

**LINCOLNSHIRE POLICE AUTHORITY  
FINANCE AND PERFORMANCE COMMITTEE  
8<sup>th</sup> JUNE 2010**

<b>SUBJECT</b>		<b>CRIMINAL ASSET RECOVERY 2008/2009</b>
<b>REPORT BY</b>	<b>CHIEF CONSTABLE</b>	
<b>CONTACT OFFICER</b>	<b>DETECTIVE SERGEANT 1031 IAN JARMAN HEAD OF ECONOMIC CRIME UNIT TELEPHONE: (01522) 555860</b>	
<b>SUMMARY AND PURPOSE OF REPORT</b>		
To report on the progress made by Lincolnshire Police in meeting the performance targets set by the Office of Criminal Justice Reform (OCJR) in relation to confiscation orders, cash forfeiture orders and restraint orders obtained under the Proceeds of Crime Act 2002.		
<b>RECOMMENDATION</b>	<i>That the Committee note the report.</i>	

## **A. SUPPORTING INFORMATION**

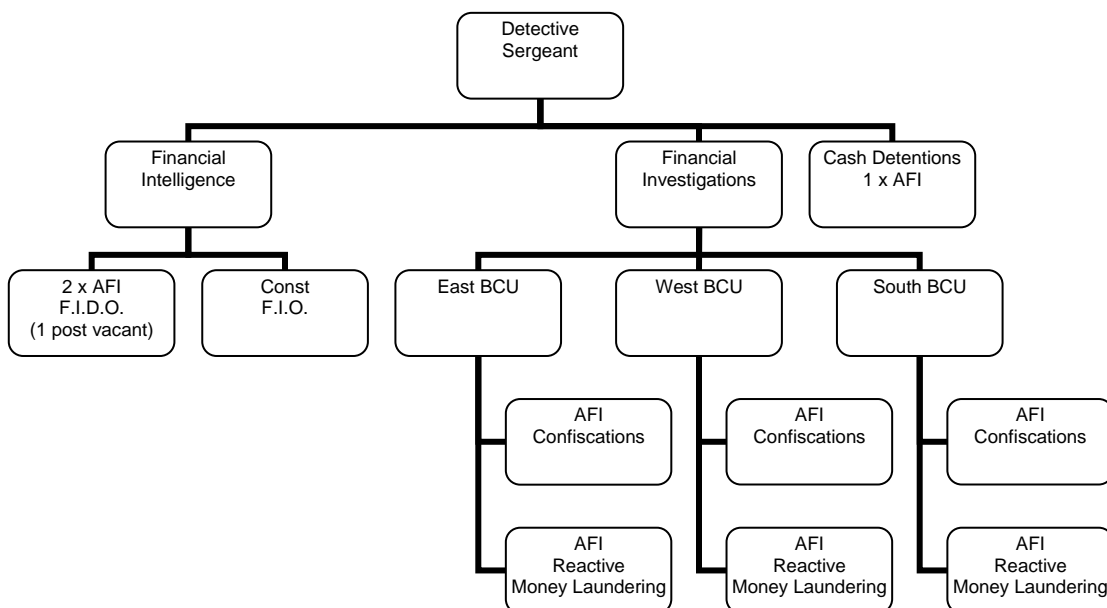
### **1. BACKGROUND**

- 1.1. In every case where a person has benefited from their crime, the police objective is to secure a criminal conviction and to remove the benefit of that crime. A confiscation order made under the Proceeds of Crime Act 2002 (POCA) is an effective way to reduce harm and to reassure our community. Confiscation is a process by which the benefits from crime can be recovered and returned to the victim or the State and is a process, which assists forces through Home Office incentivisation.
- 1.2. Cash Seizure and forfeiture under POCA is a civil procedure and does not require the suspect to be charged or convicted of a crime. Its purpose is to remove monies, which either are derived from unlawful conduct or are to be used in future unlawful conduct and thereby preventing further crime occurring. Forces again benefit from the forfeiture of such money through Home Office incentivisation.
- 1.3. The focus on POCA and criminal asset recovery continues at the highest level. Lincolnshire Police investigate Proceeds of Crime Act offences using the recommendations contained in the 2006 National Centre for Policing Excellence (NCPE) best practice advice. During 2008 the National Policing Improvement Agency (NPIA) published a document titled 'The Management and use of Proceeds of Crime Legislation' the purpose of which is to provide further advice on the current regime to chief officers and managers. It includes recommendations from the Joint Inspectorate Thematic Review – 'Payback Time' 2004, Prime Minister's Delivery Unit Review 2006 and the Prime Minister's Unit Report with a view to strengthening both the confiscation and cash seizure processes and make POCA more effective.

