

# Cross Border Organised Crime

Assessment 2014



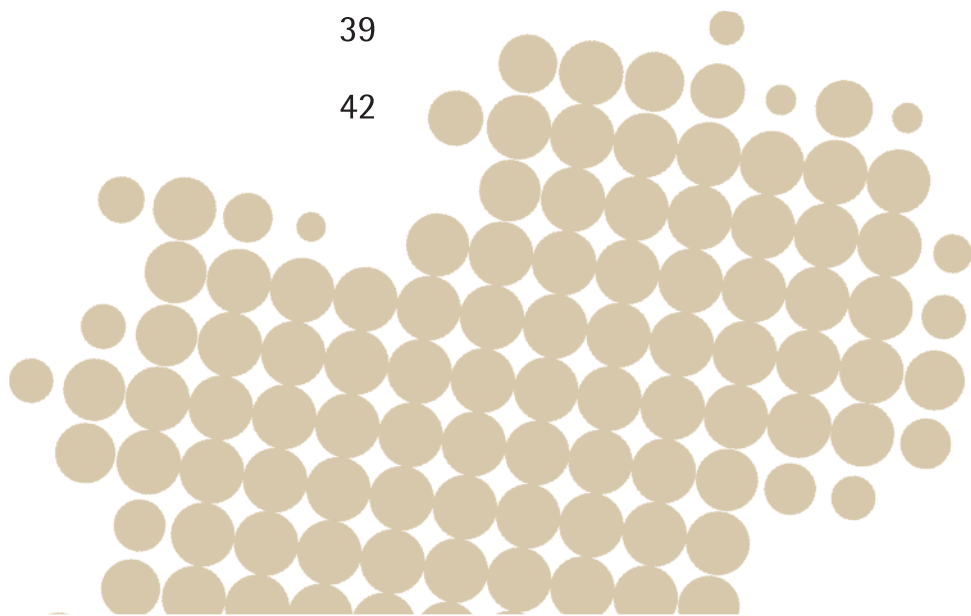
POLICE SERVICE OF  
NORTHERN IRELAND



AN GARDÁ  
SÍOCHÁNA

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PSNI Chief Constable -  
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## FOREWORD

Cross border cooperation between law enforcement agencies continues to play a key role in our fight against organised crime groups who cause harm to communities on both sides of the border. Organised crime groups often operate on a cross border basis, by disregarding the border or by using it to facilitate criminality. Consequently, it is essential that authorities on both sides of the border cooperate together and with other law enforcement agencies in order to thwart the threat posed by these groups.

Law enforcement agencies on both sides of the border maintain an effective working relationship, the results of which are evident through a substantial number of successful cross border investigations. These partnerships are achieved through efforts such as regular contact, intelligence sharing, parallel investigations and utilisation of new technology that enables further linkage between forces. Additionally, joint training is undertaken and various cross border working groups have been established to focus on particular crime issues.

The Cross Border Organised Crime Seminar is held annually and provides an opportunity for agencies from both jurisdictions to come together, share experiences and focus on particular topics/issues within organised crime. Not only are tactical

approaches and plans for future operational activity discussed, but longer term issues and efforts are also examined, with the aim of strengthening resilience to the threats posed by organised crime.

We are very pleased to present the sixth biennial Cross Border Organised Crime Threat Assessment, which provides an insight into organised crime activities seen on both sides of the border. Trends and developments across both jurisdictions are compared in an effort to highlight similarities/differences in the threat posed by certain areas of criminality. In some instances, such as cybercrime and human trafficking, the threat is similar throughout the island of Ireland, however in other areas, such as some aspects of the drugs market, there are key differences between the jurisdictions.

Organised crime has become more diverse, complex and global. It will remain a considerable challenge for law enforcement agencies on both sides of the border and cooperation is vital for continued success.



# ACKNOWLEDGEMENTS

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- An Garda Síochána
- Border Force (BF)
- Criminal Assets Bureau (CAB)
- HM Revenue and Customs (HMRC)
- Home Office Immigration Enforcement (HOIE)
- National Crime Agency (NCA)
- Police Service of Northern Ireland (PSNI)
- Revenue Commissioners

## **Methodologies and sources of information**

This report draws on information provided specifically for this undertaking by the agencies listed here as well as material already held to inform other strategic projects and open source research.

Where amounts of money have been quoted, the exchange rate of €1 to 0.79GBP or 1GBP to €1.26 has been used.



# THE ROLE OF THE PUBLIC

Organised crime harms communities on both sides of the border. An organised criminal group's main objective is to make money and they have no respect or consideration for those who live in their own communities. Organised criminal groups supply illicit drugs and dangerous goods to our friends and families and their activities have a negative impact on legitimate business. Information received from members of the public can help law enforcement agencies determine the scope of criminal activity as well as identifying those involved. If you have any information about organised crime please contact:

 **PSNI 101**

 **AN GARDA SÍOCHÁNA CONFIDENTIAL 1800 666 111**

 **CRIMESTOPPERS (NI) 0800 555 111**

 **CRIMESTOPPERS (ROI) 1800 250 025**

 **HMRC HOTLINE 0800 59 5000**

 **REVENUE COMMISSIONERS 1800 295 295**



# INTRODUCTION

## AN OVERVIEW OF ORGANISED CRIME GROUPS

Organised crime is becoming increasingly complex and global in its nature, and thus presents a significant threat to the economic prosperity of Ireland and Northern Ireland as well as risks to the safety of the island's population.

Globalisation and the increasing role that technology plays in organised crime present serious challenges to law enforcement agencies. Transnational criminals have been one of the biggest beneficiaries of globalisation and the international trade developments, improved international communication and cross border links that accompany it. Variations in laws and legislative loopholes are identified and exploited by criminal groupings.

Whilst organised crime groups (OCGs) have an innate hierarchical structure, there is a great deal of fluidity amongst individuals within the groups. In some cases, organised crime groups opportunistically form around specific short-term schemes. Within this criminal fraternity, a number of facilitators exist who operate niche roles necessary for criminal operations and these figures often provide assistance to a number of groupings. Additionally, economic disparity could bring individuals closer to organised crime and expand the potential workforces of organised crime groups.

Diversification and interaction with international criminal networks are key to the success and growth of organised crime groups. Often an environment of co-operation exists amongst higher level OCGs who work together in efforts that generate profits for all involved. Extensive association networks facilitate these criminals as it allows them to be involved in a number of ventures and 'side line' enterprises. Such criminal expansion boosts finances and increases their resilience to law enforcement.

In both jurisdictions, we are now seeing the significant presence of foreign national organised crime groups, who bring their own knowledge and expertise to illegal activities. Also, indigenous organised crime groups often incorporate other nationalities into their network, which opens up further opportunities for them.

There is substantial interaction between OCGs operating on both sides of the border and they work together in all realms of organised criminality. Links between dissident republicans and organised crime groups remain a serious concern. Despite their public denouncement of organised criminality, dissident republicans heavily depend on organised crime to fund their terrorist activities. A relationship of friction and facilitation appears to exist between OCGs and some dissident elements. "Taxing"/extortion of drug dealers by dissident republicans has occurred in recent years. Mobile organised crime groupings have been an issue in Ireland in recent years, with a number of groupings travelling inter-regionally throughout Ireland carrying out burglaries of commercial and residential properties. Numerous incidents highlight cross border activity in this regard also, with OCGs from Ireland travelling into Northern Ireland to commit crimes and vice versa. These groupings readily engage in violence meaning victims and indeed anyone who disturbs their activities, including law enforcement personnel, are at risk.

The drugs industry remains the main driver behind the activities of organised crime groups in Ireland and Northern Ireland. Criminals are highly diverse and react accordingly to market changes. Such changes are influenced by home economies and the situation within the international drugs markets. Poly drug use (refers to users taking a variety of drugs together,



often with alcohol) is now a common pattern of drug use and in parallel so is poly drug trafficking (where a variety of drugs are imported together). The proliferation of new psychoactive substances now features as one of the key threats in the drugs market. These new and emerging drugs markets are driven by internet activity and technology allows individuals working outside of traditional organised crime groups to be in a position to supply such drugs. Furthermore, the internet acts as an information hub for criminals worldwide where they can access information on how to manufacture their own drugs and learn new methods of committing various kinds of crimes.

The rapid development of technology has changed the landscape of organised crime with virtual marketplaces and virtual currencies in operation, which provide alternative sources of illicit goods. The internet enables interaction between criminals and acts as an intermediary in the trading of illegal goods and services such as drugs, firearms, counterfeit products/medicines, identification documents, prostitution and material pertaining to child exploitation. The existence of this virtual marketplace also provides additional opportunities for criminals to launder the proceeds of crime, particularly now with the existence of virtual currencies.





## ALCOHOL FRAUD

Alcohol fraud involves the smuggling of alcohol from countries with lower alcohol tax rates, excise duty fraud and production/distribution of counterfeit spirits. There are a number of methods employed by organised crime groups to commit the various types of alcohol fraud.

Between Northern Ireland and Ireland, there is a significant price difference in alcohol, which further promotes this kind of crime. Alcohol is reported to be on average 35% cheaper in Northern Ireland<sup>1</sup>.

Cross border activities around counterfeit alcohol are clearly present with a particular concentration of illegal bottling plants/distribution points identified in the border region. Illicit alcohol may be transported between jurisdictions for onward sale and materials needed to produce the counterfeit products such as labels/boxes/bottles can also be conveyed to either side of the border. Such items used in the production process are often imported from the Far East and India.

There appears to be a growing market for illicit alcohol, which will drive this form of fraud. In 2013, Revenue Commissioners in Ireland seized almost 70% more illegal alcohol than in 2012<sup>2</sup>, which supports this assessment. Vodka appears to be one of the main alcoholic products that was seized in Ireland. In Northern Ireland, illegal bottling plants for vodka and whiskey have been found but there are also indications that suggest counterfeit wine is becoming increasingly available.

Earlier this year, Grant Thornton conducted a number of surveys as part of a report exploring illicit trade in Ireland<sup>3</sup>. This survey indicated that 16% of Irish respondents had knowingly purchased illicit alcohol<sup>4</sup>. In late 2013, a survey carried out by Price Waterhouse Coopers (PWC) reported that 24% of Northern Irish respondents admitted to purchasing counterfeit alcohol, which is proportionally higher than the UK average<sup>5</sup>.







