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A PUBLIC HEALTH APPROACH TO FRAUD IN WALES

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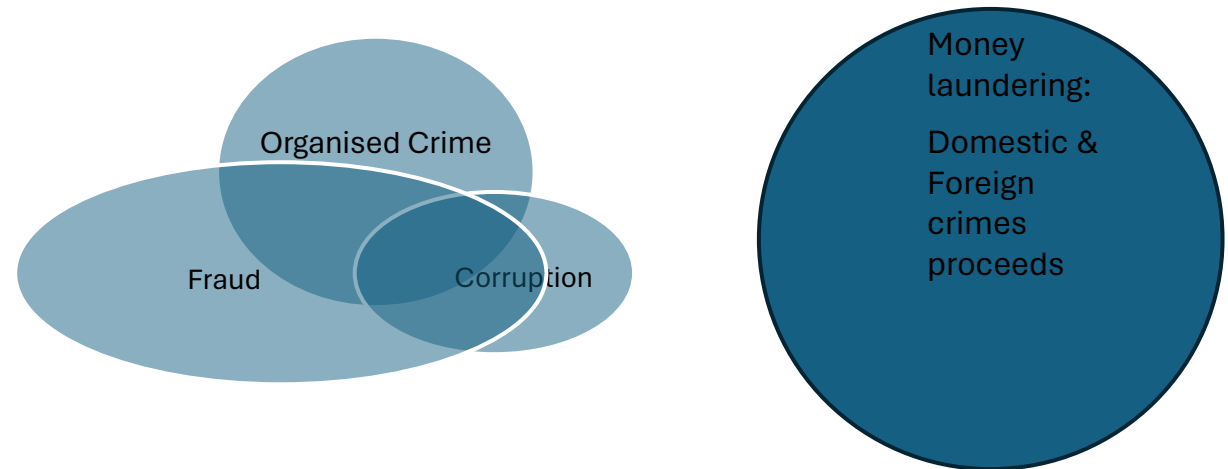
Gregynog 2024

Thinking straight about fraud and financial crimes

We have long had a governmental if not public ‘moral panic’ about organised crime but until recently, not at all about fraud. Why now? And what about in Wales?

Organised crime, fraud and corruption used to be regarded as separate. Now there is much more overlap – but in all countries *equally*? And changing or static over time?

What would the **size** of the money laundering circle be? Does it matter?



The Process of Fraud & Other Crimes for Gain

1. See a situation as a 'financial [crime] opportunity'.
2. Obtain whatever finance is needed to commit the crime.
3. Find people willing and able to offend (if necessary for the crimes contemplated).
4. Obtain any equipment/data needed to offend.
5. Neutralise immediate operational/enforcement risks.
6. Carry out offences in domestic/overseas locations with *or without* physical presence in jurisdiction(s).
7. Convert, where necessary (e.g., if goods rather than money are obtained on credit), products of crime into money.
8. Find people, places & crypto media willing to store proceeds (and perhaps transmit/conceal origin).
9. Decide which jurisdiction(s) is best for comfort & low risk of asset forfeiture/criminal justice sanctions.
e.g. UAE? Haiti? Russia? PRC? North Korea?
10. Neutralise law enforcement by technical skill, by corruption, and/or by legal arbitrage, using legal obstacles to enforcement operations and prosecutions which vary between States.

'FRAUD' IS NOT JUST ONE THING

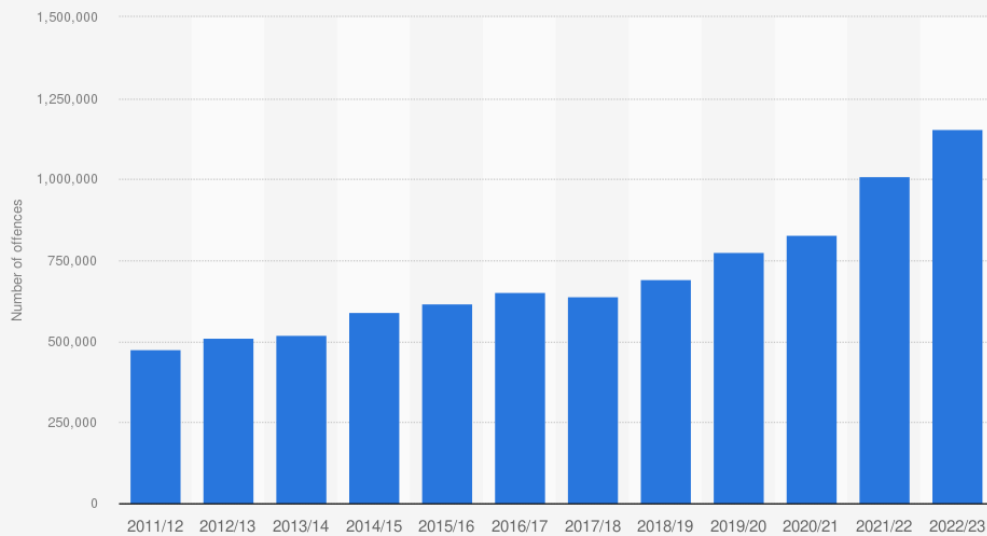
- Tsunami of fraud attempts v all demographics
 - By email phishing, social media, and text messages
 - By landline and mobile phone
 - By affinity groups in person/online
- Changes in fraud v non-FS businesses less often measured
- Huge frauds against government/taxpayers
- 'Chumocracy' allegations in by-passing formal procurement processes in emergency & selling stuff that doesn't work
- Longer term consequences for police and political legitimacy – ***who really cares?***

