suspicious Activity Report (SAR) regime that delivers better information to law enforcement and a better service to the reporting sector; • referral of more cases to the Asset Recovery Agency; and • application of a total confiscation approach, so criminals are unable to profit from their activities.

PRIORITY	ACTION
<p>3. To increase the risk to serious organised criminals operating in the UK, through proven investigation capabilities and in new ways.</p>	<p>Actions to deliver this will include:</p> <ul style="list-style-type: none"> • increased numbers of front-line staff; • high quality investigations in response to specific tasking, working closely with prosecutors; • a system of “lifetime management” for serious organised criminals, in partnership with the National Offender Management Service and others; • use of the new powers in SOCAP to the full; and • innovative approaches to predicting and dealing with organised crime threats.
<p>4. To collaborate with partners in the UK and internationally to maximise efforts to reduce harm.</p>	<p>Actions to deliver this will include:</p> <ul style="list-style-type: none"> • agreement with partners of comprehensive control strategies to address the range of organised crime threats; • active relationship management with partners in the public and private sectors, with a particular focus on the financial sector based on an improved SARs regime; • realignment of the network of overseas liaison officers to ensure it fits the UK’s priorities; and • provision of information and advice to the private sector and others to enhance preventative measures and encourage target hardening.
<p>5. To provide agreed levels of high quality support to SOCA’s operational partners and, as appropriate, seek their support in return.</p>	<p>Actions to deliver this will include:</p> <ul style="list-style-type: none"> • provision of tactical support to police forces including in kidnap and extortion cases; • provision of the conduit to Interpol, Europol and Schengen international co-operation and information networks; • involvement of operational partners in decisions on tasking and co-ordination; and • provision of covert and technical collection support to operational partners.

SECTOR PRIORITIES

SOCA inherits a volume of active casework from its predecessor organisations. In the period leading up to launch, this casework has been reviewed and consolidated, and, where propitious, will be taken forward either by SOCA or by a partner organisation, so that the effort against all sectors is maintained.

While it is helpful in developing strategies, building partnerships and measuring impact, dividing organised crime by sectors oversimplifies a complex reality. Organised criminals move between areas of business when they believe the risks can be managed and the rewards are favourable. SOCA will operate across the range of identified sectors, focusing more on pursuing the criminal or criminal network rather than the particular commodity or crime in which they happen to be involved. In addition, some “sectors” – such as criminal money and e-crime – are in fact common tools for a range of crime sectors and will be addressed alongside sector focused work. A key activity for SOCA will be to find synergies between and to link up sectoral work, thereby increasing the effectiveness of the UK’s response.

However, as a guide, the SOCA Board has determined that SOCA should aim to apportion its operational effort broadly as follows against the main threat sectors:

- drugs trafficking, primarily Class A 40%
- organised immigration crime 25%
- individual & private sector fraud 10%
- other organised crime 15%

Much of this effort will be deployed working with or supporting operational partners. In future years, as our understanding of organised crime improves or as crime patterns change, these proportions may

change. The Board has further determined that SOCA should aim to devote broadly 10% of its operational effort to supporting law enforcement partners in support of their objectives when those objectives would not otherwise be SOCA priorities.

CHILD EXPLOITATION AND ONLINE PROTECTION CENTRE (CEOP)

SOCA will support the operation of CEOP which is affiliated to it, particularly through the provision of corporate support services. CEOP will have operational independence from SOCA, but will be accountable to the SOCA Board.

EXERCISE OF FUNCTIONS IN SCOTLAND AND NORTHERN IRELAND

SOCA has a UK-wide remit, although there are areas of Government essential to SOCA’s business, notably policing and the criminal law, that are devolved to Scotland.

Scotland and Northern Ireland have their own priorities with regard to serious organised crime. In Scotland the most important organised crime threats have been identified as Class A drugs and money laundering, followed by fraud and organised immigration crime. Northern Ireland has particular circumstances related to the activities of paramilitary organisations, and has set up an Organised Crime Task Force to co-ordinate a response.

To provide an effective and coherent response to organised crime threats, SOCA and the agencies in Scotland and Northern Ireland have agreed to work in partnership. In this context, SOCA will thus:

- provide the full range of the services previously provided by NCIS to agencies in Scotland and Northern Ireland;

- conduct the range of intervention activity, aimed at making life harder for organised criminals throughout the UK, in close co-operation with the relevant authorities where a geographical link is identified; and
- run enforcement operations in Scotland or Northern Ireland through the existing agencies there and in support of their activity.

The Scottish Executive makes a financial contribution towards the support provided, and has agreed with the Home Office that in the first year this should be the equivalent to previous contributions to support NCIS. Contributions in future years will be discussed as more detailed plans for SOCA's activities are available.

PERFORMANCE MEASUREMENT

Law enforcement has tended to be judged on easily quantifiable measures, such as the number of groups disrupted or amount of illegal commodity seized, which are simple to measure but very hard to connect with outcomes that matter to communities.

The broad performance framework identified for SOCA by the Home Secretary is designed to reflect the reality of what it has been tasked to achieve. The SOCA Board has determined that, in response to that framework set by the Home Secretary, SOCA will be governed by a performance regime that bears as closely as possible to the reality of outcomes that matter to the people of this country. Its main measures will be:

- the quality of knowledge and understanding of serious organised crime;
- criminal asset performance, where SOCA will contribute to Government wide asset recovery

targets. These targets, and SOCA's contribution to them, are currently under review elsewhere within Government;

- dislocation of criminal markets, assessed through evaluation of the impact of SOCA's activity, with an aim of generating evidence of that impact in the form of upward pressure on the price of criminal goods or services, a reduction in UK availability or quality, or evidence that criminals are finding the UK a less attractive market; and
- the quality of SOCA's relationships with others, which will be measured through regular structured surveys.



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