## CASE STUDY

On 22nd May 2014, following an international effort involving the Netherlands, UK and Ireland, Irish Revenue Commissioners uncovered a counterfeit Smirnoff production plant in a shed in Kilcurry, Co. Louth. Over 400,000 counterfeit vodka labels were discovered along with 120,000 bottle closures and 370,000 counterfeit Smirnoff brand cardboard outer cases. No counterfeit alcohol was present but a bottle filling machine and ancillary equipment was also seized. Some of these products had been imported from Rotterdam via Belfast and transported onwards to this production plant. Two individuals were arrested.

In September 2013, a purpose built alcohol bottling plant was found in the South Armagh area. Almost 2,500 litres of illicit alcohol were seized along with bottles and labelling.

The health risks associated with counterfeit alcohol cannot be underestimated. In 2012, counterfeit alcohol killed at least 20 people in the Czech Republic<sup>6</sup>. Other serious effects include breathing difficulties, liver damage and blindness. Bottles of counterfeit alcohol can contain a variety of harmful substances, including those found in nail varnish remover and windscreen wiper fluid.





# CASH-IN-TRANSIT ROBBERY, TIGER KIDNAP, ATM ATTACKS AND LARGE SCALE THEFTS

Cash-in-transit (CIT) robberies have seen significant reductions in both jurisdictions over the past few years. The reduction is likely to be due to a combination of factors, including increased security measures by industry and successful interventions by law enforcement. However it should also be noted that in Northern Ireland at least one notable organised crime group, historically involved in CIT attacks, were arrested in 2013 for their involvement in drug cultivation and supply. It may be the case that increased security measures and successful interventions have resulted in groups moving into other areas of criminality that they perceive to be more profitable and lower risk.



Tiger kidnap<sup>7</sup> incidents have also reduced in Ireland and Northern Ireland in recent years, however substantive attacks have resulted in the loss of cash and other commodities such as jewellery. Some of the incidents in the past two years have involved the use of firearms and were clearly carried out by experienced organised crime groups. In addition to tiger kidnaps, which involve the taking or claiming to have taken someone hostage, organised crime groups will also carry out robberies and aggravated burglaries against

business owners and their staff. Business owners should be particularly careful about keeping takings at home; night safes at financial institutions may provide a better alternative, although care should be taken not to set patterns when dropping off cash to financial institutions or night safes.

The physical theft of ATMs initially became an issue on the island of Ireland in 2009/10, when a series of incidents, involving the use of stolen plant machinery, were perpetrated on both sides of the border. There was one organised crime group linked to the earliest recorded incidents, however, despite limited success in actually gaining access to the ATMs, the subsequent media coverage resulted in a series of 'copycat' offences. Some of the identified groups were operating on both sides of the border. Parallel investigations in both jurisdictions led to the number of incidents reducing dramatically in subsequent years. However, there continues to be sporadic incidents of ATMs being stolen using plant machinery, including recent incidents in counties Sligo, Down and Tyrone. This year a new modus operandi in relation to physical ATM attacks has also been noted. Following a series of incidents in Europe and Great Britain, ATM attacks using gas have now migrated to Ireland. Similar to the attacks using stolen plant machinery, gas attacks cause significant damage to properties and can lead to the loss of valuable services in rural communities. Gas attacks result in an explosion taking place and pose significant risks to emergency service responders, as well as any members of the public who may be in the vicinity. There have been a small number of incidents on both sides of the border, however early and robust intervention by law enforcement has already led to two significant arrests.



Metal theft incidents have decreased in both jurisdictions in the last year. Copper is the most frequently targeted type of metal; accounting for around half of all incidents on both sides of the border. Commonly targeted items include cables/wiring, hot water cylinders and catalytic convertors. In Ireland the telecoms industry have noted an increase in thefts from locations where masts are present, including theft of items on site such as bracings (supports) for masts and lead batteries.

## CASE STUDY

In June 2014, an ATM 'gas attack' took place in the Armagh area. No cash was stolen on this occasion but significant damage was caused to the ATM and neighbouring retail premises. Following prompt action by law enforcement agencies, two males with addresses in the Dublin area were subsequently arrested and charged.





# CYBERCRIME



The area of cybercrime continues to evolve at a rapid pace and incidents are believed to be significantly underreported. The key threats can be categorised as follows;

- **Malware**

One of the most common cybercrime offences reported to law enforcement in both jurisdictions is that of computer malware. Malware is a virus that is introduced to a computer, usually through phishing or spam techniques (e.g. through bogus links in unsolicited or fraudulent emails or attached to files downloaded from the Internet) or through insecure ports or systems. Once a computer is infected, malware can pass information onto another device. For example, in May 2014, operational activity was carried out by law enforcement in the UK, European Union and USA in response to the Blackshades Malware. Blackshades is malicious software that is used to allow criminals to steal passwords, hack into social media accounts, access documents, record keystrokes, activate webcams, hold a computer to ransom or use a computer in a denial of service/distributed denial of service (DoS/DDoS) attack (see point 3 for further details). Access to

Blackshades can be purchased online by organised crime groups and then its use can be tailored to suit that particular group's criminal requirements. Another example of malware encountered locally has been the Shylock Trojan. Shylock infects a computer and then attempts to seek access to funds held in business or personal bank accounts. The owner of a computer infected with malware may be completely unaware. This type of 'crimeware' is easily accessible online and organised crime groups can pay for access or alternatively, can pay another organised crime group to carry out an attack on their behalf.

Part of the reason that malware has become more widely reported to law enforcement is due to the increased use of ransomware. Ransomware is malware that results in the computer user receiving an extortion demand. These will usually take the form of a pop-up window appearing on the screen, often branded with a law enforcement logo. The user will be informed that they have committed an illegal act, usually the viewing of child pornography and that their computer has been locked subject to the payment of a 'fine'. This type of incident can be very distressing to the user. Another example is that of Cryptolocker, a malware that encrypts files and folders and demands a ransom in Bitcoins (an unregulated virtual currency). Individuals and businesses may feel reluctant to report such incidents to law enforcement due to concerns over reputational damage or a lack of confidence in law enforcement's ability to investigate such incidents. Ransomware attacks are being reported on both sides of the border and are noted as being a growth area in Europe as a whole. The use of prepaid online solutions and virtual currencies have been major facilitating factors.



- **Network intrusion**

Network intrusion refers to unauthorised access being gained to computer systems. It is believed that a number of businesses/agencies on the island of Ireland have suffered significant incidents, however many have been reluctant to report these for fear of reputational damage. There have been reported incidences of SQL Injection Attacks – “Structured Query Language (SQL) is a programming language designed to retrieve and manage data on computer databases. SQL Injection Attacks are methods of hacking into and gaining unauthorized access to such databases connected to the internet.”<sup>8</sup>

- **Denial of service/distributed denial of service (DoS/DDoS) attacks**

DoS/DDoS attacks can be carried out by ‘hactivists’ who will perpetrate suspected network attacks, often against infrastructure, for protest purposes but they can also be used as part of a blackmail incident. Whilst no incidents of this nature are currently being investigated on either side of the border, this is also an area where underreporting is believed to be an issue. DoS/DDoS attacks are a key risk moving forward.

- **Use of the cyber marketplace to source ‘criminal services’**

There is a growing threat of organised crime groups using ‘services for hire’, or ‘experts’ in particular areas of criminality, to commit ‘traditional’ crimes such as drugs importation, extortion and fraud. Contacts can be developed through the use of criminal online forums and communications.

- **Enablers**

There is a growing threat from the use of cyber ‘enablers’, such as criminal forums, anonymous hosting and virtual currencies. These enablers can provide organised crime groups with additional ways of attempting to hide their identity and develop global contacts. There have already been national reports of a noted increase in the use of online criminal forums and communications with “experts” advertising their services.

Both PSNI and An Garda Síochána continue to train officers in dealing with such incidents, and reporting is vital for law enforcement to understand the nature and scale of the threats being experienced locally.

## CASE STUDY

PSNI have detected an increase in network intrusion attacks (unauthorised access to computer systems) against institutions in Northern Ireland. These attacks, commonly referred to as “hacking”, are assessed to be the result of organised criminal activity where organised crime groups are attempting to access and steal data in order to commit other forms of criminality. The PSNI, with assistance from An Garda Síochána, are investigating one major network intrusion attempt against a Northern Ireland institution.

In August 2013, Gardaí arrested a male in Dublin and seized computer equipment from his residence. This followed an investigation led by the FBI into the distribution of child pornography images on an anonymous hosting site operating on the Darknet.



## DRUGS<sup>9</sup>

### Cannabis

The cannabis market continues to dominate the drug scene on both sides of the border. In both jurisdictions, almost a quarter of the population report using this drug at least once in their lifetime<sup>10</sup>, which is in line with what is seen across Europe in general. Survey results from 2010/2011 indicate that 9% of recent cannabis users would be classed as cannabis dependent, with the majority of these being young adult males (aged 15-34)<sup>11</sup>.

Interest in domestic cannabis cultivation has accelerated amongst all levels of organised crime groups in recent years, with variances in size and sophistication of cultivation attempts. The island of Ireland is clearly seen as an attractive location for these operations. Law enforcement continually disrupts large "grow houses" but this does not appear to be an effective deterrent as operations apace due to low start up and running costs, along with potential



profits. Foreign national OCGs are frequently involved in the running of these operations and often utilise other foreign nationals as 'gardeners' thus reducing the risk of arrest for those who effectively own the grow house.

On both sides of the border, Chinese and Vietnamese OCGs are heavily involved in large scale grow house operations. Both have particular expertise and access to specialist cultivation equipment. Links to OCGs operating in Great Britain have also been seen. Alongside this, growing expertise amongst indigenous groupings has resulted in increasing involvement from them also.

There is some evidence in Northern Ireland to suggest that locally cultivated cannabis has been exported to Great Britain but in Ireland current indications are that the cannabis produced is primarily destined for the home market.

OCGs continue to seek more diverse ways to house these cannabis plants, for example in purpose built and underground grow houses, which have been found in both jurisdictions. Unmanned hydroponic cultivation facilities have also now been seen on both sides of the border, which enable cannabis to be grown faster and with higher yields.