Number fraud & computer misuse offences referred to National Fraud Intelligence Bureau by Action Fraud, police force area 2022/2023 and fraud rate per 1,000 pop. Wales

	2022	2023	Rate per 1,000	
WALES	15,037	15,323	5	+2
Dyfed-Powys	3,608	3,415	7	-5
Gwent	2,471	2,703	5	+9
North Wales	3,274	3,244	5	-1
South Wales	5,684	5,961	4	+5

Trends in fraud arrests and in police-recorded frauds: System in crisis?

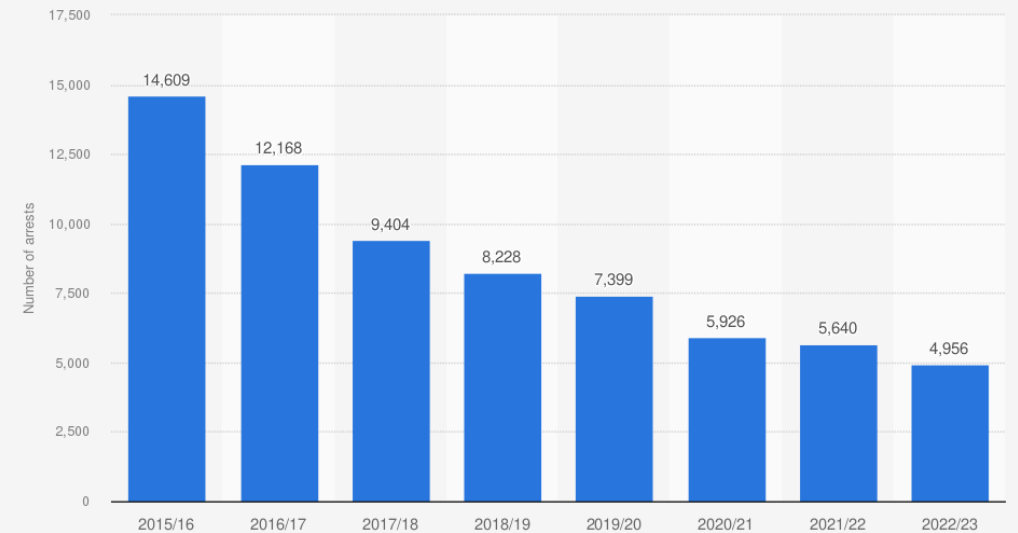
Number of fraud and computer misuse offences in England and Wales from 2011/12 to 2022/23



Source
Office for National Statistics (UK)
© Statista 2024

Additional Information:
United Kingdom (England, Wales); Office for National Statistics (UK); April 1, 2011 to March 31, 2023; 16 years and older