**2. PROGRESS MADE IN LINCOLNSHIRE**

- 2.1 During 2009/2010 Lincolnshire obtained confiscation orders to a total value of £1,010,081.30 compared against the Home Office set target of £870,000.
- 2.2 This is the first occasion Lincolnshire Police have reached the Home Office target and the first time that confiscation orders have been obtained in excess of one million pounds. This is a 58% increase on the orders obtained during the previous year showing significant progress in this area.
- 2.3 Lincolnshire Police Economic Crime Unit (ECU) has removed more criminal assets in 2009/10 than in the preceding three years combined. Through confiscation, forfeiture, a Drug Trafficking order and revisits to previous orders, a total value of £1,148,071.27 in financial orders have been granted.
- 2.4 In obtaining 75 confiscation orders during this period, the ECU has ensured that the Home Office target of 68 has been exceeded. This is a slight reduction on the previous period (by 4), however the implementation of form MG17A, this will be rectified in the forthcoming year.
- 2.5 The value of cash forfeiture obtained by the Economic Crime Unit has increased even though the quantity of orders has reduced. During the period 2009/10 a total of £91,549.97 was removed from criminals, using the civil process.
- 2.6 During 2009 the ECU changed its line management from the Major Crime Unit to the Serious Organised Crime Unit (SOCU), and has progressed the financial investigation aspects of this type of crime, leading to an increase in referrals to the unit.
- 2.7

**Economic Crime Unit Structure**



- 2.8 Twelve Financial Intelligence Officers have been trained to support the divisions with simple enquiries, allowing more resilience and capacity within the ECU.
- 2.9 Further more, additional divisional staff have been trained to carry out initial detention orders for cash seizure and to provide suitable advice for this and general money laundering offences. This supports the requirement for 'mainstreaming the Proceeds of Crime Act' as promoted by the NPIA as good practice, as POCA is not specialist legislation.
- 2.10 Two new staff members have been employed in SOCU, with specific responsibility in supporting that unit for financial investigations. They are currently being mentored by staff from the ECU until accredited.

### 3. PERFORMANCE

3.1 The Home Office continued to use the number and value of orders for both confiscation and cash forfeiture orders to benchmark the performance of forces together with performance targets for restraint. Lincolnshire Police performance for the years 2009/10 and 2010/11 is demonstrated in the table below at 3.3.

3.2 A person must be convicted of a crime before consideration can be given to proceeding with confiscation. The Information Management Unit, was asked for data regarding detected crime for the period April 2009 to March 2010. However due to the implementation of Niche, it has not been possible to verify the data provided and it must be appreciated that at this stage these figures should be viewed as a draft position.

3.3

Performance Area	Performance 2008/09	Target 2009/10	Performance 2009/10
Number of Confiscation Orders	79	68	75
Number of Cash Forfeiture Orders	21	25	15
Total value of Confiscation orders	£587,396.20	£870,000	£1,010,081.30
Total value of Cash Forfeiture Orders	£85,012.56	£110,000	£91,549.97
Number of Restraint Orders	13	12	8
Total number detected acquisitive crime. (*EXCLUDING any detections recorded in the interim database*)	4,856	n/a	4,511*
Total number detected drug trafficking crime. (*As above*)	428	n/a	232*
<b>Total crimes available for confiscation</b>	5,284	n/a	4,743*
Lincolnshire population	circa 692,800	n/a	circa 692,800.