Regarding domestically produced cannabis, the most worrying issue is that consumption of cannabis cultivated in a grow house presents a higher risk of psychosis. The levels of the psychoactive substance tetrahydrocannabinol (THC), which acts as a euphoriant / psychotogenic, is higher in domestically grown cannabis and the levels of the anti-psychotic substance cannabidiol (CBD) is very low. This is now reflected in drug treatment cases in Ireland. Between 2007 and 2012, the number of people entering treatment with cannabis as their primary problem drug gradually rose from 17% to 29%<sup>12</sup>. In Northern Ireland, cannabis remains the most commonly reported



main drug of misuse in treatment cases with 38% of clients reporting it as such in 2012/2013 but positively, this has declined slightly from 41% in 2011/2012<sup>13</sup>.

Higher potency cannabis increases the risk of addiction and mental health issues such as anxiety, depression, extreme paranoia, suicidal thoughts as well as learning/memory problems. Consequently, long term high level cannabis use could result in poorer educational outcomes, lower incomes and greater welfare reliance. As mentioned earlier, the majority of cannabis dependent users are young adult males and so they are most susceptible to such problems. Various studies have also reinforced these potential effects with one study from Moore et al. concluding "There is now sufficient evidence to warn young people that using cannabis could increase their risk of developing a psychotic illness later in life".<sup>14</sup>

## CASE STUDY

In July 2013, PSNI discovered a sophisticated cannabis cultivation facility in East Belfast. In excess of 200 cannabis plants were recovered, however it is believed that several previous 'harvests' had taken place. One Chinese male has since been sentenced for immigration, fraud and drugs cultivation offences and received a total sentence of three years imprisonment. The judge also recommended deportation upon release.

On 20th April 2013, Gardaí uncovered a substantial cannabis cultivation operation at an industrial unit in Milltown, Co. Galway. Almost 3,000 cannabis plants were discovered, worth an estimated €2.4 (£1.9) million. Three Chinese nationals were convicted in relation to this and sentenced to two concurrent sentences totalling twelve years.

On 17th April 2014, cannabis herb and cannabis resin worth in excess of €3.8 (£3.0) million was seized as part of an operation carried out by An Garda Síochána and the PSNI. Six firearms and a quantity of ammunition were also seized. Nine individuals were arrested at various locations in Co. Dublin and Co. Meath.

Cannabis cultivation as a criminal enterprise has a ripple effect into other areas of organised crime. Profits can be reinvested into other criminal activities, allowing diversity and increased resilience. As with legitimate businesses, competition between rival gangs exists and thus presents the possibility of violence/intimidation. Such rivalry has been seen either side of the border. Innocent parties are also affected through damage to rented properties not to mention public health risks and fire hazards presented by the cultivation methods.

A significant development in the cannabis market is the emergence of synthetic forms of cannabis in both jurisdictions. In the UK, this is known as 'Spice' or 'Black Mamba' and has no distinctive smell. Synthetic cannabinoids, mainly produced in powder form, are manufactured in China and then transported onwards to Europe. Once within the EU, these chemicals are mixed with or sprayed onto herbs and often subsequently packaged as 'legal highs', despite being a controlled drug in both the United Kingdom and Ireland. In the first six months of 2013, eighteen countries reported seizures of synthetic cannabinoids.

The risk of psychosis with synthetic cannabis is reported to be much higher than with traditional cannabis as the active ingredient can unite more strongly to the cannabis receptors in the brain<sup>1516</sup>. The Global Drug Survey reports that use of synthetic cannabis is associated with a 30 times higher risk of seeking emergency medical treatment<sup>17</sup>. In recent months, several deaths have occurred in the USA that are suspected of being attributed to synthetic cannabis misuse<sup>18</sup>.

### New psychoactive substances

The development of a market for new psychoactive substances has been seen throughout Europe and new substances continue to become available at an unprecedented rate. The United Nations Office on Drugs and Crime (UNODC) reported that 348 new psychoactive substances were available on the global market as of December 2013<sup>19</sup>. The combination of scientific advancements allowing these products to be



made cheaply, alongside the growth in internet use, has led to a significant increase in their availability. These substances can be difficult to legislate against as their composition regularly changes, leading to issues with identification and forensic testing. Frequently sold online, use of the 'dark net' is increasingly providing sellers with a greater degree of anonymity and has been used to supply new psychoactive substances to users on both sides of the border. The 'dark net' is essentially a 'hidden' part of the internet that cannot be accessed using traditional search engines and that can allow untraceable browsing.

New psychoactive substances are also sold in Northern Ireland in 'head shops' and in both jurisdictions by organised crime groups, alongside other drugs such as cocaine and cannabis. In some instances they are misrepresented as being other products, such as ecstasy. On both sides of the border there have been instances where pills have been marketed as ecstasy but have actually contained a variety of compounds, the combination of which may be even more life threatening than ecstasy alone.

Moving forward, deaths due to new psychoactive substances remain a concern as they may not always be recorded within available drug death statistics due to difficulties with forensic identification. This issue was identified recently in Northern Ireland when police

investigations highlighted to the Coroner a number of deaths in the past year where the uncontrolled stimulant 4,4-dimethylaminorex (4,4-DMAR) was cited on the death certificate. In all cases other drugs were also present, highlighting the ongoing concerns over poly drug use and the abuse of new psychoactive substances, whether they are controlled or not.

New psychoactive substances are predominantly imported from production sites in the Far East, particularly China. Another example of a new psychoactive seen in both jurisdictions has been 4-methylethcathinone (4-MEC). This is a stimulant drug, similar to mephedrone, and can also be used as an ingredient in ecstasy tablets. There have been recent seizures in both jurisdictions, with quantities being imported via courier and the postal system. 4-MEC is a Class B drug in Northern Ireland and is also illegal in Ireland.

Khat, a plant with stimulant properties, has now been criminalised in both the United Kingdom and Ireland. In the past Khat was imported via Northern Ireland for use in Ireland because it was legal in the United Kingdom prior to June of this year (2014) but illegal in Ireland. It is mainly imported from North East Africa and the Arabian Peninsula. It is not always clear if the drug is being abused by expatriate communities locally, or whether the island of Ireland is being used as a transit route; recent seizures have indicated Ireland is being used as a transit point between East Africa and North America.

## CASE STUDY

In November 2013, a parcel containing 2.8kg of 4-MEC was seized at a holiday home in Co. Donegal. The package had been delivered from China using a courier service and two Northern Irish residents were subsequently arrested.

On 20th May 2014, 50kg of Khat was seized in the Dundalk area and two Somali nationals, one with an address in Northern Ireland, were arrested.





### **Amphetamines and Crystal Methamphetamine**

Globally, seizures of amphetamine type stimulants (ATS) reached record highs in 2012, with seizures of methamphetamine driving this increase<sup>20</sup>. Half of the ATS seizures made that year occurred in North America, highlighting the market for such substances there. The UK somewhat reflects this global trend with indications of increasing amphetamine production<sup>21</sup>.

In Ireland amphetamine seizures have seen dramatic reductions since 2010 and seizures in 2013 were approximately 60% less than the number recorded three years earlier. In Northern Ireland, indicators would suggest a stronger market traditionally existed there than that in Ireland or the rest of the UK. Whilst the market in Northern Ireland appears to remain stable, it is becoming more difficult to assess due to the increased availability of new psychoactive substances that have a similar physical appearance.

Regarding amphetamine production, a new trend is emerging whereby traditional precursors are being replaced with alternative precursors/pre-precursors that are not classed as controlled substances. The internationally controlled substance 1-phenyl-2propanone (P-2-P), also known as benzyl methyl ketone (BMK) and its precursor, phenylacetic acid, can be used to produce amphetamine and methamphetamine. Ephedrine and pseudoephedrine are the primary precursors for methamphetamine and are under international control in their bulk form.

Alphaphenylacetoacetonitrile (APAAN), which can be converted into P-2-P, is one of the most recent challenges within the EU drugs scene. This pre-precursor was placed under control within the EU at the end of 2013 and in March 2014 it was agreed that it should be placed under international control<sup>22</sup>. Legislation now needs to be enacted to control this substance domestically. This pre-precursor was first discovered in Ireland in September 2013. The conversion of APAAN into P-2-P is a hazardous process involving large quantities of acid that can generate toxic fumes as well as presenting a risk of fire or explosions.

The EMCDDA recently reported that whilst methamphetamine use is not a major phenomenon in Europe, even at a relatively low prevalence rate, it is a drug that has the potential to cause significant harm<sup>23</sup>. Increasing availability of the drug has been reported within Europe<sup>25</sup> and there are signs of growing involvement of organised crime groups in methamphetamine markets as well as possible increases in production. The relatively high prevalence rates of crystal methamphetamine smoking in the USA and South-East Asia, has heightened concern about the potential spread of this trend to European countries.

The availability of and market for crystal methamphetamine in Ireland is highlighted through various seizures that have been made in recent years. The market in Ireland would appear to be centred around a small number of Eastern European nationals, who use over the counter pharmaceutical products containing pseudoephedrine to produce the illegal substance. Large scale production has not been seen. In Northern Ireland there is no evidence to suggest a crystal methamphetamine market or local production. Europol warns that the consumption of crystal meth is expected to increase in many parts of Europe. In recent years, Vietnamese OCGs have expanded their role in the production, trafficking and distribution of crystal meth, which is impacting drugs markets across Europe<sup>24</sup>. In the past, Vietnamese OCGs had a concentrated production hub in the Czech Republic



but now localised production is occurring in consumer markets. It appears these OCGs have used their knowledge gained through cannabis cultivation and the supply of illicit tobacco products/counterfeit goods, in order to establish themselves as wholesale suppliers of crystal meth. The production of crystal meth also presents a more mobile process than growing cannabis thus reducing risk of arrest.

### Cocaine

According to the European Monitoring Centre for Drugs and Drug Abuse (EMCDDA), the long-term trend in cocaine drug seizures within the European Union has been moving downwards since a peak in 2006. It is noted, however that this may be partially due to importers diversifying their routes and techniques.<sup>25</sup> In Ireland, there was almost a 90% decrease in the amount of cocaine seized in 2013 when compared to 2012, however it should be noted that there was one seizure of over 400kg in 2012 that had inflated figures and masked the underlying trend. In Northern Ireland the quantity of cocaine seized in the 2013/14 financial year almost doubled on the previous year (up from 11.6kg in 2012/13 to 25.2kg in 2013/14), however the general trend in quantities seized since 2006/07 remains downward.