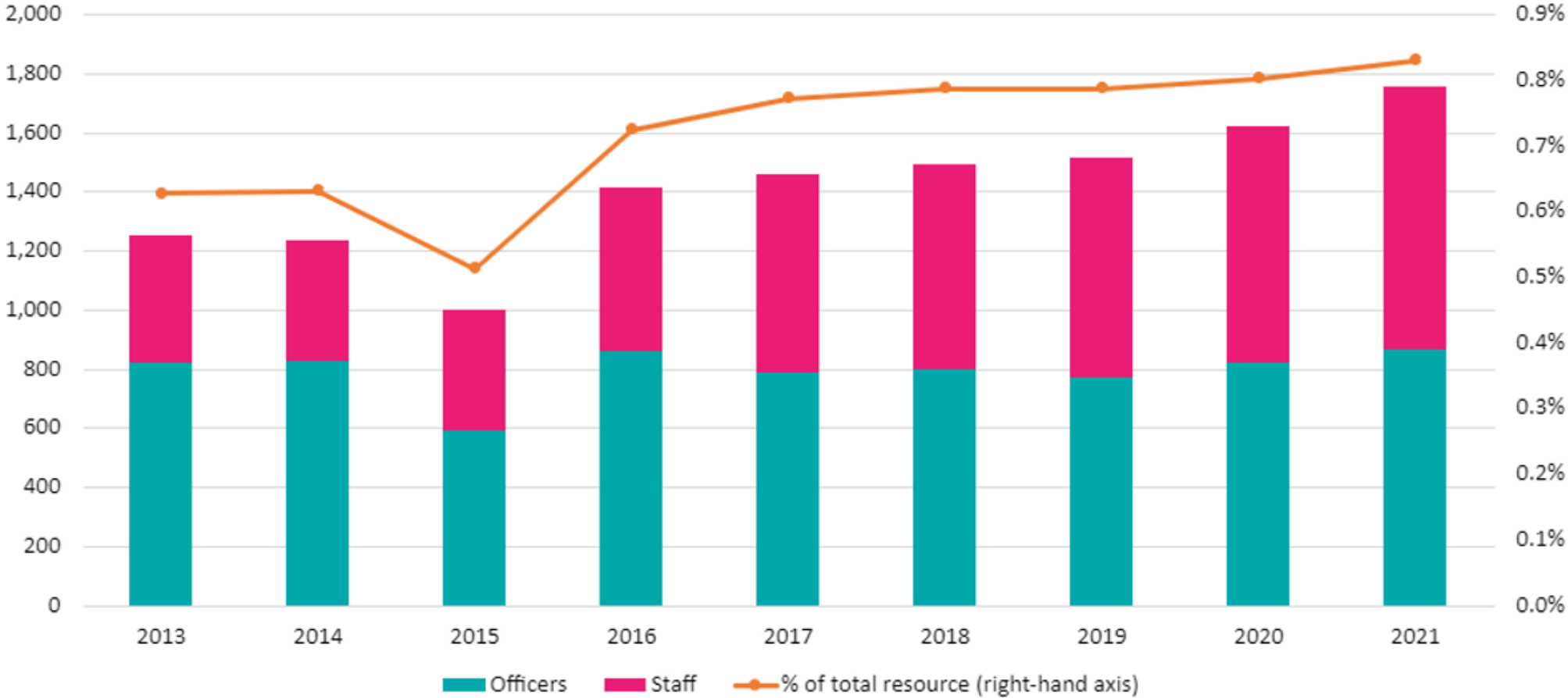
Number of persons arrested for fraud offences in England and Wales from 2015/16 to 2022/23



Sources
UK Home Office; GOV.UK
© Statista 2024

Additional Information:
United Kingdom (England, Wales); UK Home Office; GOV.UK; April 1, 2015 to March 31, 2023

Trends in Police and Civilian Resources for Fraud, England & Wales: a Capacity Problem?



Why a Public Health Approach?

- Aims to measure harms on people & business
- Takes us away from police/ criminal justice-centric approach
- Focus on reducing harm, not (or not *just?*) delivering justice
- Aims to measure intervention impacts on economic crime harms on people & business
- But this depends on there being interventions!
 - And accurate before and after measurability



Police Foundation Strategic Review of Policing 2022

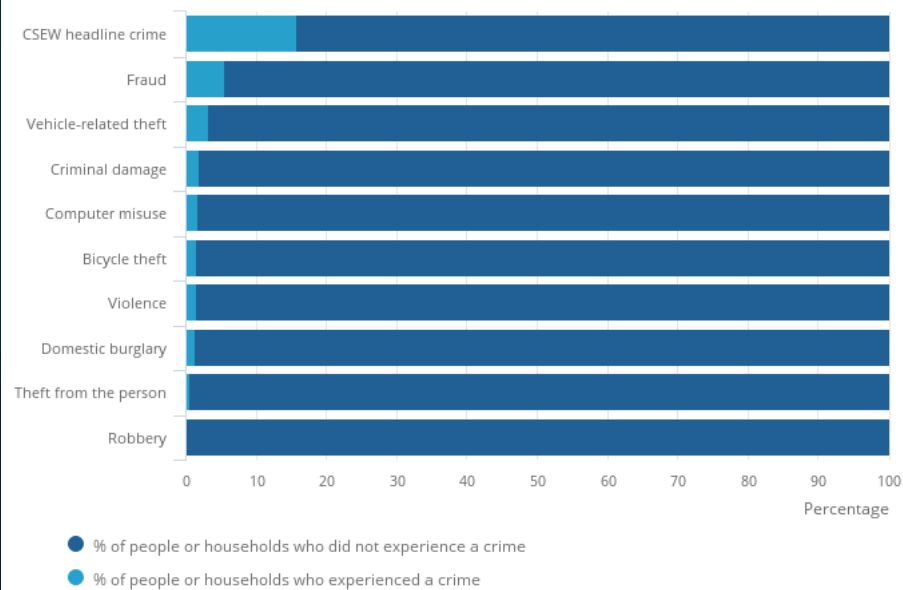
We propose a new Crime Prevention Agency, whose central task would be to ensure that crime was significantly reduced through preventive efforts. The law...would make it a legal duty for large companies to take the prevention of crime into account in the design of their products and processes. The Agency would have strong regulatory powers to enforce this duty and to intervene in, or fine, companies that neglected it. Given the shocking extent of fraud (and how little of it is ever effectively tackled) the Agency should make a substantial reduction of fraud its central priority.

