

Crime Prevention and Security Management

Series editor

Martin Gill

Perpetuity Research

Tunbridge Wells, Kent, United Kingdom

‘This is an indispensable book which highlights the ease with which some organised criminals commit fraud, often using professional enablers and frequently making significant profit. The book provides a fascinating and compelling analysis of the national data coupled with offender perspectives on their criminal activity and the criminal justice system; the book also examines the challenges faced by investigators and the often devastating effect organised fraud has on victims. Once and for all, the myth that somehow fraud is a victimless crime is exploded.’

—Mick Creedon, BA, MA, QPM, *Retired Chief Constable and National Policing Lead for Serious and Organised Crime, Financial Crime and Asset Recovery, UK*

It is widely recognized that we live in an increasingly unsafe society, but the study of security and crime prevention has lagged behind in its importance on the political agenda and has not matched the level of public concern. This exciting new series aims to address these issues looking at topics such as crime control, policing, security, theft, workplace violence and crime, fear of crime, civil disorder, white collar crime and anti-social behaviour. International in perspective, providing critically and theoretically-informed work, and edited by a leading scholar in the field, this series will advance new understandings of crime prevention and security management.

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Tiggey May • Bina Bhardwa

Organised Crime Groups involved in Fraud

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*In memory of Daffy, whose love, support, and zest for life
knew no boundaries. Tigs*

SERIES EDITOR'S INTRODUCTION

This book provides an excellent insight into organised crime, organised fraud, and fraud generally. Tiggey May and Bina Bhardwa will introduce you to the range of problems that plague and undermine the formal response to fraud offences. Via their own original research they provide an important insight into the behaviour of organised offenders, tracing their diverse behaviour in committing a range of offences while remaining determinedly (and largely successfully) under the police radar.

As the authors note, fraud constitutes about a third of all reported offences and the costs are astronomical. What we learn is that those engaged in high-level organised fraud are distinct—at least when compared with other types of organised crime operations—in that they commit an exceptionally high number of offences; facilitate extensive criminality by others; regularly use the services of professional enablers, sometimes blackmailing them into acting corruptly; and overall have a considerable and largely unrecognised impact on local communities.

The authors report on the perspectives of 31 offenders, many of whom they interviewed in prison. They found the majority made a conscious decision to commit offences, attracted by the enormous benefits that can be accrued. You will read about the process by which some offenders are recruited by organised crime groups (OCGs), sometimes by people they knew, including friends, and sometimes by strangers; some were duped, some were bribed, some exploited an opportunity, and some traced their behaviour to a general recklessness or greed. You will read about the ways OCGs are structured and the much discussed existence of a hierarchy including a 'Mr Big' which they find was in evidence.

The criminal justice system is found wanting in many different ways. While the police response to fraud committed by OCGs is complicated by not just the volume of offending but also the complexity of cases (especially when there is an international dimension), they can also be onerous and time consuming to manage; there are 'no quick jobs'. They find that some investigators lack the requisite skills. Attempts to reclaim money obtained illegally are too often unsuccessful or only partially so. As a consequence of all this, success is often judged in being able to curtail offending rather than generate prosecutions. This means some fraudsters are not pursued, including and even especially those who are in the professions and play a crucial role in enabling crime. This may be unpalatable, but it is a consequence of factors that include a low priority to tackling fraud from a range of stakeholders, not just the police.

The authors offer their insights on ways of improving matters including a better use of criminal sanctions, improved intelligence sharing, and promulgating the fact that fraud is not victimless and is in fact a serious offence with serious negative implications for victims.

This is an important study that adds greatly to our understanding of organised fraud and all its implications. At the same time it lays the foundation for thinking more constructively about the response, especially at the local level.

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Martin Gill

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Studies of this nature can only be made possible through the dedication and commitment of many individuals. To preserve the anonymity of our enforcement respondents, we have not thanked by name the many individuals who gave up their time, provided us with important insights into their work, and helped us in numerous other ways during the lifetime of the project. We are, nevertheless, very grateful to them all.

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Tiggey May
Bina Bhardwa

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ACRONYMS

ARA	Asset Recovery Agency
ATM	Automated Teller Machine
Cifas	Credit Industry Fraud Avoidance System
CPS	Crown Prosecution Service
DDOS	Distributed Denial of Service
DOS	Denial of Service
FATF	Financial Action Task Force
FCA	Financial Conduct Authority
FRO	Financial Reporting Order
HMIC	Her Majesty's Inspectorate of Constabulary
HMRC	Her Majesty's Revenue and Customs
ICT	Information Communication Technology
LEAs	Law Enforcement Agencies
MoJ	Ministry of Justice
NCA	National Crime Agency
NFA	National Fraud Authority
NFIB	National Fraud Intelligence Bureau
OCGs	Organised Crime Groups
OCGM	Organised Crime Group Mapping
ONS	Office for National Statistics
PCCs	Police and Crime Commissioners
PNC	Police National Computer
PoCA	Proceeds of Crime Act (2002)
ROCU _s	Regional Organised Crime Units
SCPO	Serious Crime Prevention Order

SFO	Serious Fraud Office
SOCPA	Serious Organised Crime and Policing Act (2005)
SRA	Solicitors Regulatory Authority
UN	United Nations
UWO	Unexplained Wealth Orders
VAT	Value Added Tax

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