There have been reductions in the number of cocaine related deaths on both sides of the border. In Ireland, drug poisoning deaths involving cocaine saw a significant reduction between 2006 and the most recently available figures in 2011. In Northern Ireland the number of drug related deaths where cocaine is

### CASE STUDY

In June 2014, PSNI seized 2kg cocaine, 8 x 9oz bars of cannabis resin and arrested four males following the search of two vehicles and five addresses in the Lisburn area. The investigation had been assisted by An Garda Síochána officers.

On 26th June 2014, Gardaí seized 32kg of cocaine, worth an estimated €2.24 (£1.78) million in Donnybrook, Co. Dublin. Two males were arrested at the scene.

mentioned on the death certificate saw a peak in 2008 (when six were recorded) but have reduced to between one and four annually since.

West African organised crime groups continue to be active in the importation of cocaine into both jurisdictions. Commonly noted importation methods include baggage concealments, the use of air freight and internal concealment using 'drug mules'.

Although not commonplace, seizures of liquid cocaine by authorities in Ireland over the past year indicate that this method of importation is occurring. Seizures have also been made in Great Britain, however there have been no similar incidents in Northern Ireland to date. In December 2013, the Food Standards Agency and Hampshire Police issued warnings to the public after a man died having drunk a bottle of pear juice containing liquid cocaine. The incident occurred at an import-export company in Southampton.





## Ecstasy

High-quality ecstasy powders and pills have re-emerged within the EU and indeed in Ireland, on both sides of the border. The increased availability of MDMA (3,4-methylenedioxy-methamphetamine) appears to be attributed to manufacturers' ability to now import pre-precursors, which can be legally imported as non-controlled substances and then converted into the precursor chemicals necessary for MDMA production. This is the response employed by OCGs following strengthened controls and focus on PMK (piperonyl methyl ketone), the main precursor needed for MDMA manufacture. China played a particular role in curbing the production of PMK.

Ecstasy production in Europe appears to be concentrated in Belgium and the Netherlands. In 2013, a number of substantial MDMA production sites were dismantled in these countries, supporting assessments that the market has been replenished.

A key concern at present is the severe risks associated with substances that are being sold as 'ecstasy'. MDMA is frequently mixed with other substances, such as PMA (para-Methoxyamphetamine) and PMMA (para-Methoxy-N-methylamphetamine) and in some cases the tablets comprise entirely of these substances but are sold as ecstasy.

Over the past year, numerous warnings have been issued in both Ireland and Northern Ireland following a number of deaths and hospitalisations. Poly drug use was frequently believed to be a contributory factor in these fatalities. Amongst batches that were highlighted in these warnings were those referred to as 'Double Cross'/'Double Black', 'Green Apple' and 'Green Rolex'.

Concurrently, earlier this year, Europol and the EMCDDA issued a warning in relation to ecstasy tablets with dangerously high levels of MDMA. These tablets had the potential to cause serious harm and were linked to several deaths in European countries. MDMA tablets in the EU normally contain between 60

and 100mg of MDMA but there are tablets in circulation that contain between 150 and 200mg of MDMA. In some cases, 240mg of MDMA has been found in tablets<sup>26</sup>.

## Prescription Drugs

The misuse of prescription drugs has been highlighted by the Organised Crime Task Force in Northern Ireland as a growth area for a number of years<sup>27</sup>. In both jurisdictions deaths relating to prescription drugs account for a significantly greater proportion than those relating to illicit drugs. Benzodiazepines were mentioned on the death certificates of 44 people in 2013 in Northern Ireland, accounting for 38% of drug related deaths<sup>28</sup>. In Ireland, benzodiazepines were implicated in the deaths of 166 people in 2011<sup>29</sup>, an increase of 61% on the previous year. In some instances individuals abuse prescription drugs as part of a wider issue with drug abuse, using them alongside illicit drugs such as heroin and cocaine. Additionally, individuals who were originally prescribed prescription drugs may now have issues with addiction but are unwilling to seek medical help due to embarrassment, denial or the perceived stigma attached to drug addiction. Deaths are increasing, potentially due to addicted individuals failing to seek treatment and instead taking tablets from an unreliable source (which may lead to users taking tablets with more active ingredients than they are used to, taking counterfeit





tablets or taking more tablets than would normally be prescribed by a GP) and/or increasing poly drug use. Growth in the illicit market for prescription drugs has led to growing concerns over poly drug use in both jurisdictions. As highlighted throughout this assessment, poly drug use increases the risk of adverse effects and accidental overdose.

Supply takes place at a variety of levels; from individuals purchasing online for their own use, right through to organised crime groups involved in large-scale supply as an add-on to existing illicit drug supply businesses. Seizures have increased in both jurisdictions and the internet is increasingly being used to facilitate supply. Counterfeit and unlicensed medicines are manufactured predominantly in Pakistan, the Far East, India and Africa and are imported into the UK and Ireland via the postal system and the use of couriers. However, in Ireland localised production is also occurring and there have been a number of prescription drug production plants dismantled by Gardaí in recent months. The illicit trade in counterfeit or falsified medicines<sup>30</sup> may have a significant negative impact on the Irish economy as Ireland is one of the largest exporters of pharmaceuticals in the world. It has been estimated that annually the illicit trade in pharmaceuticals can cost the Irish pharmaceutical companies up to €3.2 (£2.5) billion, up to almost €50 (£40) million in corporation tax loss to the Exchequer and the loss of up to 1,500 jobs<sup>31</sup>.

## CASE STUDY

Between 13th and 20th May, both jurisdictions took part in the Interpol led Operation Pangea VII, targeting the criminal networks behind the sale of counterfeit medicines via illicit online pharmacies. In Northern Ireland, over 65,000 benzodiazepine tablets, steroids and erectile dysfunction medicines worth up to £100,000 (€126,319) were seized. In Ireland, illicit prescription tablets, capsules and liquids worth just under €300,000 (£237,493) were seized, including sedatives, painkillers, weight loss products, erectile dysfunction medication and steroids.

## Heroin

In 2013, the global production of heroin returned to the high levels seen in 2008 and 2011. Afghanistan, the world's largest opium producer, increased its area under cultivation by 36%. Afghanistan alone accounts for up to 80% of the world's heroin<sup>32</sup>.

Despite the sizeable increase in production, the EMCDDA report that the market indicators for heroin are stable or decreasing in Europe<sup>33</sup>. Studies have found that the population of Irish opiate users is ageing<sup>34</sup>, which is also being reflected across Europe. However, it should be noted that Ireland has one of the strongest heroin markets in Europe and heroin remains central to the drugs problem here, particularly due to the severe health implications associated with its use. In Northern Ireland, the market is more limited but of note is the fact that drug deaths where heroin/morphine is mentioned on the death certificate have significantly increased since 2008 (up from six in 2008 to 25 in 2013<sup>35</sup>). In Northern Ireland, there are noted clusters of users within specific geographic locations and sometimes within specific foreign national communities.

The transit route for heroin into Europe could be diversifying and moving away from the traditional and primary transit passage, known as the 'Balkan route' (via Pakistan, Iran and Turkey into South-Eastern Europe)<sup>36</sup>. Heroin seizures in South-Eastern Europe fell to a ten year low in 2012 and the most notable theory for this decrease in flow is the emergence of alternative routes. The strengthening of borders at certain stages may have encouraged traffickers to seek different routes. One of the main alternatives is the 'Southern Route', which travels southward from Afghanistan, either through Pakistan or Iran and reaching Western and Central Europe via the Persian Gulf and Africa or directly by air from Pakistan. The 'Northern Route' (via Caucasus or the Iraqi border) is another alternative although it is assessed that this route is presently used to transport marginal amounts of heroin. That said, factors such as a rise in the flow of legal goods, new trade agreements<sup>37</sup> and improved infrastructure could facilitate trafficking and increase heroin traffic on this route<sup>38</sup>.



There are also suggestions that traffickers are splitting some large shipments into smaller quantities before moving them through South-Eastern Europe. These consignments are then consolidated after passing the borders of South-Eastern Europe closer to primary markets in Western and Central Europe. The discovery of such repackaging facilities provides evidence to support this assessment<sup>36</sup>.

## CASE STUDY

On 26th June, 8.9kgs of heroin and 2.9kgs of MDMA were seized on the M1 at Drogheda. Two individuals were arrested in relation to this. A 40 year old male and a 43 year old female were arrested at the scene and a second 40 year old male was subsequently arrested in a follow up search.





# INTELLECTUAL PROPERTY CRIME

The term Intellectual Property Crime (IPC) refers to the counterfeiting or pirating of goods for sale where the consent of the rights holder has not been obtained. In some countries IP laws are absent or inadequate, or there is a general lack of enforcement action thus providing a substantial production of counterfeit goods for importation into the United Kingdom and Ireland. The recession and global economic crisis may have made counterfeit goods more attractive to consumers, and advancements in technology allow easier production and distribution at both a global and local level. Europol identifies commodity counterfeiting as well as the illicit trade in substandard goods and goods violating health and safety regulations as emerging criminal markets in the European Union<sup>39</sup>.

Counterfeit goods continue to be widely available in both jurisdictions and are increasingly sold online, as well as via more traditional locations such as markets, car boot sales, door-to-door, in the workplace and from homes. The internet is used to facilitate the importation, advertisement and local distribution of counterfeit goods on both sides of the border. Many of these items are imported, however some items, such as counterfeit CDs and DVDs and alcohol, can be produced locally. The range of goods available continues to develop, with seized goods including clothing, DVDs and CDs, computer software, footwear, alcohol, make up, perfume, cigarettes and tobacco, pharmaceuticals, hair styling irons and other electrical items. In June 2014, An Garda Síochána seized €43,000 (£34,024) worth of counterfeit washing powder in the Rathcoole area of Co. Dublin. Similar manufacturing facilities have been found north of the border in previous years. There is a significant risk of counterfeit goods such as washing powder entering

the legitimate supply chain and being sold in shops to unsuspecting customers.