Second, we need to considerably enhance our capability to tackle cross border and serious and organised crime, so much of which is beyond the grasp of local police forces. Too often those committing fraud and cybercrime believe that they can act with impunity. ...Regional serious and organised crime capabilities should be placed under the control of the NCA, so that their funding is placed on a sound footing and efforts to tackle cross border crime are coordinated by a body with a single priority and focus.

Individuals' crime/fraud risks England & Wales 2022-23 and sub-type trends 2017-22

Figure 2: The likelihood of being a victim of CSEW headline crime by crime type

England and Wales, year ending December 2023

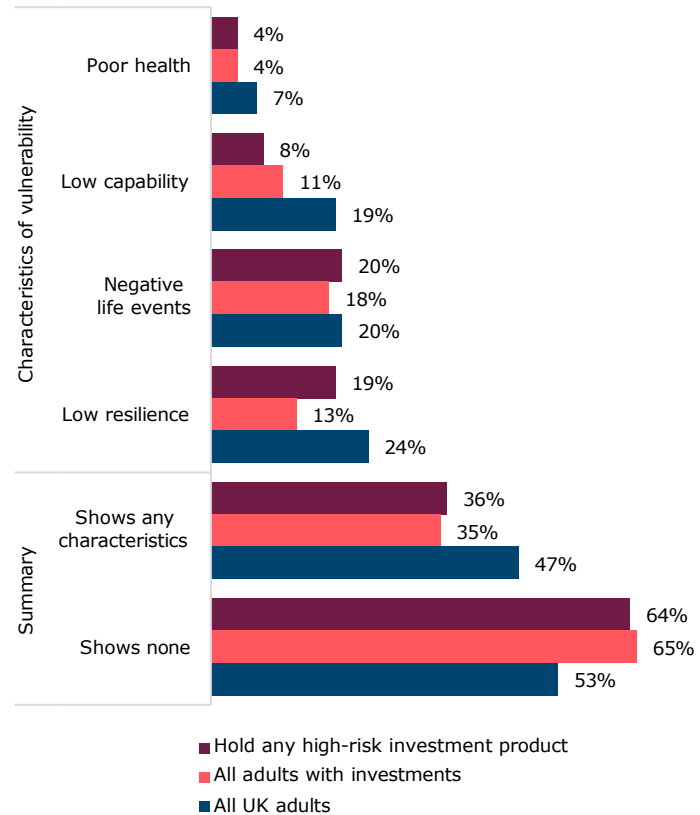


Source: Crime Survey for England and Wales (CSEW) from the Office for National Statistics