- 3.4 Cash forfeiture is the culmination of civil action taken by Lincolnshire Police with regards to cash seized, where the origin or use, is believed to have criminal objectives. In 2009/10, there was no increase in the number of incidents where cash was seized within the Police area, remaining at 34. However even though the forfeiture order quantity has reduced, the value has increased. If comparing this action to general policing, this would still equate to an arrest to conviction rate of 44%.
- 3.5 The ECU has not attained the target for restraints for the year 2009/10, although at all times this has been considered during confiscation investigations. It must be appreciated that any restraint application has to show reasonableness, justification and necessity. If there is no apparent necessity to apply for a restraint then this should not be applied for. The Local Service Level Agreement with the CPS, HM Courts and Police has been in place establishing that unless extenuating circumstances exist, no approach will be made to the CPS for restraint if the assets identified are less than £10,000.
- 3.6 2010/11 Lincolnshire Police Home Office agreed aspirations.

Performance Area	Performance figures 2010/11
Number of Confiscation Orders	75
Value of Confiscation Orders	£870,000
Number of Cash Forfeiture Orders	25
Value of Cash Forfeiture Orders	£110,000
Number of Restraint Orders	12

## B. FINANCIAL CONSIDERATIONS

### USE OF INCENTIVISATION MONIES

The money received by Lincolnshire Police through incentivisation from the Home Office, equates to a percentage of the monies actually recovered by the Police and HM Court Service.

The total funds to be received from 2009/10 are still to be confirmed with the exact final figure not being known until the beginning of July 2010, as all monies are paid three months in arrears by the Home Office. Once the final funds have been received the use will be determined. However calculations suggest that Lincolnshire Police is likely to receive circa £68,475 based on performance during 2009/10,

- Confiscation = Total Home Office receipts less 50% to Government with the remaining 50% divided between the three criminal justice partners i.e. Police, Crown Prosecution Service (CPS) and Her Majesty's Courts Service (HMCS). Lincolnshire Police receive 18.75% of the amount enforced by HMCS against the value of orders gained. For the year 2009/10 HM Courts enforced £585,044 from the outstanding confiscation orders. This would normally equate to £109,695 through incentivisation to Lincolnshire Police, however following an individual case where £464,000 was confiscated and returned to the victim as compensation, Lincolnshire Police will receive 18.75% of the balance through incentivisation. This will be in the region of £22,700.

It should be noted that some of the orders obtained in 2009/10, including over £368,000 which was confiscated in the last three months of the period, will be part of the incentivised figures in 2010/11 (circa £69,000 when enforced), as the defendant is granted time by the Crown Court judge to realize assets and make payment.

- Cash Seizure = Total Home Office receipts less 50% to Government with the remaining 50% being returned to Lincolnshire Police. For the year 2009/10 this should be £45,775.

The Home Office criteria for incentivisation expenditure are to re-invest in POCA investigations and targeting offenders with the purpose of conviction and asset recovery. Lincolnshire Police will use the funds to investigate serious and organised criminality impacting on Lincolnshire communities, together with local crime fighting priorities. It will also be used to ensure staffing levels are maintained for asset recovery work. The overall priority is to improve public confidence in the Police and partners, in tackling crime and in particular maximising opportunities to seize the proceeds of crime.

#### **C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS**

None specific.

#### **D. PERSONNEL, EQUAL OPPORTUNITIES AND DIVERSITY ISSUES**

(including any impact or issues relating to Children and Young People under the Every Child Matters (ECM) framework.)

None specific.

#### **E. REVIEW ARRANGEMENTS**

The Assistant Chief Constable (Protective Services), Head of Crime and Detective Sergeant Jarman will monitor performance during regular performance reviews.

An annual update will be presented to the Finance and Performance Committee by the Head of Economic Crime.

#### **F. LIST OF BACKGROUND PAPERS**

<b>Date</b>	<b>Description</b>	<b>File</b>
	None	