Food fraud remains a growing concern within the European Union, including Ireland and the United Kingdom. Food fraud can take a number of forms but the most common seen are the sale of food which is unfit and potentially harmful (e.g. by recycling animal by-products back into the food chain or selling beef and poultry of an unknown origin) and the deliberate false description of food (e.g. by substituting products with a cheaper alternative, like selling farmed salmon as 'wild' or by making false statements about the origin of ingredients). Food fraud may also involve the sale of meat from animals that have been stolen and/or illegally slaughtered, as well as wild game animals that have been illegally poached. There is growing recognition of the complex and organised nature of 'food crime'<sup>40</sup>, with organised crime groups beginning to recognise the potential to make significant profits from a crime type they may perceive to be low risk. Local examples of food fraud that have potential links to organised crime include the suspected illegal movement of milk from Ireland into Northern Ireland, the alleged illegal slaughter of cattle and pigs in a border location and the illegal butchery of carcasses discovered at a location also near the border. In the third example, a significant distribution chain was uncovered that implicated businesses on both sides of the border. Laundered fuel was also found on the premises concerned.

Those involved in the counterfeit goods market are often linked to other types of criminality, including some other forms of organised crime. Common links include benefit fraud, drugs supply and money laundering.





# MONEY LAUNDERING AND FRAUD

## Money laundering

The laundering of criminal proceeds is pivotal to the success, reward and resilience of any major organised grouping. Money is legitimised for use as personal profit, reinvestment in additional ventures and in some cases as funding for terrorist activities. In Ireland, it has been estimated that over €5.4 billion (£4.3 billion) was laundered in 2012 alone<sup>41</sup>, and in the UK the Treasury estimate £10 billion (€12.5 billion) of illicit funds pass through the 'regulated sector' annually<sup>42</sup>. Worldwide estimates indicate \$1.6 trillion (€1.19 trillion, £0.59 trillion) is laundered by criminals annually<sup>43</sup>.

The global economy is becoming more susceptible to money laundering through new or free trade agreements, new methods of banking and the expanding role that developing countries are playing in the global scene. Rapid developments in the technology field are a particular aid to money laundering. Monetary transactions can now be carried out online and more recently, the emergence of unregulated virtual currencies and online casinos provide additional mechanisms to criminals. Across the worldwide economy, there are variations in legislation and OCGs will continually seek to exploit weaknesses these differences present.

The presence of online currencies, such as the most popular Bitcoin, offer criminals anonymity to exchange illicit monies for virtual currencies and to process irreversible transactions that are complicated for authorities to trace. Virtual currencies are not regulated or issued by any bank and often operate in jurisdictions that are not known for their co-operation with law enforcement agencies here. As well as being used to facilitate money laundering, these currencies are used to purchase illegal goods and services. Virtual currencies allow criminals to evade the secure systems/controls employed by traditional banking and facilitate criminality linked to money laundering, cybercrime and in some cases, a nation's security.

More traditional methods of money laundering continue to be utilised including the purchase of high value goods for cash, the transfer of funds overseas through financial institutions, filtering of funds through companies and the purchase of property here and abroad. Some Money Service Bureaus (MSBs) along the border region have in the past facilitated the laundering of substantial amounts of criminal proceeds. Pre-paid money cards and in some cases retail gift cards also act as a facilitator in this regard as large amounts of money can be carried using multiple cards but go undetected when criminals are travelling abroad. Such cards are easily obtained and can be difficult to trace.

To effectively tackle money laundering, strong anti-money laundering (AML) measures must be in place. The UK and Ireland have made considerable progress in this regard over the past number of years and such efforts need to be continually developed. Assessments by the main international money laundering body, the Financial Action Task Force on Money Laundering (FATF), were beneficial in driving this progress in Ireland. Most notable amongst these efforts in Ireland was the introduction of the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 and the amendment and broadening of this act in 2013. One of the key provisions in the amended act is the lowering of the threshold for reporting some high-value transactions to €15,000 for transactions that appear to be linked, €2,000 for private members club transactions and to €1,000 in the case of wire transfer funds. The EU plans to introduce a Fourth Money Laundering Directive in late 2015, which will aim to further expand AML systems. This directive will require Ireland to review current regulations and prepare for additional amendments.

In Northern Ireland, the Proceeds of Crime Act provides the main framework for the recovery of criminal proceeds. The full value of criminal assets recovered in Northern Ireland is put back into the local economy,





with 50% returned to law enforcement agencies in order to enhance their recovery efforts and 50% used to help fund community projects that reduce crime or the fear of it. In Ireland, the Criminal Assets Bureau's statutory objective is to deny and deprive people of the benefits of assets that are the proceeds of criminal conduct through the frameworks of the Proceeds of Crime Act, Revenue legislation and social welfare legislation. Under this process, money that is accumulated by the Bureau is paid into the Government's Central Fund. Within Northern Ireland the National Crime Agency, which came into operation in October 2013, can only operate in the non devolved field (for example on immigration and revenue matters). This is because political agreement has not been reached on a model for its operation and accountability in the devolved arena. This is creating

a gap in law enforcement, in the support that can be provided to the PSNI, and in respect of civil recovery in devolved cases.

### **Fraud**

A significant proportion of frauds, such as 'advance fee' frauds are now perpetrated online or are at least partially facilitated through the online environment. Variations of 'advance fee' fraud can be wide ranging but essentially involve any type of fraud where the injured party is asked to pay money upfront for goods or services. There has been a noted increase in advance fee frauds involving 'electronic money' or 'e-money'.

'Vishing' attacks are reported to be on the increase, which involve fraudsters obtaining personal details of a victim by phone that they can potentially use to



commit fraud. One particular series of note involves injured parties being contacted by phone by someone claiming to be from their bank. They are told their account security has been compromised and that they need to change their passwords, resulting in these security details being inadvertently given to the fraudster. This is known as an 'account takeover', whereby the criminals can take money from the victim's bank account. In Northern Ireland, significant incidents have included business losses of hundreds of thousands of pounds.

Fraudulent schemes such as Ponzi/Pyramid schemes have been identified as operating on both sides of the border. Investors are paid returns from subsequent investors rather than from profit earned by the 'investments'. Large numbers of victims are often affected by such schemes when the cash flow finally comes to a halt.

Share fraud (also referred to as Boiler Room Fraud) is a scam that aims to persuade victims to buy shares in a company that the fraudster claims to be genuine. The name of the company often sounds very similar to a well known financial company, which boosts attempts to make it appear genuine. In reality, the company is not trading on the stock exchange and therefore it is virtually impossible for the victim to sell on the "shares".

Fraud involving carbon credit schemes is reported to be particularly prevalent at present. Victims are approached by firms trying to sell worthless carbon credit certificates or seeking investments into 'green' projects that will generate carbon credits as a return. Carbon credits or Certified Emission Reductions (CERs) are traded in bulk amongst companies and there are many reputable firms operating in this business. Older people are particularly susceptible to this kind of crime where high pressure tactics are employed to obtain the sale.

Intra-Community VAT Fraud (also referred to as 'missing trader' or 'carousel' fraud) exploits EU trade agreements and occurs throughout the EU. The land

## CASE STUDY

In July 2014, a male pleaded guilty to numerous charges relating to the operation of a Ponzi scheme in Ireland. It was reported that five victims, all of whom he befriended over time, lost approximately €8.5 million (£6.8 million) as a result of this fraudulent scheme. This male is due to be sentenced in October 2014.

In June 2014, a confiscation order for over £1 million (€1.26 million) was obtained against an individual in Northern Ireland who had been sentenced to seven years imprisonment in relation to a significant seizure of herbal cannabis in May 2012.

In early 2014, following a re-trial, a conviction for money laundering was attained against a 65 year old male resident in Ireland for the laundering of proceeds of a bank robbery that occurred in Belfast almost ten years previously.

border between Northern Ireland and Ireland presents increased risk of this form of fraud and Revenue authorities on both sides of the border continually work together to tackle this criminality. In May 2013, a 'Good Practice Guide to tackling Intra-Community VAT Fraud' was distributed to member states and outlines best practises on targeting VAT fraud. This guide was prepared by EUROFISC, which is a network of officials in EU member states. 'Missing trader' describes the situation where a trader purchases VAT free goods from another EU state, then sells on the goods here at VAT inclusive price and proceeds to abscond without remitting the VAT charged to the Revenue authorities. 'Carousel fraud' is a particular form of 'missing trader' fraud, where goods bought in another member state are sold on through a series of companies before being re-exported (possibly back to the original supplier). VAT fraud particularly affects the plant/machinery sector, motor vehicles, soft drinks but other sectors are also involved.



## OILS FRAUD



The increasing price of fuel globally continues to make oils fraud an attractive opportunity for organised crime groups. There are four main kinds of illegal fuel related activities; smuggling, mixing, stretching and fuel laundering. In the past, price differentials between Northern Ireland and Ireland made the smuggling of fuel from one jurisdiction to the other profitable. However changes in exchange and duty rates have also enticed organised crime groups to become involved in other areas of fuel fraud, such as 'stretching' (the adulteration of fuel to bulk it out) and laundering. Fuel laundering, which offers the greatest monetary incentive, is a process whereby marker dye contained in rebated fuels such as Marked Gas Oil (MGO) and kerosene<sup>44</sup> is removed and then sold on as road diesel at lower prices.

The price differential between road diesel and marked diesel is one of the drivers behind this crime. In January 2014, Ireland was reported to have the sixth highest price in the EU at the pump for diesel at €1.48 (£1.18) per litre and marked diesel was significantly cheaper with 30% in difference<sup>45</sup>. In Northern Ireland 'at the pump' prices are higher, at an average price of £1.34 (€1.69) per litre<sup>46</sup>.

As well as the substantial cost to the exchequer, other consequences include the financial impact on legitimate retailers, damage to consumers' vehicles and the significant environmental damage from toxic by-products. HMRC estimate that the cost to the Exchequer is £160 (€201) million in Northern Ireland<sup>47</sup>. In Ireland, Revenue do not measure the tax gap but



industry figures estimate this to be between €140 (£111) and €260 (£207) million<sup>48</sup>. Fuel laundering creates large quantities of waste product, which is usually dumped by the OCGs and often results in the contamination of surrounding land and waterways. The ensuing clean-up costs in these instances can be extensive.