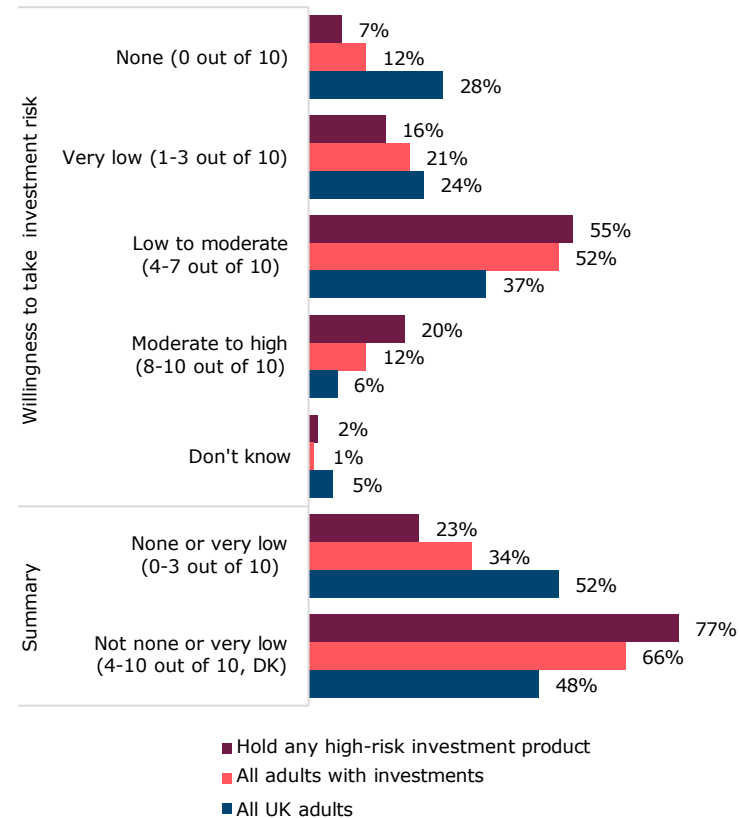


Of high-risk investment holders in May 2022, 36% had one or more characteristics of vulnerability – 23% had no or a very low willingness to take investment risk

High-risk investment holders by characteristics of vulnerability, in comparison to all UK adults with investments and to all UK adults (2022)



High-risk investment holders by willingness to take investment risk, in comparison to all UK adults with investments and to all UK adults (2022)