In 2013, HMRC detected and dismantled 38 illegal laundering plants in Northern Ireland and seized a total of 574,238 litres of fuel. As of mid August 2014, sixteen oil laundries had been uncovered in Northern Ireland. In Ireland, Gardai and Customs detected nine fuel laundering plants in 2013 and closed down twenty five stations involved in oils fraud. In the first six months of 2014, this has reduced and only one fuel laundering plant has been detected in Ireland. Although this activity is mainly concentrated along the border, there has been a movement away from this area in both Northern Ireland and Ireland. Over the past year, laundering operations were found in Dublin, Waterford, Coalisland, Co. Tyrone and Banbridge, Co. Down.

Bleaching earth is used to launder fuel and as this substance has a wide range of legitimate uses, there are no controls or regulations on its supply. The use of bleaching earth allows mobility in the operations and efficient plants concealed within truck and agricultural trailers have been discovered.

Since the intensification of fuel laundering activities in 2011, Irish Revenue Commissioners have implemented significant measures to strengthen controls. These include but are not limited to the following. In 2011, licence requirements were strengthened and this was effective in closing 'pop up' shops in Ireland. 2012 saw the introduction of licences for all traders dealing in marked gas oil or road diesel. In 2013, regulations were enforced whereby fuel traders are obliged to make electronic returns in relation to their fuel transactions each month, thus making it more difficult for criminals to source marked fuel. Also last year a system of direct delivery for cross border mineral oil movement was introduced, which along with the aforementioned measures has strengthened the control systems around cross border activity.

In December 2013, the Finance (No. 2) Act 2013 was enacted and makes a supplier who is 'reckless' in supplying market fuel for a use connected with excise fraud, liable to duty at the standard rate. This has been effective in deterring traders from supplying fuel to launderers, either directly or indirectly.

In Northern Ireland, legislation to allow the appeal of unduly lenient sentences for excise evasion on fuel and tobacco came into effect in December last year. This new legislation adds excise evasion on fuel and tobacco to the list of offences on which the Director of Public Prosecutions can refer a sentence considered to be unduly lenient to the Court of Appeal.

Most significant amongst efforts to tackle this kind of crime is the joint project that identified a new product to mark rebated fuels by the Revenue Commissioners and Her Majesty's Revenue and Customs (HMRC). Tests have shown that the marker is highly resistant to known laundering techniques and organised crime groups will find it very difficult to counter this colourless marker. This marker, which is produced by Dow Chemicals, is due to be implemented simultaneously in both jurisdictions in early 2015 and it is anticipated that it will have a major impact on this illegal activity. Consequently, it can be expected that fuel smugglers will look to find other methods of maintaining finances with cigarette smuggling probably the most incentiveful.





To date, the enhanced control systems in Ireland appear to have been effective in curtailing OCGs involved in fuel laundering, although a longer term assessment would be required to show the full impact. Amongst indicators of this is an increase in sales of road diesel along with data from Louth County Council showing a 52% decrease in oil sludge discoveries for the first four months of 2014 in comparison to the same period last year. Also, as aforementioned only one fuel laundering plant was detected in Ireland in the first six months of the year. Unfortunately in Northern Ireland, laundering plants continue to be found in significant numbers, with sixteen discovered between January and August 2014.

However, despite these controls and positive indicators, a number of major OCGs are still sourcing marked diesel, albeit in limited quantities. These OCGs ensure that they have sufficient licensing outlets to distribute their fuel and many such outlets are directly under their control. These outlets appear legitimate but where necessary the grouping will employ tactics of threats and intimidation to gain this control. Particularly vulnerable are previously legitimate traders, who now find themselves under financial strain. These individuals are identified by OCGs and

offered financial investment in exchange for a share in the business. The entire focus of the business becomes the sourcing of marked oil for laundering purposes.

The Cross Border Fuel Fraud Enforcement Group was established in 2008 and continues to target groupings involved in this activity, particular those operating along the border area.

## CASE STUDY

In May 2014, HMRC detected two laundering plants in the south Armagh area, including 15 tonnes of waste. PSNI officers made four arrests at one of the sites. In addition, HMRC officers also detected and seized one illegal fuel movement, seizing a total of 96,551 litres of fuel at six retail sites, one huckster site and one bunkering site.

In September 2013, HMRC discovered a fuel laundering plant near Newry. The sophisticated site was capable of laundering and packaging an estimated 24 million litres of diesel a year. One male was arrested in connection with the investigation.

On 11th April 2013, Customs and the Gardai uncovered two mobile laundering plants in Ravensdale Park, Dundalk, Co. Louth. These laundries had the capacity to launder 15 million litres of fuel per year and presented a potential loss of €8 million (£6.3 million) per year. One of the mobile units was concealed in a curtain sided lorry and the second unit was a slurry tank that had been adapted for use as a mobile fuel laundry. 100 bags of bleaching earth, 6,000 litres of fuel and six vehicles were also seized. Additionally, three tonnes of toxic waste was discovered at the site.

The discovery of a sophisticated fuel laundering plant at a commercial premise in Portlaw, Co. Waterford on the 18th November 2013 highlights the movement away from the border region. This plant had the capacity to launder 10 million litres of fuel per annum, presenting a potential yearly loss of €5 million (£3.95 million) to the exchequer. A number of large tanks and ancillary equipment were also detained.



# ORGANISED IMMIGRATION CRIME AND HUMAN EXPLOITATION

## Abuse of the Common Travel Area

A Common Travel Area (CTA) is in existence between Ireland and the UK. This provides major benefits to those who live in both jurisdictions, in terms of free movement and trade. It can, however be open to exploitation by illegal migrants and those within criminal intent, such as those involved in human trafficking, smuggling and the exploitation of the social welfare system. Immigration officers conducting immigration controls at the land border between Ireland and Northern Ireland may ask questions to establish if a person is an Irish or UK national. Non-Irish/UK nationals are not required to be in possession of a passport or equivalent documentation when travelling from one jurisdiction in the CTA to another.

The Immigration Unit is operated by Gardaí at Dundalk, Co. Louth and concentrates on immigration controls on the Dublin/Belfast bus and train routes. In the first six months of 2014, 112 non-nationals were refused entry into Ireland from Northern Ireland.

Authorities on both sides of the border work in partnership to intercept immigration offenders that may be transiting Ireland to reach the United Kingdom and vice versa. Illegal immigrants with serious criminal records have been intercepted in both jurisdictions and potential victims of human trafficking have also been recovered as a direct result of this cooperative approach.

## Marriages of convenience

Marriages of convenience, also known as 'sham marriages', usually involve the making of a payment by, or on behalf of, an illegal immigrant who is a non EU national, to a national of an EU Member State, in return for that person entering into a marriage with the illegal immigrant. The non EU national subsequently claims EU Treaty Rights relating to residency in the EU, based on the existence of the marriage. Organised facilitators will arrange such marriages for a fee, usually sourcing the 'spouse' and arranging the ceremony on behalf of the illegal immigrant. Payment to a facilitator can be

thousands of pounds/Euro and may result in the illegal immigrant becoming 'debt bonded' and forced to provide unpaid labour in order to pay off the money they owe.

Under current legislation in Ireland, it is very difficult to prevent a suspected marriage of convenience from taking place. There are proposals to bring in new legislation to regulate this area and address the issue. For example, there are provisions in the Immigration Residence and Protection Bill 2010, which would give the Minister for Justice and Equality, in certain circumstances, power to disregard a marriage of convenience where the marriage may be factor in determining an immigration matter. However this bill has yet to be enacted. Last year, there were also proposals to draft legislation amending the Civil Registration Act 2004, which would introduce measures to combat sham marriages<sup>49</sup>.

## CASE STUDY

In December 2013, a male pleaded guilty to a number of charges in relation to the facilitation of 'marriages of convenience'. The majority of these marriages had been between Bangladeshi men and Portuguese women, and they had taken place on both sides of the border. He received a three and a half year prison sentence, suspended for three years.

In April 2014, two confiscation orders were granted against a female in Northern Ireland. The first order related to her conviction for fraud and money laundering with an associated benefit of £98,354 (€123,926). The second related to her conviction for conspiracy to arrange 'marriages of convenience' with an associated benefit of £40,500 (€51,030). The woman was given six months to pay, with a maximum sentence of two years in default of the fraud order, and 18 months for the 'marriages of convenience' order.



### **Human exploitation - trafficking and vice**

In recent years, we have seen a number of organised crime groups involved in organised prostitution and brothel keeping throughout the island of Ireland. Access to prostitution has changed significantly and is now predominantly carried out off street with advertising usually done online. Prostitutes are moved around between locations to reduce the risk of detection. In some instances those working in prostitution are doing so of their own volition, however there is also involvement by OCGs in both brothel keeping and the trafficking of human beings for the purposes of sexual exploitation. Growing psychological coercion may be accompanying the problem of human trafficking for the purposes of sexual exploitation. In Northern Ireland, human trafficking victims that have travelled across Europe unaccompanied have come to the attention of authorities.

Organised crime groups facilitate the illegal entry of immigrants into the United Kingdom and Ireland by providing false documents and organising travel for a fee. In some cases the illegal entrant will be complicit (people smuggling) but in others they may be left debt bonded or will have been trafficked for the purposes of exploitation (human trafficking). A full definition of human trafficking is given in the Council of Europe Convention on Action against Trafficking in Human Beings, which was ratified in the UK and Ireland in 2008<sup>50</sup>. Trafficking involves a combination of three main elements – recruitment and movement, control and coercion, and exploitation. The control exercised by the trafficker may be physical or psychological. Both Ireland and Northern Ireland are destination, source and transit countries. In both jurisdictions there have been limited successful prosecutions for human trafficking offences; it can be a difficult area of criminality to evidence as



victims may be unwilling or unable to provide statements at trial. It is important to note however that organised crime groups suspected of being involved in human trafficking in both jurisdictions have been charged with a variety of other serious offences, some of which have resulted in significant prison sentences.

In 2013, there were 38 potential victims of human trafficking recovered in Northern Ireland. In Ireland the most recent figures are from 2012, when there were 48 potential victims recovered. In both jurisdictions, the most commonly encountered potential victims are those that are believed to have been trafficked for the purposes of sexual exploitation. However, the area of forced labour appears to be an emerging one. In general, there is growing awareness of forced labour issues within migrant communities and whilst not all will have been victims of human trafficking, they are being exploited and may subsequently become victims of internal trafficking if moved between locations. In both jurisdictions there are also potential victims who are believed to have been trafficked for purposes unknown. These potential victims will often have been recovered prior to the exploitation having taken place, which is indicative of the increased awareness amongst law enforcement and other first responders.

In both jurisdictions a significant proportion of potential victims of sexual exploitation under the age of 18 have been British or Irish. These internal trafficking victims are usually teenage girls with those living in local authority care being particularly vulnerable. Such victims are less likely to have been exploited in the context of prostitution but rather other sexual offences relating to child pornography, sexual assault and sexual indecency.

Legislation in relation to human trafficking and slavery continues to go through significant amendment on both sides of the border as knowledge of the problem increases. In Ireland, current trafficking and pornography laws have recently been amended to include forcing a person to beg and forced labour for the purpose of monetary gain. In Northern Ireland, amended legislation has been proposed in Lord Morrow's Human Trafficking and Exploitation (Further Provisions and Support for Victims) Bill, and as a result of the Modern Slavery Bill.

## CASE STUDY

In August 2014, two men were arrested in Northern Ireland in relation to a people smuggling investigation in England. A shipping container was recovered at Tilbury Docks in England, in which one Afghan national died and a further 34 were found inside a shipping container.

In December 2013, a joint investigation team (JIT) led by the PSNI, resulted in a lengthy criminal trial in Stockholm, Sweden. A Romanian national who was arrested in Belfast on a European Arrest Warrant and extradited to Sweden was found guilty of trafficking human beings for sexual exploitation and aggravated procuring. A second Romanian national who was arrested in Bucharest on a European Arrest Warrant and extradited to Sweden was found guilty of complicity in trafficking human beings for sexual exploitation, aggravated procurement and the Swedish equivalent of witness intimidation. Both received a total of four years imprisonment and a large monetary fine. Deportation Orders were also directed on completion of sentence.







## TOBACCO FRAUD

The illicit tobacco products importation, manufacture and supply network operates on a cross border basis with organised crime groups spanning both jurisdictions. It is estimated that 24% of adults in Northern Ireland<sup>51</sup> and 29% of adults in Ireland currently smoke<sup>52</sup>. In 2011, the average daily consumption per smoker was estimated by the UK Treasury as being 13 cigarettes a day for men and 12 for women. Taking the lower estimate, smokers on the island of Ireland could be expected to consume over 283 million packs of 20 cigarettes annually<sup>53</sup>. The price of tobacco products continues to rise, making the illicit industry attractive to organised crime groups. The recommended retail price (RRP) of a typical pack of 20 cigarettes in the Most Popular Price Category (MPPC) in the UK has increased by 77% in the past ten years, up from £4.51 (€5.68) in 2003, to £7.98 (€10.06) in

2013<sup>54</sup>. In Ireland, the premium recommended retail price for a pack of 20 cigarettes is €9.60 (£7.62). These RRP's are significantly higher than that seen in other EU countries. In Belgium the typical price is €5.04 (£4.00), in Spain it is around €4.79 (£3.80), in Poland it is around €3.34 (£2.65) and in Belarus it is just €0.92 (£0.73)<sup>55</sup>. Hand rolling tobacco (HRT), whilst offering a cheaper alternative to cigarettes, is also rising in price and is available at a much cheaper rate in other parts of the European Union.

Organised crime groups are involved in the smuggling of non duty paid tobacco products, counterfeit brands and also 'illicit whites'. The term 'illicit whites' refers to cigarettes that are produced independently of the International Tobacco Manufacturers (ITMs). They are mainly manufactured outside the European Union





and/or in Free Trade Zones but there is now evidence showing that illicit white production is also occurring within the EU<sup>56</sup>. In some cases concerning non EU countries, illicit whites will be manufactured legitimately but as they are not registered within the European Union, they are illegal here. The majority of illicit whites are produced specifically for the purpose of being smuggled into another market and the demand is increasing as they are seen as a cheaper alternative to inferior quality counterfeit brands. Counterfeit cigarettes (copies of ITM brands) are usually produced in the Far East and used to dominate the illicit market. Counterfeit products are of varying quality and usually involve clandestine manufacture, whereas illicit whites can be openly produced and are seen as being of better quality. HRT is also smuggled from countries where it is available at a cheaper rate.

Illicit tobacco products are imported using varying methods, such as through commercial freight, by private vehicle, in postal importation and through the use of air passengers as 'mules'. Organised crime groups appear to be moving away from large consignments in favour of smaller volumes as a result of a number of large seizures made throughout Europe. Tobacco products are possibly being transported through Eastern European and Mediterranean countries to warehouses in central Europe where they are then broken down and transported onwards. It also gives the appearance that the consignment is intra community legitimate freight. This is reflected in the decline in seizures of whole cigarettes in Ireland over the past few years.

More recently, local organised crime groups have become involved in the importation of unmanufactured tobacco. Specialised machinery can then be used to process the unmanufactured tobacco into HRT. Her Majesty's Revenue and Customs seized machinery in England that was en route to Northern Ireland in April of this year and in May, Irish Revenue Commissioners and An Garda Síochána discovered a processing facility of this nature in Dundalk. Law enforcement also believes locally based organised crime groups are using manufacturing equipment to produce illicit cigarettes in border locations. Counterfeit packaging and counterfeit customs stamps are imported separately.

There have been some noted links between the local manufacture of HRT and organised crime groups involving Chinese nationals. There is also a noted increase in the use of self storage facilities to allow illicit cigarettes, tobacco and equipment to be delivered to and stored at an address that may be less easily traced back to the organised crime group.

There appears to be a developing market amongst the Middle Eastern community in Ireland and the UK for shisha (Al Fakher) tobacco. A shisha is a water pipe, popular in many Arab countries, in which tobacco that is often fruit-scented can be smoked through a hose or tube. In June 2014, there was a significant seizure of shisha tobacco in Drogheda from an organised crime group believed to be operating and supplying illicit tobacco products on both sides of the border and in Great Britain.

Ireland is the first EU state planning to introduce legislation enforcing tobacco companies to use plain packaging on all tobacco products sold in the jurisdiction. There are conflicting predictions by various parties involved in the tobacco trade / law enforcement on the potential impact that this will have on the illicit trade. One concern is that it will be more difficult for consumers to differentiate between illicit/genuine packs<sup>57</sup>. In Northern Ireland a move towards plain packaging has been discussed; however the Department of Health feel there should be a UK wide approach so the issue is not being promoted locally at the current time.

## CASE STUDY

In June 2014, Irish Revenue Commissioners and An Garda Síochána seized 32 million illicit cigarettes and almost five tonnes of shisha tobacco at Drogheda Port. At the time of the seizure it represented the largest seizure of cigarettes in Europe to date this year. HMRC subsequently carried out follow up searches in England, and PSNI and HMRC officers carried out searches in the south Armagh area. One male company director was arrested on suspicion of tobacco smuggling.



## VEHICLE CRIME

Vehicle crime can often be a highly organised criminal activity that provides significant finances for criminal groupings. This form of crime is not an isolated activity and stolen vehicles are frequently used to finance other criminal ventures or for logistical purposes in burglaries, drug trafficking or violent endeavours. The onward sale to innocent buyers frequently occurs via internet adverts and can subsequently involve a number of scams, all with the intention of distancing the criminal from the buyer. Also vehicles can be stolen in this manner, for example when false bank drafts are used by criminals in a private sale. It is important for members of the public to be vigilant when purchasing a second-hand vehicle or making a sale.

The market for stolen car parts has been growing in recent years, whilst interest in the fraudulent sale of whole stolen vehicles appears to be declining. On both sides of the border, an increased number of 'Chop Shops' have been detected where criminals are actively running illegal dismantling operations. It is believed that some of the car parts are being exported, mainly to Eastern European countries. There are evident cross border links to this activity and searches conducted on either side of the border have resulted in the discovery of vehicles from both jurisdictions.

The repair and maintenance of vehicles now appears to be aided by sourcing parts from stolen vehicles such as airbags, engines, gear boxes and body panels, amongst other items. In Ireland, there has been cases where imported crashed/written off cars were being repaired using parts from a stolen car of the same make. The repaired car was subsequently sold to an unsuspecting buyer at a competitive price. The individuals involved in this can be very skilled and whilst the vehicle may be visually perfect thus appearing like a genuine undamaged car, faulty air bags can be fitted or electronic circuits bypassed to prevent faults being highlighted on the dashboard. Consequently, these vehicles present serious safety risks.

Reflecting the economic downturn, there is reduced demand on both sides of the border for construction plant and machinery. However it is believed that some plant machinery will still be stolen here and shipped abroad.

The trend of 'Ghost Thefts' is occurring across the island of Ireland and across Europe in general. Vehicles are stolen without the original keys being taken from the owners using hi tech electronic devices that mimic the signal emitted by key fobs. Some high powered vehicles have been identified as particularly vulnerable to this form of theft. As detailed above, some of these cars are being dismantled for the car parts market.

### CASE STUDY

Following the identification of cross border car theft operation in Newry, Co. Down, PSNI and An Garda Síochána began a proactive investigation focussing on an Eastern European organised crime group specialising in the theft of high value BMWs. In May 2014, a search operation was conducted at a garage in Co. Fermanagh and a number of stolen vehicles were recovered as well as car parts suspected to be from other stolen vehicles. These vehicles had been stolen on both sides of the border. Four Latvian nationals were arrested at the scene.

In April 2014, a Latvian national was also arrested in Newry, Co. Down following co-operation between Gardai and PSNI. The premises involved was suspected of being used for the purpose of dismantling stolen vehicles and a substantial number of vehicles/parts were recovered by the PSNI. Some of these vehicles had been stolen in Ireland.