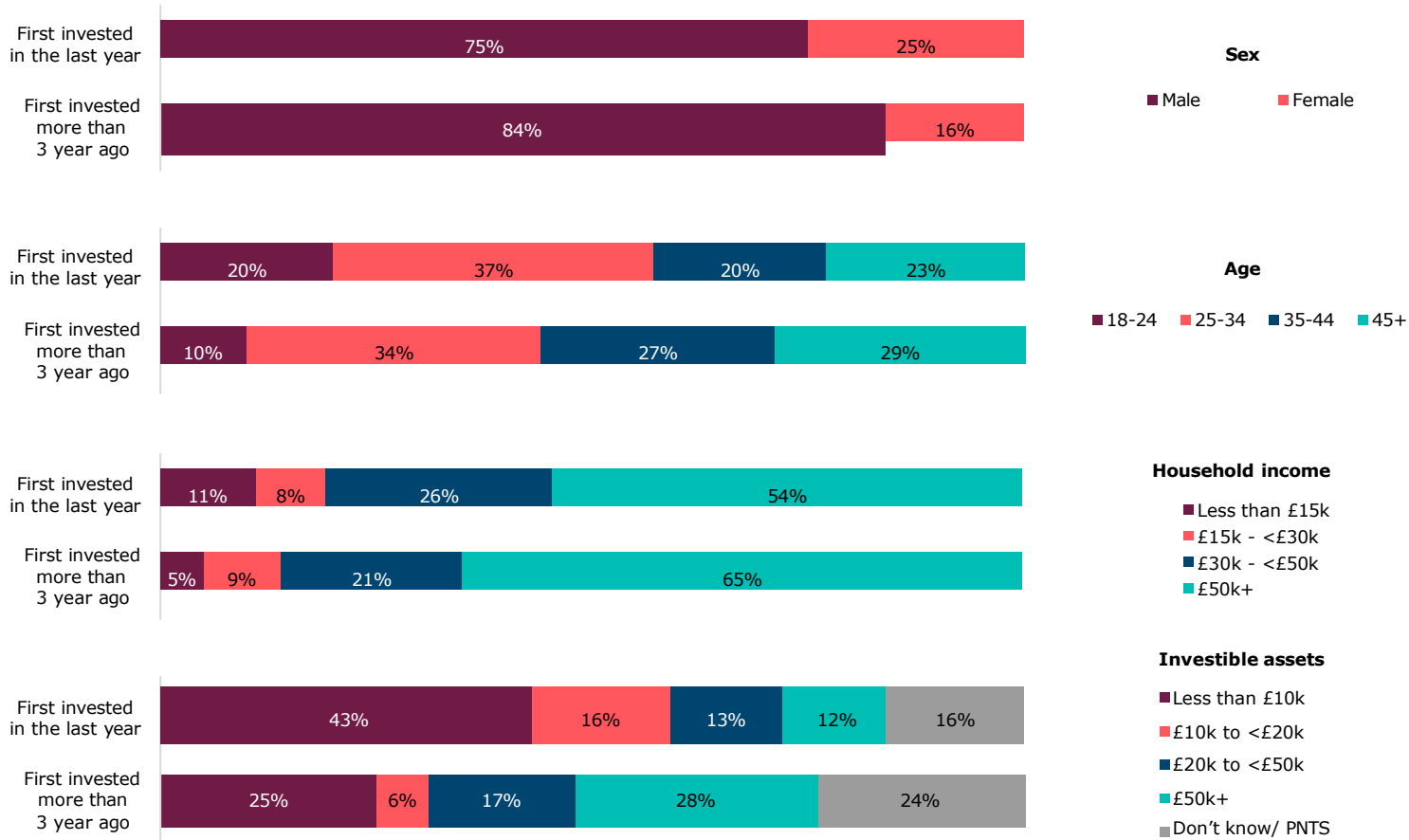


Base: All UK adults (2022:19,145)/ All UK adults with any investment (excluding those who only hold investment property or other real investments) (2022:8,278)/ All UK adults with cryptoassets, shares in unlisted companies, investment-based crowdfunding, peer-to-peer lending, IFISAs, CFDs, or mini bonds (2022:2,106)

Question: Vulnerability summary v2./ P_RI12. The next few questions are about your attitudes to risk and return associated with investing. How willing are you to take risk when investing?

New cryptoassets investors were more likely than more established cryptoasset investors to be young, have lower household incomes and be less wealthy

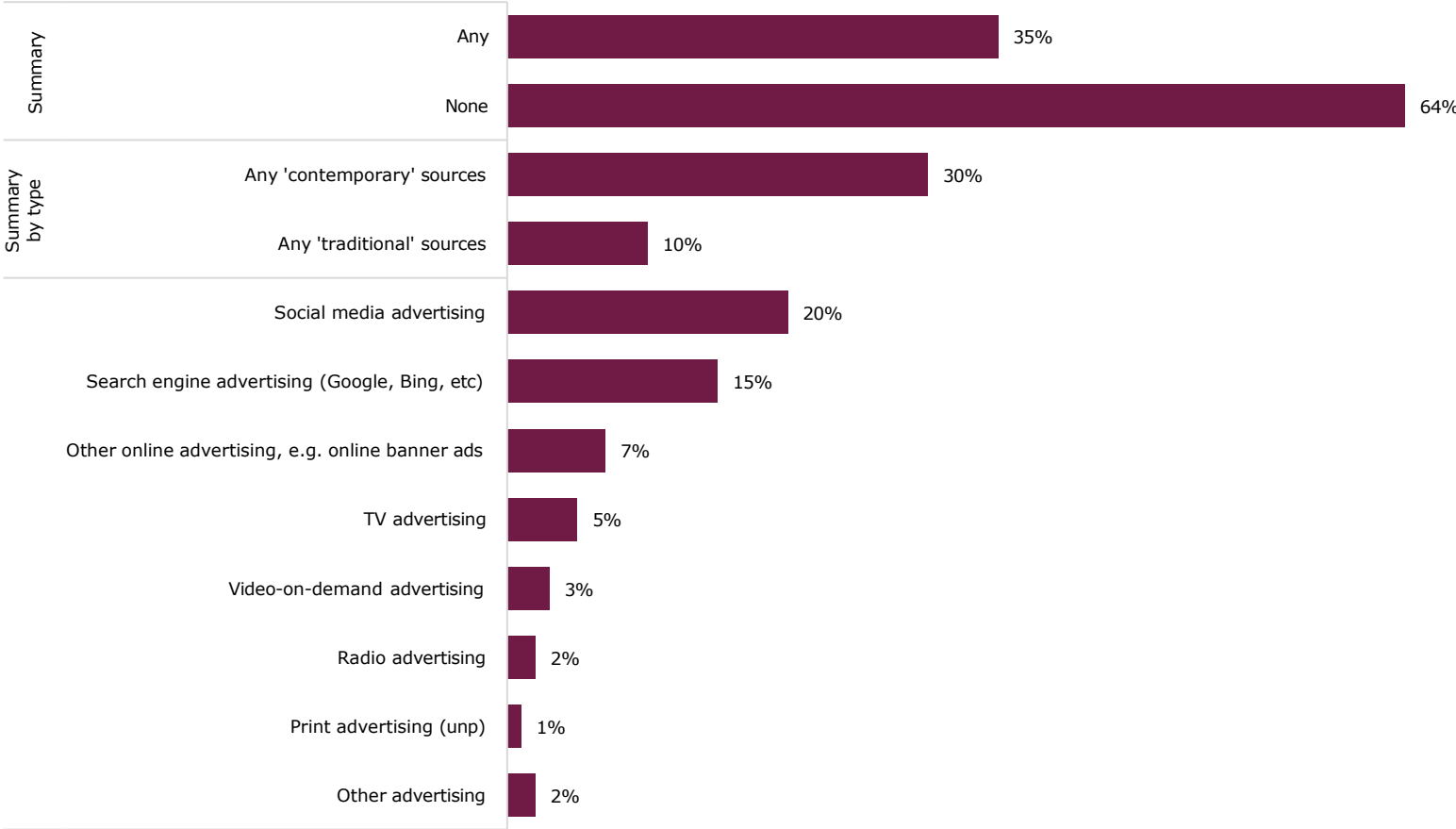
Demographic profile of adults who first invested in cryptocurrencies or cryptoassets in the last year, compared with those holding cryptocurrencies or cryptoassets for more than 3 years (2022)



Base: All UK adults who hold cryptocurrencies or cryptoassets who first invested in the last year (2022:177) or more than 3 years ago (2022:122)
Question: HRI2_e. How long ago did you first invest in the following non-mainstream investment products? Cryptocurrencies or cryptoassets, eg Bitcoin, Ether and NFTs
Note: Of all adults holding cryptocurrencies or cryptoassets in May 2022, 35% first invested in these the last year and 20% more than 3 years ago. 30% invested 1-2 years ago and 15% 2-3 years ago.

35% of adults with high-risk investments recalled seeing any advertising prior to investing in high-risk investment products; 20% recalled seeing social media advertising

Recall of advertising seen prior to investing in high-risk investment products (2022)



Base: All UK adults who hold one or more high-risk investment products (2022:1,267) excluding 'don't know' responses (16%)

Question: HRI4 (Rebased). Did you see any of the following advertising before you first invested in these non-mainstream investment products?

Note: 'Contemporary sources' defined as: social media advertising, search engine advertising, and other online advertising. 'Traditional sources' defined as: radio advertising, video-on-demand advertising, and TV advertising.

Covid obsessions?

- COVID-19 pandemic first **systematic** approach to combating health-related and financial scams during a pandemic or even during an epidemic in the UK
- Public-facing warnings by government and financial sector against consumer and investment scams
- But short and long-term **effectiveness** of advisory/warning techniques questionable
- Many elite, blue collar & 'OCG' frauds/IP crimes go on independently
- Covid scheme frauds/corruption against governments
 - UK and US more prominent than elsewhere because more schemes and relaxed controls
 - But now ended until the next pandemic!
- ***Pandemics (and economic crises) alter the shape of opportunities and pressures on individuals, but do not dominate fraud or other economic crimes***

Which? 2024: + consumer information approach to Protect and Prepare

How banks ranked for security

Online	Mobile apps
1. NatWest and RBS	1. HSBC
2. Starling	2. Barclays
3. HSBC	3. Santander
4. Barclays	4. Chase
5. First Direct	5. Starling
6. Nationwide	6. NatWest and RBS
7. Lloyds	7. First Direct
8. Virgin Money	8. Nationwide
9. Santander	9. Virgin Money
10. TSB	10. Lloyds
11. Co-op	11. Monzo
	12. Co-op
	13. TSB

Source: Which?

What is to be
done *for* victims,
to offenders,
to/for financial &
social media
intermediaries

- Enhance police capability and capacity *locally and regionally* as well as centrally (aka London!)
 - Not all frauds are sophisticated and need specialist intervention, but Tarian & force ECUs needed more for longer cases
 - Improving capabilities at basic level? How?
- *Co-ordinate* better with Trading Standards, business sectors & professions
- Examine money laundering prosecutions and regulatory sanctions for media platforms who take money from fraudsters for advertising/promoting their business without due diligence
 - They are doing more but what counts as enough?
- Identify local repeat victims and evaluate how they can best be helped to avoid further victimisation – with experiments if possible
 - E.g. TrueCall in Carmarthenshire
- Examine the impact of counter-fraud advertising and education
- Work out what types of fraud *cannot* be handled in this way & develop action plans for them
- Sustain interest beyond immediate media & parliamentary pressures
 - **Political party agendas in Wales and UK?**
 - Corruption Commissioner (Labour HQ)
 - Tax recuperation (Labour HQ)
 - Implement Economic Crime Plan even better (Conservative HQ)

Anything special about Wales?

- Demographics of vulnerable population
 - But what do we mean by vulnerability, and does it make sense?
- Do we need to prioritise for enforcement?
 - If so, on what criteria?
 - What can we leave to constabulary or all-Wales force(s), and what to the NCA/City/SFO?
- Do we need to prioritise for Protect & Prepare?
 - If so, whom and for what aspects of fraud?
- Re-imagining what we mean by ‘neighbourhood crime’: govt trapped by own rhetoric
 - Mainstreaming fraud into ‘safeguarding’ – Dudley and Carmarthenshire

Sam Bennet Lib Dems

We must restore community trust in our police force following riots in both Swansea and Cardiff over the last 5 years. I will seek to reverse cuts to funding for Anti-Social Behaviour interventions and ensure outreach in communities and schools is prioritised to build bridges across our communities, meaning our police are once more visible on our streets.