## Footnotes

- <sup>1</sup> 'Over 1,000 Irish pubs 'forced out of business' by the recession', article by Eoin Burke Kennedy published in Irish Times on 15/07/2014
- <sup>2</sup> Data obtained from Annual Reports 2012 and 2013, published on [www.revenue.ie](http://www.revenue.ie)
- <sup>3</sup> 'Illicit trade – an Irish and global challenge', produced by Grant Thornton Ireland, 2014
- <sup>4</sup> Sample size of 1,000 matching gender, age, social class and region of Irish population. Completed online.
- <sup>5</sup> Price Waterhouse Coopers (October 2013). Counterfeit goods in the UK: Who is buying what, and why?
- <sup>6</sup> 'The Illicit Trafficking of Counterfeit Goods and Transnational Organized Crime', produced by the United Nations Office on Drugs and Crime, published 2014
- <sup>7</sup> "Tiger kidnaps involve the abduction or holding of a hostage (or the claim of having done so) with the intention of forcing another person to facilitate the immediate theft of valuables or concede some other form of ransom from an institution or business organisation."
- <sup>8</sup> National Crime Agency
- <sup>9</sup> All prevalence rates in this section have been taken from 'Drug Use in Ireland and Northern Ireland. Drug Prevalence Survey 2010/11: Regional Drug Task Force (Ireland) and Health and Social Care Trust (Northern Ireland) Results.' Treatment data has been taken from 'Trends in treated problem drug use in Ireland 2005 to 2010', published by the Health Research Board in 2011 and NISRA Northern Ireland Drugs Misuse Database statistics.
- <sup>10</sup> Lifetime Prevalence Rate NI: 24% and Ireland: 25%. 'Drug Use in Ireland and Northern Ireland', Drug Prevalence Survey 2010/2011: Regional Drug Task Force (Ireland) and Health and Social Care Trust (Northern Ireland) Results
- <sup>11</sup> Drug Use in Ireland and Northern Ireland 2010/11 Drug Prevalence Survey: Cannabis Result, Bulletin 3, published by National Advisory Committee on Drugs and Alcohol 2013
- <sup>12</sup> Data retrieved from tables provided by Health Research Board's National Drug Treatment Reporting System (NDTRS), accessible through the National Documentation Centre, [www.drugsandalcohol.ie](http://www.drugsandalcohol.ie)
- <sup>13</sup> DHSSPSNI. Statistics from the Northern Ireland Drug Misuse Database: 1 April 2012 – 31 March 2013.
- <sup>14</sup> Moore et al, The Lancet 2007; 370:319-28
- <sup>15</sup> "Synthetic Marijuana: What It Is and Why It Should Be Banned", article by Forbes, dated 03/30/2012, available on [www.forbes.com](http://www.forbes.com)
- <sup>16</sup> 'Kansas lab looked at synthetic marijuana's effect on brain', <http://www.columbiamissourian.com/a/123037/kansas-lab-looked-at-synthetic-marijuanas-effect-on-brain/>
- <sup>17</sup> The Global Drug Survey 2014 Findings, available at [www.globaldrugsurvey.com](http://www.globaldrugsurvey.com)
- <sup>18</sup> 'A Total of 120 Synthetic Marijuana Deaths Recorded in Texas in Past Week', article published on Science World Report, dated 7th May 2014, <http://www.scienceworldreport.com/articles/14544/20140507/total-120-synthetic-marijuana-deaths-recorded-texas-past-week.htm>
- <sup>19</sup> United Nations Office on Drugs and Crime (2014). World Drug Report 2014.
- <sup>20</sup> 'Word Drugs Report 2014', published by United Nations Office on Drugs and Crime, June 2014
- <sup>21</sup> National Strategic Assessment of Serious and Organised Crime 2014, published by National Crime Agency, 1st May 2014
- <sup>22</sup> Perspective on Drugs, Synthetic drug production in Europe, produced by EMCDDA, updated 16/05/2014
- <sup>23</sup> 'Exploring methamphetamine trends in Europe', published by EMCDDA, January 2014
- <sup>24</sup> OC Data Scan Threat Profile 201-2013 "Vietnamese OCGs driving the Crystal Meth market in Europe", received 24/09/2013
- <sup>25</sup> EMCDDA (2014). European Drug Report: Trends and developments, 2014.



- <sup>26</sup> 'Dangerous synthetic drugs hit the EU market', article published by EMCDDA online on 05/03/2014
- <sup>27</sup> OCTF Annual Report and Threat Assessments 2014, 2013 and 2012.
- <sup>28</sup> [http://www.nisra.gov.uk/archive/demography/publications/drug\\_deaths/Drug\\_Tables\\_13.xls](http://www.nisra.gov.uk/archive/demography/publications/drug_deaths/Drug_Tables_13.xls)
- <sup>29</sup> [http://www.hrb.ie/uploads/tx\\_hrbpublications/NDRDI\\_web\\_update\\_2004-2011\\_220114\\_01.pdf](http://www.hrb.ie/uploads/tx_hrbpublications/NDRDI_web_update_2004-2011_220114_01.pdf)
- <sup>30</sup> Falsified medicines may be counterfeited or authentic but the packaging/labelling could be falsified, or supplied without a valid prescription.
- <sup>31</sup> Grant Thornton (2014). Illicit trade: an Irish and global challenge.
- <sup>32</sup> "European Drug Report, Trends and Developments", published by European Monitoring Centre for Drugs and Drug Addiction 2014
- <sup>33</sup> "European Drug Report, Trends and Developments", published by European Monitoring Centre for Drugs and Drug Addiction 2014
- <sup>34</sup> Re-establishing Contact: A profile of clients attending the Heath Promotion Unit – Needle Exchange at Merchants Quay Ireland, published May 2013 by Merchant Quay Ireland
- <sup>35</sup> NISRA Drug related deaths and deaths due to drug misuse figures 2013.  
[http://www.nisra.gov.uk/archive/demography/publications/drug\\_deaths/Drug\\_Tables\\_13.xls](http://www.nisra.gov.uk/archive/demography/publications/drug_deaths/Drug_Tables_13.xls)
- <sup>36</sup> The Illicit Drug Trade Through South-Eastern Europe, published by UNODC, March 2014
- <sup>37</sup> New customs agreements were agreed between Kazakhstan, the Russian Federation and Belarus in 2010
- <sup>38</sup> Europol Scan Threat Notice 015-2013 on 'Heroin trafficking to Europe via the Central Asian Republics', 02/10/2013
- <sup>39</sup> Europol (2013). EU Serious and Organised Crime Threat Assessment.
- <sup>40</sup> "Food fraud becomes food crime when it no longer involves a few random acts by 'rogues' within the food industry but becomes an organised activity perpetrated by groups who knowingly set out to deceive and/or injure those purchasing a food product." HM Government, Elliott Review in the Integrity and Assurance of Food Supply Networks – interim report, December 2013.
- <sup>41</sup> 'Illicit trade an Irish and global challenge', report published by Grant Thornton Ireland, 2014
- <sup>42</sup> HM Treasury (February 2007). The financial challenge to crime and terrorism.
- <sup>43</sup> 'Illicit trade an Irish and global challenge', report published by Grant Thornton Ireland, 2014
- <sup>44</sup> Used in agricultural vehicles, trains, construction/industrial machinery, commercial sea navigation and home heating
- <sup>45</sup> Illicit Trade an Irish and Global Challenge, published by Grant Thornton, published 2014. Available through [www.grantthornton.ie](http://www.grantthornton.ie)
- <sup>46</sup> Figures from the Consumer Council
- <sup>47</sup> HMRC (2013). Measuring Tax Gaps 2011-12.
- <sup>48</sup> Illicit Trade an Irish and Global Challenge, published by Grant Thornton, published 2014. Available through [www.grantthornton.ie](http://www.grantthornton.ie)
- <sup>49</sup> Answer to PQ:Proposed Legislation (Marriages of Convenience), available at <http://www.nascireland.org/campaign-for-change/immigration-residence-protection-bill/residency-immigration-residence-protection-bill/pq-proposed-legislation-marriages-of-convenience/>
- <sup>50</sup> [http://www.coe.int/t/dghl/monitoring/trafficking/Flags-sos\\_en.asp](http://www.coe.int/t/dghl/monitoring/trafficking/Flags-sos_en.asp)
- <sup>51</sup> NISRA (2014). Health Survey Northern Ireland [http://www.dhsspsni.gov.uk/index/stats\\_research/stats-public-health.htm](http://www.dhsspsni.gov.uk/index/stats_research/stats-public-health.htm)



- <sup>52</sup> Information from the Irish Tobacco Manufacturer's Association <http://www.itmac.ie>
- <sup>53</sup> There are 1,380,100 adults in NI (over the age of 18. From 2011 census data) and 3,325,643 adults in Ireland (over the age of 20. From 2011 census data). 24% smokers in NI = 331,224 people, plus 29% smokers in Ireland = 964,436, overall total of 1,295,660. 12 cigarettes per day by 1,295,660 people = 15,547,920 (777,396 packets of 20). Annually = 283,749,540 packs of 20.
- <sup>54</sup> Information from Tobacco Manufacturer's Association <http://www.the-tma.org.uk/tma-publications-research/facts-figures/uk-cigarette-prices/>
- <sup>55</sup> Information from Tobacco Manufacturer's Association. <http://www.the-tma.org.uk/policy-legislation/taxation/> and from the Irish Tobacco Manufacturer's Association (ITMAC) <http://www.itmac.ie>
- <sup>56</sup> Press Release from European Commission, European Anti-Fraud Office, available from [http://europa.eu/rapid/press-release\\_OLAF-11-3\\_en.htm](http://europa.eu/rapid/press-release_OLAF-11-3_en.htm) and also <http://propertymarbella.wordpress.com/2013/06/25/54-illegal-cigarette-factories-revealed-in-europe/>
- <sup>57</sup> Response to Oireachtas Joint Committee on Health and Children Request for Written Submissions on the Outline Heads of the Public Health (Standardised Packaging of Tobacco) Bill 2013, submitted by JTI Ireland, 15th January 2014 available at <http://www.itmac.ie/wp-content/uploads/2014/02/JTI-Submission-Health-Committee-13-Feb-2014.pdf>. On this particular point, they refer to the report 'The Impact of Plain Packaging on the Illicit Trade in Tobacco Product', published by Professor Alan Zimmerman and Professor Peggy Chaudhry on 29th June 2012, available at [http://www.peggychaudhry.com/publications/Impact\\_on\\_illicit\\_trade.pdf](http://www.peggychaudhry.com/publications/Impact_on_illicit_trade.pdf)







# Notes

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