I will reduce the number of Deputy Commissioners across South Wales Police, reinvest this money in frontline policing, and campaign vigorously for policing to be devolved. These two policies will bring policing closer to the people of Wales. I will immediately launch a programme of community visits to find out what you want the police to do in your area.

It is time to take a more compassionate approach to drug offences, using the Office of Police and Crime Commissioner I will prioritise and push both governments to focus on rehabilitation programmes, an approach which would reduce repeat offending, and reduce pressure on our court system.

As your Police and Crime Commissioner, I would seek to end the use of facial recognition technology because it fundamentally breaches people's rights to privacy and discriminates against Black, Asian and minority ethnic populations. It is more frequently used in areas of high ethnic minority populations and is poor at identifying people from these backgrounds. This technology must be shelved to restore the trust of our communities.

George Carroll Conservative

Community is at the heart of everything I believe. It's why I serve as a local councillor and school governor. It's why I'm so passionate about making our communities safe. And it's why I'm standing to be your Police and Crime Commissioner.

I've been working with residents across South Wales on a plan to protect our communities.
Our Plan will:

1. Deliver more police, safer streets – by ensuring all resources are focused on core policing and frontline services. By taking full advantage of all government police recruitment grants. And by exceeding police recruitment targets.
2. Stop violent crime and drug gangs – by using effective stop and search to make our streets safe.
3. Stamp out antisocial behaviour – by taking a zero tolerance approach.
4. Combat extremism – by giving the police all the resources they need to protect us from terrorism. And actively promoting the government's Prevent programme to stop radicalisation.
5. Stop shoplifting – with targeted hotspot patrols. And by investing in more CCTV and surveillance.
6. Cut rural crime – by maintaining a dedicated rural crime team to protect our countryside communities & farms.

Together, we'll deliver more police and safer streets. And we'll make all our communities safe.

Prepared by **Rebekah Fudge** on behalf of George Carroll, both of CCHQ Wales, Cardiff CF14 5DU

Dennis Clarke Plaid Cymru

You should feel comfortable working with and trusting them. I want every employee of South Wales Police to be proud of their role in helping to look after our communities.

I know what goes wrong in the Criminal Justice System. I know what it should look like. I have been a legal aid solicitor and involved in many justice committees for about 50 years. My commitment to improving the system is well established.

All the time I have spent working to affect change in the law has been preparation for the role of Police and Crime Commissioner.

The understanding I have of how each part of the Criminal Justice System can and should perform is second to none.

My commitment is to you and the Criminal Justice System only.

I will not be a puppet of any of the authorities that might limit my vision. I will not be a political apologist for government decisions. I have always been concerned about ordinary people and taking up their fight for them.

My knowledge of the system and those working in it proved to me that everybody in the system wants to make it the best it can be. That is why we will be able to work well together whilst making use of my skills.

With me, your vote will have an impact. I am ready to take up the role and the challenge.

Come with me to take part in a genuine fight for a better South Wales, better for us all.

Emma Wools Labour

My heart and home is here in our vibrant cities, compassionate communities and valleys towns where I have delivered services to prevent crime and protect the public from harm for over 23 years. An award-winning leader, I have skills and knowledge from working in prisons and probation, policing and community safety, and I will make your voice heard in policing and take a stand on the issues that matter to you.

The people of South Wales need a Police and Crime Commissioner who knows first-hand the challenges we face daily in our communities. I have the personal and professional experience in tackling the crime and harm that affects where we live, our families and friends.

I have a proven track record in challenging policing and criminal justice as the current Deputy Police and Crime Commissioner for South Wales. I have led and managed partnerships across criminal justice: tackling youth violence, violence against women and girls, drugs and exploitation. I am passionate about working to improve the lives of those whose voice is less often heard, but are often suffering the most, to ensure justice is fair and policing delivers on what matters most. As your Police and Crime Commissioner I will focus on....

- **Community Policing**
- **Preventing crime**
- **Protecting the vulnerable, supporting victims and communities, *including those online***
- **Delivering Justice on those who commit crime and reducing reoffending**
- **Making Policing fit for the future**

Vote for me on 2nd May and I will work with you to strengthen and improve the future of policing and criminal justice in South Wales, delivering services to keep you safe, in which all communities can have confidence.